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P&G to unveil refill packs

By Laurie Freeman

Procter & Gamble Co., in the first of several environmental initiatives planned through 1990, is scheduled to unveil the U.S. introduction of a refill package for cleaning products.

P&G will hold a press conference in Washington Nov. 15 to announce the development. The refill package for a single product will be tested in the Baltimore/-Washington area.

The packaging concept has been very successful in international markets. Since 1988, P&G has marketed soft-plastic refill pouches of detergents, fabric softeners and other cleaning products in Europe. This fall it introduced similar packaging in Canada under the Enviro-Pak name.

In Canada, P&G is selling Liquid Tide detergent, Ivory dishwashing liquid, Downy fabric softener and Mr. Clean household cleaner in Enviro-Paks, and it's believed one of those products will be used in the U.S. refill pack.

A TV and print campaign will emphasize how the less bulky refill package produces less waste.

"When we introduce the refill pack, we will talk about the environmental benefits," said Carol Boyd, spokeswoman.

P&G paved the way for refill packages and other environmental projects with an October letter from President John Pepper to the nation's top retailers.

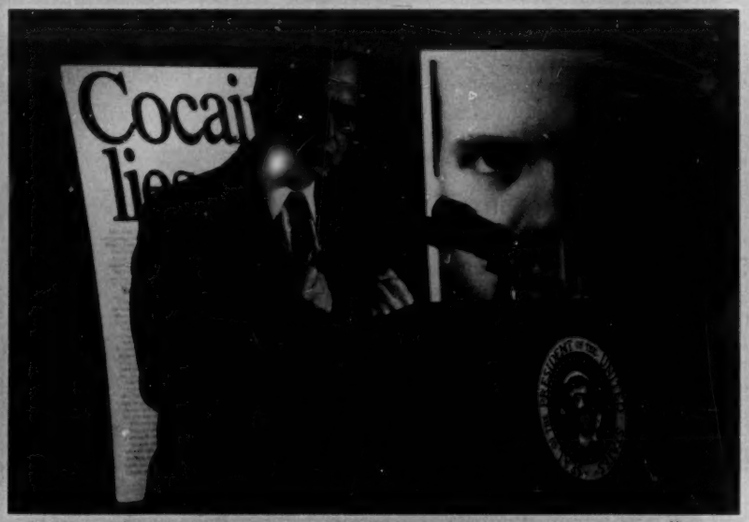
In the letter, Mr. Pepper described P&G's commitment to finding solutions to the problem of solid waste. P&G is also said to be developing recycling projects with major retailers, including Wal-Mart Stores.

"In concept-testing, American consumers said they preferred different packaging than what we offer overseas. The U.S. refill pack will be more convenient . . . to use."

Wal-Mart earlier made known its commitment to environmentally responsible products when it informed vendors and suppliers it would highlight all products that help prevent future environmental problems (AA, Aug. 21).

Last week, the chain began airing a 60-

(Continued on Page 69)



Art Stein

President Bush holds a meeting with ad industry leaders on the anti-drug effort.

'Extraordinary' Bush praises anti-drug effort

By Steven W. Colford

WASHINGTON—President Bush last week lauded agencies and media for supporting his anti-drug effort, and turned up the heat for more time and space.

At a special White House briefing, President Bush stood before some 150 network, agency and corporate leaders and said: "What you are setting out to do, commit $1 million a day, every day, for three years, is truly extraordinary and an effort I personally want to see succeed because it is so important to our struggle against drugs."

He said the industry's Media-Advertising Partnership for a Drug-Free America "is producing hard-hitting, carefully targeted messages, effectively tackling the drug issue from the demand side.

"No one understands demand psychology like you. By applying your marketing experience and advertising talent to unsell drug use and users, your ads are managing to induce a nationwide ideological allergy to illegal drugs."

In an 8-minute address, the president said that "never before in the history of man have such energy and talent and resources been devoted to getting people *not* to buy something."

Since the partnership's first anti-drug commercial in March 1987, the group—an industry volunteer organization—has placed more than $310 million of such messages in the print and electronic media. The president in a televised speech in September asked for $365 million annually in time and space.

James Burke, chairman of the partnership and former chairman-ceo at Johnson & Johnson, and William Bennett, director of the Office of National Drug Control Policy, shared the stage with President Bush. They urged the audience to donate more "free" time and space.

"So far, the cooperation of the media has been impressive," said Mr. Burke. "So,

(Continued on Page 69)

Sears heavies TV; papers take cuts

By Kate Fitzgerald and Janet Meyers

NEW YORK—Sears, Roebuck & Co. said it will substantially increase its TV and radio advertising in 1990 and cut back on newspaper ads to make its "everyday low price" strategy succeed.

Sears has scheduled a meeting with newspaper industry representatives in Chicago for Nov. 21, where it will unveil its 1990 newspaper ad budget, a spokesman said.

Newspaper industry sources said Sears indicated it may cut back on print advertising in smaller markets next year.

At its annual meeting with analysts last week, Chairman, President-CEO Edward Brennan conceded Sears' everyday low pricing plan requires several adjustments, including communicating its message more effectively.

Sears launched the everyday low price strategy last March amid the biggest ad blitz in its history, trumpeting its switch to lower overall prices instead of weekly sales on selected merchandise.

But despite spending an estimated $90 million to advertise the program, results have been disappointing. The Merchandise Group's income fell 3% in the third quarter to $278.3 million compared with the same period in 1988. Sears' October sales were just 0.7% higher than the year-ago period *(see related story on Page 3)*.

Merchandise Group Chairman Michael Bozic said the company's advertising media mix is partly to blame for the disappointing results.

"When we made the announcement that we were switching to everyday low pricing [on Oct. 31, 1988], we were too late to buy

(Continued on Page 68)

LAST MINUTE NEWS

Tobacco efforts under fire

HOUSTON—Doctors Ought to Care, an anti-smoking group, wants the federal government to look into what it says are cases of marketers subverting the 1971 broadcast ban on tobacco advertising. The founder, Dr. Alan Blum, said the group is petitioning the U.S. Department of Justice to look at Philip Morris Cos.' "Bill of Rights" campaign now running on network TV *(see Hot Stuff on Page 3)*. He said the organization has also filed a complaint with the Justice Department over a Home Box Office program, "Inside the NFL," which he called "a veiled ad" for U.S. Tobacco's Skoal Bandit chewing tobacco.

Nissan starts '90 ads

CARSON, Calif.—Nissan on Nov. 13 starts its formal 1990 model-year advertising with estimated spending of $200 million-plus. Spots for the 1990 Stanza sedan broke in October (AA, Oct. 9). The campaign, themed "Fantasy," attempts to build on the previous "Human Engineering" concept. At least six spots depict fantasies, such as Nissan vehicles outrunning motorcycles, race cars and even a fighter jet. Model Christie Brinkley and actor Ken Wahl appear in the spots. The centerpiece spot, featuring Nissan's top-of-the-line 300ZX Turbo, will break nationally on the Super Bowl telecast next year. The campaign retains the "Built for the human race" tagline. Chiat/Day/Mojo,

(Continued on Page 8)

INSIDE

Media synergies ..... P. 4
Kraft General Foods consolidates its media services into a single unit.

Timely delivery ..... P. 10
Meredith and Murdoch magazines join Time Warner's private delivery project.

Price hike ..... P. 68
TV networks' strong ratings may lead to first-quarter price increases.

Campbell gets new bottom-line accent

By Judann Dagnoli

Campbell Soup Co. is about to enter a period of layoffs, plant closures and divestitures. But company executives insist its traditionally heavy emphasis on advertising and marketing will remain intact.

The abrupt early retirement of President-CEO R. Gordon McGovern, 63, last week was the first sign of a stricter emphasis on the bottom line at the soup giant.

"The take on Campbell was always that it was fat and happy. But now, I don't think it will be as pleasant a place to work," said a securities analyst attending a Nov. 2 meeting with company executives.

Executives who talked tough about the bottom line at the meeting were Campbell USA President Herb Baum, 53, and corporate Senior VP-Chief Financial Officer Edwin Harper, 47. The two are succeeding Mr. McGovern on an interim basis and are the two in-house candidates competing for the permanent post.

Campbell is also looking outside for leadership; a decision is expected by January.

To trim costs and fatten profits, "every business will come under the microscope," Mr. Baum said. "We will look at people, operating efficiencies and market trends to see [that these businesses] are alive and well."

He added that "if a business does not meet our objectives and there's no future, we will not be shy about taking action."

Sources said Messrs. Baum and Harper will compete fiercely for the top job, doing whatever is

(Continued on Page 72)

Doug Goodman

Herb Baum (l.) and Edwin Harper take inventory of Campbell's changes.

Midler 'sound-alike' win means creative changes

By Marcy Magiera

LOS ANGELES—One day after Bette Midler won her "sound-alike" lawsuit against Young & Rubicam, an agency here learned it may face similar charges.

Asher/Gould was notified Oct. 31 that singer Patti Page planned to file suit over a TV commercial the agency created for American Savings & Loan. The spot, which ran earlier this year, included a rendition of "Old Cape Cod," a number popularized by Ms. Page in the 1950s.

The suit will be filed this week, said Jack Rael, Ms. Page's manager and business-partner. Ms. Page's suit is being handled by Arrow, Edelstein & Laird, the same law firm that represented Ms. Midler.

Singers aren't the only ones encouraged by Ms. Midler's success. Vanna White of the TV quiz show "Wheel of Fortune" has sued Samsung Electronics America and its agency, Deutsch, New York, for a TV spot promoting the company's VCRs.

The spot in question features a robot on a game show set, which Ms. White maintains attacks her credibility as a TV presenter. The suit, filed in U.S. District Court here, is scheduled for trial early next month.

Other lawyers predict similar suits will follow and that agencies will rethink any ideas they have about creating ads that feature celebrity voices or likenesses.

A U.S. District Court jury here awarded Ms. Midler $400,000 in damages for a 1985 Y&R TV spot for Ford Motor Co.'s Mercury Sable that imitated the singer's voice (AA, June 27, 1988).

A week earlier, a judge dismissed Ford as a defendant.

Y&R issued a terse statement, saying it was caught in the middle of a changing standard and calling the decision "unfortunate but bearable."

"We were following the law as it existed in 1985," the statement said in part. "The interpretation of the law did not change until yesterday. Until then you had to buy rights of songs and arrange-

(Continued on Page 72)

McElligott nears decision

By Bob Geiger

MINNEAPOLIS—Tom McElligott is coming back to advertising, but not to the city he helped put on the ad map.

The former creative director of Fallon McElligott last week said he'll possibly decide this week between two job offers. "It will be resolved in the not-so-distant future," he said.

Mr. McElligott, 46, wouldn't disclose the two agencies he's considering, but one source said they're Chiat/Day/Mojo, Venice, Calif., and Hal Riney & Partners, San Francisco. Sources said they believe Riney has the edge.

Foote, Cone & Belding, Chicago, and Ogilvy & Mather, New York, also have been mentioned as landing spots for Mr. McElligott.

T. McElligott

Mr. McElligott said there will be "opportunities for questions in one of two cities," but neither Minneapolis nor St. Paul is on the list.

Late last year, he announced that he'd sever ties with Fallon, the agency he co-founded in 1981.

Since then, Mr. McElligott has heard from many agencies, ranging from megashops to "a two-man shopping center agency in Montana," he said.

Mr. McElligott is largely credited with Minneapolis' rise as an ad market, and though local ad executives expressed regret that he's leaving, they didn't expect him to stay.

"I think it's an emotional loss," said Gary LaMaster, principal of Lacey LaMaster Larson Farmer. "It's the guy who everybody credits, rightly or wrongly, with giving us the reputation we have. It's like Hal Riney leaving San Francisco."

John Olson, principal of Kruskopf Olson, said Mr. McElligott's looming departure is "unfortunate. We want to export work, not talent."

Tom Weyl, president-chief creative officer at Martin/Williams, said, "I thought, 'Someone's going to offer him so much money in New York or Los Angeles, it's just a matter of which agency does less embarrassing work.' " □

IN THIS ISSUE

Bouncing back: Gillette extends the White Rain brand to body lotion and relaunches Toni perm. ... 14

Charting Asia: Dentsu comes out on top in the ranking of Asia/Pacific ad agencies. ... 24

Future trends: Future preferences of consumers will center around highest-quality and lowest-price products. ... 28

Brewing success: Miller awards Frankenberry, Laughlin & Constable the Sharp's beer account. ... 56

No action: Saatchi & Saatchi continues talks about selling its consulting business. ... 61

Join the race: Mercedes-Benz and Saab join European automakers' increased marketing efforts. ... 64

VIEWPOINT

Considerations ... 32
Editorials ... 32
Forum ... 36
Letters ... 40
Brady's Bunch ... 42
James Brady ... 44
The Next Trend ... 44
Joe Winski ... 44

Newspapers
Peter R. Kann of *The Wall Street Journal* is selected as *Advertising Age's* first Newspaper Executive of the Year. Also a look at newspaper battles around the country.

SALES PROMOTION NEWS ... 47

Global Gallery ... 49

MEDIA

MediaWorks ... 50

PEOPLE

Photo Review ... 52
PeopleWorks ... 54
People Moving ... 54

AT&T basks in a streak of luck with outstanding performance throughout two devastating disasters—Hurricane Hugo and San Francisco's earthquake.

U.S. NewsWatch ... 20
Corrections & Clarifications ... 40
Classified ... 57
For the Record ... 67
Index to Advertisers 72

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A Japanese setting

De Beers mines hot market for diamonds

By David Kilburn

TOKYO—Japan has become a best friend to diamond marketer De Beers Consolidated Mines.

The Japanese spend $10.4 billion annually on diamond jewelry, more than any other country. Accounting for 30% of worldwide retail sales, they are just ahead of the U.S. at 29%. Japan, however, ranks second to the U.S. in total carat purchases.

Diamond marketing in Japan began in 1967 when De Beers started advertising engagement rings with the help of J. Walter Thompson Co. At that time only 6% of Japanese brides had diamond engagement rings; today, 77% do. An average of $2,600 is spent on each engagement ring.

De Beers last month launched a $7 million TV, magazine and newspaper effort to expand the market further. Another $2.1 million is going into promotion.

The campaign aims to introduce a new social custom—a husband presenting his wife with a diamond gift, called the "Sweet 10 Diamond," on the couple's 10th wedding anniversary.

Other gift occasions were studied, too, but the 10th wedding anniversary emerged not only as the most acceptable but also as the one with the greatest marketing potential.

"Diamond rings are accepted as an important part of an engagement," said Mariko Watanabe, brand manager for De Beers at JWT Japan. However, marketing diamond gifts to women directly presents some barriers. "Many Japanese women would love to own a piece of diamond jewelry, but they refrain from buying it themselves," he said.

The strategy to overcome this reluctance is to invest the new diamond gift with emotional values, as was done with engagement rings and more recently with what's called a "return gift," the present of a diamond that a woman is encouraged to buy for her fiance in return for the engagement ring. The Japanese spend an estimated $800 for a "return gift," usually a pinkie ring.

Advertising for the "Sweet 10" campaign is built around family snapshots from a real couple who celebrated their 10th anniversary this year. In the TV spot, viewers see them as if they were in pages being turned in a photo album.

Alternating with pictures from the album, a man's hand places 10 sparkling diamonds one by one on a black surface.

In Japan, about 700,000 couples get married each year. More than 93% are still married after—10 years, compared with about 60% in the U.S. Only 48% of Japanese women own diamond jewelry, compared with 77% in the U.S.

"The Sweet 10's market potential is clearly enormous," said Gus Iizuka, VP-director of client service for De Beers at JWT Japan. □

Japan's Dentsu is dominant in Asia/Pacific

By Julie Skur Hill

Japanese powerhouse Dentsu reports in as the world's top agency network in the Asia/Pacific region in *Advertising Age's* first ranking of the area's agencies.

The strong Asian-based agencies, garnering the bulk of their total worldwide gross income from the 13-country area, dominate the region.

The 13 countries in the region are New Zealand, Australia, Thailand, Japan, the Philippines, Singapore, India, South Korea, Indonesia, Malaysia, Pakistan, Taiwan and Sri Lanka.

Rankings are based on gross income in dollar amounts that a network derives from the region. Only two of the top 10 worldwide networks aren't based in Japan.

As a result, *Ad Age* created a second ranking to show how the non-Asian networks stack up in the region. McCann-Erickson Worldwide, New York, ranking No. 6 in the tough worldwide competition, came out on top of the non-Asian agency list.

Tokyo-based Dentsu, the world's largest agency, is starting to build its presence outside its homeland. However, the agency's strength in Japan and the power of the yen against the dollar enabled Dentsu to leave its competition in the dust. Dentsu pulled in $1.2 billion in gross income from the region in 1988.

Predictably, Hakuhodo, Japan's No. 2 agency, holds the same rank in the Asia/Pacific. Hakuhodo's gross income for the region grew 36% in 1988 to $522.2 million.

The Asia/Pacific agency rankings for Nos. 3, 4 and 5 read much like those rankings for Japan itself.

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FUTURE!

Leading agency networks in Asia/Pacific

Top 10 networks

Rank	Network	'88 Asia/Pacific gross income	% change over '87	'88 Asia/Pacific billings	% change over '87
1	Dentsu	1,163,949	16.7%	9,013,854	17.9%
2	Hakuhodo	522,193	36.2	3,939,137	36.0
3	Daiko Advertising	161,795	NA	1,278,142	NA
4	Dai-Ichi Kikaku	141,867	29.6	977,669	16.9
5	Tokyu Agency	134,636	28.4	1,115,241	34.9
6	McCann-Erickson Worldwide	126,920	31.8	846,556	31.8
7	Asatsu	104,992	43.1	755,312	38.3
8	I&S Corp.	96,745	47.0	691,039	27.9
9	Yomiko Advertising	89,970	39.1	660,332	38.4
10	Backer Spielvogel Bates Worldwide	79,407	41.9	516,946	40.1

Top 15 non-Asia-based networks

Rank	Network	'88 Asia/Pacific gross income	% change over '87	'88 Asia/Pacific billings	% change over '87
1	McCann-Erickson Worldwide	126,920	31.8%	846,556	31.8%
2	Backer Spielvogel Bates Worldwide	79,407	41.9	516,946	40.1
3	Mojo MDA	60,297	40.7	374,748	39.5
4	J. Walter Thompson Co.	56,843	15.1	377,404	15.4
5	HDM	46,894	35.8	337,635	35.8
6	Saatchi & Saatchi Advertising Worldwide	45,422	34.8	279,738	36.3
7	Young & Rubicam	43,865	19.1	302,270	19.6
8	Leo Burnett Co.	41,326	36.9	272,028	35.2
9	Ogilvy & Mather Worldwide	41,213	5.9	266,610	6.5
10	BBDO Worldwide	37,892	34.4	239,342	35.3
11	DDB Needham Worldwide	36,273	28.8	225,278	28.0
12	D'Arcy Masius Benton & Bowles	34,580	16.5	226,543	19.8
13	Lintas:Worldwide	30,774	12.4	205,264	12.4
14	FCB-Publicis	14,966	26.8	99,829	26.8
15	Grey Advertising	14,700	NA	98,049	NA

Dollars in thousands. Young & Rubicam uses HDM's Asia/Pacific network, with the exception of Australia and New Zealand, where Y&R maintains offices. Chiat/Day, Venice, Calif., and Mojo MDA merged July 1989, creating Chiat/Day/Mojo. MDA Mattingly was acquired by HDM earlier in 1989. Gross income and billings figures for Grey Advertising were supplied by the agency. Grey would not disclose equity percentage holdings. Dentsu supplied the figures in the chart, adjusted according to equity holdings, for the following: Dentsu Inc., Tokyo; Dentsu domestic units including HDM (Japan), HDM/DSH (Japan) and Dentsu Wunderman Direct plus offices in six other Asian countries. In the "Foreign Agency Income" issue (AA, March 29), Daiko Advertising only submitted figures for its main office. Here, however, figures include equity-adjusted totals from subsidiaries and affiliates. *Source:* Advertising Age

within Japan, Dai-Ichi Kikaku, is No. 3 and Daiko Advertising, Osaka, is No. 4. On the Asia/Pacific chart, those two agencies change places. Tokyu Agency, Tokyo, ranks No. 5 on both.

McCann, one of the few Western agencies with a proven track record in Japan, is boosted by McCann-Erickson Hakuhodo in Tokyo, one of the few successful Japanese-U.S. agency joint ventures.

McCann is followed in the Asia/Pacific rankings by Japan-based Asatsu, I&S Corp. and Yomiko Advertising, coming in at Nos. 7, 8 and 9, respectively.

Backer Spielvogel Bates Worldwide, New York, placing No. 10 in the worldwide rankings, is McCann's closest Western rival.

Still, Backer's gross income from the region of $79.4 million is 37% lower than McCann's.

While McCann derives 19.3% of its worldwide gross income from the Asia/Pacific, Backer pulls in only 11.1%.

Among non-Asian agencies, the former Mojo MDA, Sydney, now part of Chiat/Day/Mojo and HDM Mattingly, ranks No. 3. The Australian agency group, including its Mattingly division, drew 83.7% of its worldwide gross income from the Asia/Pacific region.

J. Walter Thompson Co., New York, made 10.2% of its worldwide gross income in the Asia/Pacific, pulling in $56.8 million from the region. This well-established international network placed fourth among the non-Asians.

HDM—the joint venture of Young & Rubicam, New York; Havas, Paris; and Dentsu—nudged New York-based Saatchi & Saatchi Advertising Worldwide out of fifth place on the non-Asian rankings.

HDM pulled in 16.8% of its worldwide gross income from the region, while Saatchi claimed 6.1% of its worldwide gross income from the Asia/Pacific.

No. 9 Ogilvy & Mather Worldwide, New York, proved that an agency doesn't have to be strong in Japan to rank among top 10 non-Asian agencies.

O&M is still looking for opportunities to re-enter Japan after pulling out of Asia's largest market last year. BBDO Worldwide, ranked No. 10 among the non-Asians, holds equity in Japan's Asatsu, Tokyo, as well as assorted shops around the region. □

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Name	Publication Date	Size	Zones
Employment Outlook	Jan. 7	Tabloid	–
Midwinter School Guide	Jan. 7	Tabloid	–
Bears Playoff	Jan. TBA	Tabloid	–
Auto Show I	Feb. 11	Broadsheet	4
Auto Show II	Feb. 15	Broadsheet	4
Personal Finance	Feb. 25	Tabloid	4
School Guide	March 4	Tabloid	–
Technology and the Workplace	March 18	Tabloid	–
Baseball	April 1	Tabloid	–
Spring Dwelling	April 13	Tabloid	4
Spring School Guide	April 29	Tabloid	–
Spring Dining Guide	May 6	Tabloid	4
Academic All-Stars	May 6	Broadsheet	–
Home Electronics	June 1	Tabloid	4
U.S. Open Section	June 10	Tabloid	–
Fall School Guide	Aug. 5	Tabloid	–
Fall Dwelling	Aug. 10	Tabloid	4
Pro Football	Sept. 9	Tabloid	–
Fall Dining Guide	Oct. 7	Tabloid	4
Technology and the Workplace	Nov. 18	Tabloid	–
'tis the Season*	Nov. 23	Tabloid	9
Winter School Guide	Nov. 25	Tabloid	–
Holiday Celebration Guide	Dec. 2	Tabloid	4
Tribune PLUS Holiday Wrap	Dec. 5 & 6	Tabloid	9
Treasures, Trinkets, &Trimmings*	Dec. 9	Tabloid	9
Tribune PLUS Holiday Wrap	Dec. 19	Tabloid	9

*Advertising only—no editorial

Dailies' circulation rebounding

Decline in 'WSJ' numbers slows

By Ira Teinowitz

The latest Audit Bureau of Circulations report offers generally good news for the newspaper industry, with circulation up in virtually every major market.

The report for the six months ended Sept. 30 is in sharp contrast to just six months ago when a spate of circulation decreases prompted industry concerns and a national conference to find ways to lure new readers (AA, May 1).

One exception to the upward trend was *The Wall Street Journal*, whose circulation slide continued, though at a lesser rate.

Other papers reporting declines included the *Chicago Sun-Times*, *New York Daily News* and the now-shuttered *Los Angeles Herald Examiner*.

Among the gainers, *The Dallas Morning News* reported adjusted daily circulation up 4.9% to 382,335 *(see chart)*; *The Denver Post* grew 4% to 240,162 in daily circulation; and the *Rocky Mountain News* reported Sunday circulation rose 3.9% to 404,480.

USA Today also grew, with average circulation up 4.3% to 1,396,738 when adjusted for the paper's larger Friday edition.

Conversely, *WSJ* has had circulation declines since the October 1987 stock market plunge. In the past year, the paper has added a third section, a marketing column and changed ad agencies in an attempt to boost circulation.

Roger May, Dow Jones & Co. director of corporate relations, said the 1.8% decline to 1,835,713 for the latest period represented progress since the rate of decline had slowed.

"We look on this as a brightening figure," he said. "The deficit narrowed since our March 1989 circulation figures, and the indication is that we are pulling off the crash. We are also getting good reception to three sections and have a good renewal rate. We are gaining."

Officials at the *Chicago Sun-Times* didn't return phone calls about the latest figures, showing the paper down 7.5% in daily circulation to 535,864 and down 6.2% in Sunday circulation to 563,148. The figures give the *Sun-Times* its lowest daily circulation in 20 years and its lowest Sunday circulation in 34 years.

■ The Audit Bureau of Circulations' latest figures update those contained in this issue's "Special Report" on newspapers.

Meanwhile, the rival *Chicago Tribune* gained 2.3% in Sunday circulation to 1,122,977 and 0.6% in daily circulation to 720,155.

In New York, the *Daily News* continued its slide with circulation down 6.8% to 1,194,237 daily and down 9.3% to 1,422,861 on Sundays.

The numbers are "no surprise. They are consistent with our plans to re-establish a more efficient circulation base," said Tom Iaquinta, VP-circulation.

Mr. Iaquinta said the paper has been concentrating its efforts on New York and its close-in suburbs that most benefit advertisers with the result that circulation outside has fallen. He said that within the paper's core market, circulation is within 2% of what it was in 1987.

The *New York Post* also reported a circulation decline, down 7.8% to 507,568 daily. (The soon-to-be dead *Sunday Post* reported circulation of 229,142.)

President Valerie Salembier attributed the drop to the *Post's* hike in circulation price to 40¢ from 35¢ a year ago.

"We dropped a lot of readers, but the demographic improvement has been phenomenal," she said.

Both *The New York Times* and *Newsday* reported increases, though *Newsday's* Sunday sales were off slightly.

In Los Angeles, the announcement of the *Herald Examiner's* closing came only hours after release of its circulation figures. The paper reported daily circulation of 232,437, down 1.2%, and 173,814 on Sunday, down 6.4%.

Among other papers reporting gains: the *St. Louis Post-Dispatch* was up 1.2% to 376,888 in daily circulation and 2.1% to 557,941 on Sundays; *The Boston Globe*, up 1.4% to 516,031 daily and unchanged at 787,029 on Sundays; and *The Miami Herald*, up 2.9% to 412,933 daily and 3.3% to 515,856 on Sundays. *The Miami News* ceased publication on Jan. 1.

San Francisco papers didn't report numbers—likely due to the recent earthquake—and the *Houston Chronicle* failed to file its figures. □

Newspaper circulation highlights

Average circulation for the six months ending Sept. 30, 1989, compared with average for six months ending Sept. 30, 1988.

Newspaper	Daily	% chg	Sunday	% chg
National				
Wall Street Journal	1,835,713	(1.8)%	—	—
USA Today	1,396,738*	4.3	—	—
Washington				
Post	772,749	0.4	1,126,123	1.2
Times	107,791	11.0	—	—
Baltimore Sun (combo AM, PM)	409,283	0.7	485,270	1.9
New York				
Times	1,068,217	2.8	1,628,056	1.7
Daily News	1,194,237	(6.8)	1,422,861	(9.3)
Post	507,568	(7.8)	229,142	NA
Newsday	700,174	2.8	703,424	(0.4)
Chicago				
Tribune	720,155	0.6	1,122,977	2.3
Sun-Times	535,864	(7.5)	563,148	(6.2)
Detroit				
News	690,422	1.9	832,383	0.5
Free Press	626,434	(0.4)	687,537	(3.2)
Denver				
Rocky Mountain News	345,943	0.4	404,480	3.9
Post	240,162	4.0	400,346	(2.2)
Dallas				
Morning News	382,335**	4.9	552,418	4.1
Times Herald	225,691	0.5	329,839	3.5
Houston				
Post	325,407	2.9	367,088	2.2
Los Angeles				
Times	1,107,623	(0.8)	1,412,515	1.3
Herald Examiner	232,437	(1.2)	173,814	(6.4)
Daily News	185,736	8.7	202,614	2.7
Orange County Register	343,899	3.1	395,734	3.9
Minneapolis/St. Paul				
Star-Tribune	406,292	1.3	656,145	1.7
Pioneer Press & Dispatch	200,508	4.1	260,949	2.2
Seattle				
Post-Intelligencer	203,560	(1.3)	—	—
Times	233,106	(1.7)	—	—
Times/Post-Intelligencer	—	—	503,495	0.1

**USA Today's* circulation is a weighted average of its Monday through Thursday circulation of 1,325,507 and Friday circulation of 1,681,864 compared with earlier period Monday through Friday figure. ***Dallas Morning News* circulation is a weighted average of its Monday through Thursday and Saturday circulation of 371,537 and its Friday circulation of 436,328 with similar weighting of previous period. *Source:* Audit Bureau of Circulations FAS-FAX report.

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Advertising Age

November 13, 1989

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Budweiser's sales slipping

By Ira Teinowitz

The "king of beers" is starting to look less regal.

After years of growth, Anheuser-Busch's No. 1-selling Budweiser is showing signs of softening sales.

For a long time, Bud has been virtually alone in maintaining growth in the face of consumers' switch to light beers. But that may be changing.

Concerns about Budweiser could have led in part to the recent warning from A-B Chairman August A. Busch III that the company may increase discounting (AA, Oct. 30).

Both Information Resources Inc.'s InfoScan and Nielsen Marketing Research's ScanTrack show that Budweiser's sales through early September are down from a year ago.

InfoScan, which tracks supermarket and some drugstore beer sales (but not important bar, stadium or liquor store sales), showed Budweiser trending downward from about 15.5% of the grocery/drugstore market at the start of the year to slightly less than 15% in mid-September.

Grocery/drugstore sales account for roughly 70% of total beer sales, said Jerry Steinman, publisher of *Beer Marketer's Insights*. The grocery segment alone accounts for $6 billion in sales.

ScanTrack, which also relies mostly on grocery-store data, shows Budweiser's share dropping 0.3 points to 16.5% for the same period.

In some individual markets, Budweiser's fall is greater.

ScanTrack reported the beer is down 2.1 share points in Atlanta to 19.6%; 2.8 points in New York to 26.4%; and 2.3 points in San Francisco to 29.6%.

A-B executives declined several requests for comment on the declines.

The long switchover to light beers undoubtedly is getting to the flagship brand.

Light beers have more than doubled their volume from 1980 to 1988, while the industry saw only a 5.2% volume increase, said

(Continued on Page 93)

LAST MINUTE NEWS

Ayer buys Zwiren

CHICAGO—N W Ayer reached an agreement in principle to buy Zwiren, Collins, Karo, Trusk here and will merge it with Ayer's troubled Chicago office, sources said. Zwiren, which claims billings of $29 million, handles several consumer product brands of Miles Inc., its largest client. Zwiren President Jan Zwiren will keep that post at the merged agency. Ayer's office here was left with only Leaf Inc. and DAP following the loss of Deere & Co., Illinois Bell, regional Burger King Corp. business and other accounts recently (AA, Aug. 28).

Y&R to seek dismissal

NEW YORK—Young & Rubicam is expected to move to dismiss the federal bribery and conspiracy charges stemming from its handling of the Jamaica Tourist Board account, sources said. Lawyers for Steve McKenna, a former Y&R senior VP now on leave as senior VP-chief financial officer of subsidiary Wunderman Worldwide, are expected to move to have his perjury case separated from the agency's trial. Last week, Y&R delivered a motion to the clerk at U.S. District Court in Hartford, Conn., to take depositions of members of the Jamaica Tourist Board, which selected Y&R to handle the account in 1981. A Y&R spokesman said it has affidavits from board members saying "no one attempted to influence their decision to select Young & Rubicam." Y&R has denied charges it paid Jamaican businessman Arnold Foote Jr. to bribe former Tourism Minister Anthony Abrahams to get the $8 million account.

New tobacco bill offered

WASHINGTON—Sen. Edward Kennedy (D., Mass.) on Nov. 15 will introduce a bill prohibiting cultural and sports sponsorships by tobacco marketers as well as the appearance of models in tobacco ads, sources said. The bill represents the first attempt by the Senate to restrict tobacco ads. Sen. Kennedy, a longtime cigar smoker, is chairman of the Senate Labor & Human Resources Committee that

(Continued on Page 8)

INSIDE

Postal promo ..... P. 12
The U.S. Postal Service links post offices around the world with Olympic sponsorship.

Future scoop ..... P. 56
Major changes in the next decade are revealed in Joe Cappo's "FutureScope."

Food fight ..... P. 84
Kentucky Fried Chicken fights internal battle with franchisees.

A guy's fantasy: Car and Christie

Nissan Motor Corp. USA this week breaks its 1990 campaign featuring customers' driving fantasies. In one, a male fantasizes about driving a Nissan 240SX down a twisting highway. He talks about driving with his dog Astro, then switches to girlfriend Amy, completing the fantasy with model Christie Brinkley. Chiat/Day/Mojo created the spots. See story on Page 91.

Congress eyes PM's 'Rights'

By Steven W. Colford

WASHINGTON—A congressional committee this week will question whether Philip Morris Cos.' new $60 million "Bill of Rights" ad campaign is an attempt to skirt the federal ban against broadcast tobacco advertising.

Barely two weeks out of the box, the giant consumer products company's TV and print campaign is winning critics almost as quickly as it has lured phone calls from readers interested in obtaining a copy of the Bill of Rights.

Although the campaign, by Ogilvy & Mather, New York, makes no mention of cigarettes, tobacco or smoking, it's irritated health groups and members of Congress, including Rep. Thomas Luken (D., Ohio), whose Subcommittee on Transportation & Hazardous Materials has set a hearing for Nov. 15.

Although a committee aide declined to confirm the campaign would be the focus of the hearing, the aide acknowledged the session would target "current tobacco advertising that may conflict with" the TV ad ban.

■ **Is Philip Morris' ad for Virginia Slims Superslims a ruse?—Page 94.**

That also leaves open the possibility the Luken inquiry may examine R.J. Reynolds Tobacco Co. and its recent use of direct-mail home video ads for low-tar Now cigarettes (AA, Oct. 23).

Rep. Luken "is certainly aware of" the new Philip Morris campaign, the aide said, "and Rep. Luken usually doesn't like what the tobacco companies are doing."

A Philip Morris spokesman said the company was aware of the hearings but hadn't yet, to his knowledge, been invited to attend. The committee sent notices to potential witnesses late on Nov. 8, and the U.S. Postal Service was closed Nov. 10 for Veterans Day, adding more uncertainty to who may appear before the hastily convened hearing.

"We're proud of the campaign, and it speaks for itself," said Guy Smith, VP-corporate affairs at Philip Morris. "It's about the Bill of Rights, and that's all it's about," he said, stressing that it isn't cigarette advertising.

Even as Rep. Luken prepared for his hearing, a House committee and a Senate

(Continued on Page 94)

Anti-drug boost

Yellow Pages pledge $41M in PSAs

By Steven W. Colford

WASHINGTON—The nation's Yellow Pages publishers, in one of the largest single commitments to public service advertising, have pledged more than $41 million in 1990 ad space to anti-drug messages.

In a major boost to the campaign of the Media-Advertising Partnership for a Drug-Free America, the Yellow Pages Publishers Association leapfrogged over other media with a commitment for donated space likely to exceed $50 million next year once all the pledges are in.

Only the combined total of donated media time from local TV is believed to exceed the association's contribution, said Mike Townsend, communications director for the partnership.

The contribution was disclosed to President Bush Nov. 2 when YPPA President Ray Avedian and a bevy of other agency and media heavyweights visited the White House for a briefing (AA, Nov. 6).

The contribution was included in the figures when partnership Chairman James Burke estimated the current level of contributed media to be about $300 million, or about 20% short of the partnership's goal of $365 million a year.

Barely a year old, the Yellow Pages group recognized the opportunity to siphon away a fraction of its members' annual revenues—$7.8 billion in 1988—for a high-profile cause, said Larry Small, YPPA communications director.

The association encompasses more than 300 companies, including 150 Yellow Pages publishers, and its members account for about 96% of all Yellow Pages revenues.

Among the group's members committing sizable amounts of space next year are Bell Atlantic Corp., Nynex Corp., Illinois Bell, US West and Southwestern Bell Corp.

Mr. Avedian said the association learned of the partnership and its quest for donated media in April when Lynn Mapes, the partnership's retiring media director, addressed a YPPA board meeting. Mr. Mapes then spoke at the association's annual meeting Oct. 17.

"He was overwhelmingly received," Mr. Avedian said. "There wasn't a dry eye in the house. I'd call Lynn Mapes the Billy Graham of advertising, the way he talked."

Martin/Williams, the Minneapolis agency handling the association account, has already altered some partnership-created ads for distribution to member publishers.

Besides back covers, the anti-drug messages will be sprinkled liberally throughout the directories. □

Rivals gang up on IBM

By Jennifer Lawrence

The so-called Gang of Nine is unleashing its first IBM attack ad with a 24-page insert in *The Wo'l Street Journal*.

When the group of personal computer marketers runs the ad Nov. 14, it's likely Big Blue will see red.

In an advertorial format, the group, which includes Compaq, NEC and Tandy, makes the case for open computer design standards rather than proprietary standards set by a single company.

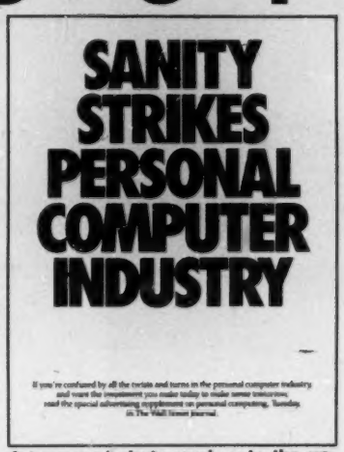
That single company is IBM Corp., though the computer giant isn't mentioned by name.

The ad supplement, featuring both editorial-type copy and page ads, sets the stage for a new generation of high-performance PCs based on Extended Industry Standard Architecture, or EISA.

IBM abandoned the industry standard 2½ years ago when it switched to Micro Channel Architecture, a proprietary pathway design for high-performance PCs.

About half a dozen companies will unveil their EISA products at the Comdex/Fall '89 trade show that starts today.

The long-awaited products will give consumers an alternative to IBM's PS/2 machines, prompting what analysts expect will develop into a heated product battle and increased advertising.



A teaser ad alerts readers to the upcoming ad supplement.

One marketing insider expects PC category spending—now at around $400 million—to jump to $500 million in 1990.

The gang, also called the EISA consortium, includes AST Research, Compaq Computer Corp., Epson America, Hewlett-Packard Co., NEC Technologies, Olivetti USA, Tandy Corp., Wyse Technology and Zenith Data Systems Corp.

The group is said to be spending more than $1 million this week alone to position EISA products against IBM's PS/2 Micro Channel Architecture machines.

The ad supplement is meant to communicate the "breadth of support" in the marketplace for EISA, said Kirk Walden, senior VP-client service director at Ogilvy & Mather, Houston, the agency that coordinated the gang's advertising.

O&M worked with client Compaq, the eight other companies and their agencies to produce the insert and a teaser ad running today in the *WSJ* and *Barron's* headlined

(Continued on Page 93)

Wall open to 'paradise'

By Dagmar Mussey and Kevin Cote

Last weekend, the Frankfurt-based chairman of Ogilvy & Mather Germany, Hans-Juergen Lange, went to visit relatives in East Germany, the first time he could freely do so in many years.

Mr. Lange, born in Leipzig, had fled with his family shortly after the end of World War II. He, like other former East Germans, has been prevented from visiting relatives' homes freely.

"This is a development nobody had expected," he said, commenting on the surprise opening Nov. 9 of the 28-year-old Berlin Wall.

But along with being reunited with family, East Germans pouring into West Germany are grabbing up Western goods and enjoying generous donations from global marketers.

Procter & Gamble Co. has been sending trucks full of Pampers disposable diapers, Ariel detergents, Blend-a-med toothpaste, Shamtu shampoo, Vicks cough drops and Punica orange juice to the various camps along the West German border.

Colgate-Palmolive Co. has also donated goods.

West Berlin, where more than 10,000 East Berliners visited for the first time Friday, is experiencing the largest shopping spree in the city's history.

"These people are wandering around in this paradise in wonderment with a look of shock and disbelief in their eyes," said Wilhelm Stratmann, chief executive of KaDeWe, West Berlin's upscale department store.

East Germans clogged KaDeWe's gourmet food and record departments, making small purchases with their East German marks.

Since the first wave of immigrants arrived in October, economists have predicted a consumer spending boom as East Germans acquire Western goods.

The economic growth could benefit the media and agencies. "We have reason to believe a free press is emerging fairly fast," said West German-born Willi Schalk, BBDO Worldwide president-chief operating officer. "I have reason to believe there are some [mem-

(Continued on Page 8)

IN THIS ISSUE

Captive audience: Whittle Communications plans to launch a satellite-delivered TV network for doctors' waiting rooms. 6

Creative edge: Major marketers turn to small agencies for some creative sparkle. 28

Steady jobs: *Ad Age* survey shows agencies' employment picture remains flat. 37

Who rules? States defend their right to enforce federal airline advertising regulations. 87

New schedule: TV networks are giving new series a longer look, holding off on programming changes until January. 90

VIEWPOINT

Considerations 47
Editorials 47
Forum 48
Letters 50
Brady's Bunch 52
James Brady 54
Joe Cappo 54
The Next Trend 54

FEATURE: BOOK WATCH 56

Grocery Marketing
Where the grocery industry is heading in the 1990s, a look at the battle for the center of the plate, the "greening" effect, the decade's best and worst products, plus what will be big in the '90s.

Global Gallery 62

MEDIA

MediaWorks 70

PEOPLE

Photo Review 72
PeopleWorks 74
People Moving 76

Toyota's biggest-ever TV campaign upholds tradition by "filming the strategy" and meeting the standard of never quite dreadful and never very good.

U.S. NewsWatch 20
Classified 81
For the Record 91
Index to Advertisers 98

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Ratios indicate hikes in ad levels

LINCOLNSHIRE, Ill.—Healthcare and electronics are among the categories expected to significantly boost ad spending this year, according to the latest study by Schonfeld & Associates.

The 13th edition of Schonfeld's study, "Advertising Ratios & Budgets," uses data from more than 5,700 public companies in more than 400 industry sectors to compile ad spending estimates and advertising-to-sales ratios. The accompanying chart shows estimated 1989 ratios for 200 of the largest ad-spending industries.

Both the hospitals and hospital and medical service plans categories will spend about 25% more this year, the study projects. The radiotelephone communications category can expect better than 28% growth, and cable and pay TV services will be up more than 20%, it says.

The data are compiled from a variety of sources, including the 10-K financial reports of publicly held companies.

Estimates and forecasts are developed through historical data.

Based on these data, the accompanying table shows industries listed by four-digit Standard Industrial Classification code, advertising expenditures as a percentage of sales and as a percentage of gross margin (sales minus cost of goods sold) and the ad expenditure growth (or decline) percentage for 1989 compared to 1988.

Eugene P. Schonfeld, author of the study, advises caution in use and intepretation of the data because:

- Expenditures included as advertising in 10-K and other financial reports may vary from company to company.
- Financial events such as mergers, acquisitions and divestitures may distort spending patterns.
- Private ownership of very large companies in specific industries may mean that some significant ad expenditures are omitted.
- Multi-industry companies are reported only in their primary industry, based on sales of their dominant line of business.

Also included in the study are forecasts for 1990 ad spending. It contains sales growth rates as well as advertising growth rates by company.

The large diversified food companies are forecast to spend $8.4 billion in advertising in 1990, up 13%. Restaurant chains will show 7.6% ad budget growth on spending of $1.5 billion, the report predicts. The amusement and motion picture industries are also expected to share in the fun with ad growth rates above 13%. Others looking at double-digit growth include airlines, health services, mail order and financial services.

Copies of the complete 222-page study are available for $295 ($285 prepaid) from Schonfeld & Associates, 1 Sherwood Drive, 60069. Phone: (312) 948-8080. Data are also available on diskettes. □

Advertising-to-sales ratios, 1989

Computed by industry.

Industry	SIC no.	Ad dollars as percent of sales	Ad dollars as percent of margin	Annual growth rate (%)
Abrasive, asbestos, misc minerals	3290	1.3	3.8	(1.0)
Adhesives & sealants	2891	4.4	9.5	11.3
Agriculture chemicals	2870	1.2	4.3	26.1
Agriculture production-crops	100	2.1	6.0	7.8
Air cond, heating, refrig equ	3585	1.5	5.8	13.3
Air courier services	4513	1.5	8.4	9.3
Air transport, scheduled	4512	1.8	16.0	12.7
Aircraft parts, aux equip, NEC	3728	0.8	3.5	9.4
Apparel & other finished prods	2300	2.9	8.0	7.2
Apparel & accessory stores	5600	2.4	5.9	11.6
Auto & home supply stores	5531	2.3	7.0	18.5
Auto rent & lease, no drivers	7510	2.8	4.0	7.7
Automatic regulating controls	3822	8.2	31.7	7.9
Bakery products	2050	1.7	3.7	4.8
Beverages	2060	9.5	17.0	11.3
Bldg matl, hardware, garden-retl	5200	4.0	8.5	(8.7)
Bolt nut screw rivets washers	3452	0.9	2.9	6.0
Books-publishing & printing	2731	3.3	8.1	10.8
Brdwoven fabric mill cotton	2211	2.8	11.7	6.9
Bttld & canned soft drinks, water	2086	2.9	6.2	15.5
Business services, NEC	7389	6.6	13.2	8.0
Cable & other pay tv services	4841	2.2	3.9	20.3
Can fruit, veg, preserv, jam, jel	2033	2.2	6.9	7.4
Can/frozen preserv, fruit, veg	2030	6.9	17.1	7.3
Carpets & rugs	2273	0.7	2.8	13.0
Catalog, mail-order houses	5961	5.7	15.8	11.0
Chemicals & allied prods	2800	2.7	6.7	13.8
Child daycare services	8351	1.6	3.5	19.9
Cigarettes	2111	5.7	12.9	9.1
Computer & software stores	5734	0.9	3.4	8.7
Computer integrated sys design	7373	1.8	3.9	12.0
Comp processing, data prep svc	7374	0.7	2.0	7.4
Commercial printing	2750	1.9	6.8	15.4
Communications equip, NEC	3669	2.1	5.6	10.1
Computer & office equipment	3570	1.2	2.7	9.7
Computer peripheral eq, NEC	3577	2.0	4.7	12.0
Computer storage devices	3572	1.1	4.1	14.2
Computer terminals	3575	2.7	8.3	5.9
Construction machinery & equip	3531	0.9	3.3	14.7
Convrt paper paprbrd, except box	2670	1.9	4.3	11.1
Cookies & crackers	2052	4.8	9.1	2.7
Cutlery hand tools, gen hrdwr	3420	10.9	21.5	10.9
Dairy products	2020	4.7	14.6	9.9
Dental equipment & supplies	3843	3.2	7.7	80.3
Department stores	5311	2.9	14.3	6.5
Drug & proprietary stores	5912	1.5	5.6	9.9
Eating places	5812	3.3	16.5	7.6
Educational services	8200	5.0	9.4	17.6
Elec meas & test instruments	3825	2.5	4.8	8.6
Electr, other elec eqp, ex comp	3600	3.1	9.2	10.7
Electric housewares & fans	3634	4.0	15.4	(10.9)
Electric lighting, wiring equip	3640	3.2	9.6	10.0
Electrical work	1731	1.2	12.6	28.1
Electromedical apparatus	3845	1.3	2.2	16.2
Electronic comp, accessories	3670	0.9	2.6	3.2
Electronic components, NEC	3679	1.4	4.7	10.6
Electronic computers	3571	5.1	10.3	14.4
Electronic connectors	3678	1.6	3.8	15.4
Electronic parts, equip-whsl, NEC	5065	1.6	5.5	12.0
Employment agencies	7361	5.7	17.8	21.3
Engines & turbines	3510	1.7	6.3	7.5
Engr acc resh mgmt rel svcs	8700	1.8	7.7	1.2
Equip rental & leasing, NEC	7359	3.7	5.7	3.9
Fabricated rubber prods, NEC	3060	0.4	1.5	52.2
Facilities, support mgmt svcs	8744	2.4	34.3	23.8
Family clothing stores	5651	1.9	5.9	9.8
Farm machinery & equipment	3523	1.4	7.6	(4.5)
Finance-services	6199	0.6	3.7	4.1
Food & kindred products	2000	7.8	18.7	13.0
Footwear, except rubber	3140	3.4	9.9	5.9
Furniture stores	5712	7.1	15.7	7.0
Games, toys, child veh ex dolls	3944	14.2	29.3	8.1
Gen med & surgical hospitals	8062	0.8	4.5	(2.5)
Glass, glassware-pressed, blown	3220	2.7	6.7	7.9
Grain mill products	2040	9.4	20.6	8.8
Greeting cards	2771	5.1	10.3	11.7
Groceries & related pds-whsl	5140	1.5	10.7	10.6
Grocery stores	5411	1.3	5.5	5.6
Guided missiles & space vehc	3760	5.3	170.1	6.4
Hardware, plumb, heat eqp-whsl	5070	1.4	12.4	9.5
Help supply services	7363	1.3	5.3	2.9
Hobby, toy & game shops	5945	1.6	5.0	11.6
Home furniture & equip stores	5700	5.0	10.3	10.5
Hospital & medical svc plans	6324	0.7	14.9	26.1
Hospitals	8060	5.0	29.7	24.9
Hotels, motels, tourist courts	7011	3.4	10.7	5.0
Household appliances	3630	4.2	14.0	77.8
Household audio & video eqp	3651	2.8	9.8	10.6
Household furniture	2510	4.8	14.6	12.1
Ice cream & frozen desserts	2024	6.9	25.6	16.6
Industl inorganic chemicals	2810	16.5	34.4	19.8
Indl trucks, tractors, trailers	3537	1.4	5.4	4.5
Industrial measurement instr	3823	1.6	3.7	10.7
Investment advice	6282	8.6	19.9	11.3
Iron & steel foundries	3320	1.2	4.2	12.0
Jewelry & watches-whsl	5094	3.9	25.0	10.6
Jewelry stores	5944	3.3	6.9	(5.8)
Knitting mills	2250	1.9	6.8	10.0
Lab analytical instruments	3826	1.7	3.3	7.9
Lab apparatus & furniture	3821	1.2	2.7	16.3
Lawn, garden tractors, equip	3524	4.0	11.3	13.6
Lumber & other bldg matl-retl	5211	1.8	6.9	6.8
Machine tools, metal cutting	3541	1.3	5.2	0.5
Magnetic/optic recording media	3695	3.6	9.7	13.7
Malt beverages	2082	8.4	21.7	7.7
Manifold business forms	2761	0.8	2.1	7.2
Meatpacking plants	2011	1.2	9.4	15.3
Membership sport & rec clubs	7997	11.0	13.5	18.8
Men, youth, boys frnsh, wrk clthg	2320	2.7	9.0	12.8
Metal forgings & stampings	3460	1.6	6.0	7.5
Metalworking machinery & equip	3540	5.5	14.0	12.9
Misc amusement & rec services	7990	6.5	18.0	15.9
Misc chemical products	2890	6.1	17.2	7.8
Misc elec machy, equip, supplies	3690	3.1	8.9	(12.1)
Misc fabricated metal prods	3490	0.7	2.7	12.4
Misc food preps, kindred prods	2090	2.9	7.8	10.9
Misc general mdse stores	5399	3.1	11.6	3.7
Misc industl comi machy & equip	3590	2.4	7.2	(2.9)
Misc manufacturing industries	3900	3.0	6.5	10.5
Misc plastics products	3080	1.9	10.9	5.1
Misc shopping goods stores	5940	3.7	9.5	5.2
Motion pic, videotape production	7812	9.8	18.7	13.2
Motion pic, videotape distrib	7822	13.0	15.1	26.8
Motion picture theaters	7830	4.3	20.6	17.5
Motor homes	3716	1.7	11.2	10.6
Motor veh parts, supply-whsl	5010	2.8	20.6	23.6
Motor vehicle parts, accessory	3714	1.6	6.4	27.5
Motor vehicles & car bodies	3711	1.7	7.3	12.6
Motorcycles, bicycles & parts	3751	1.6	6.5	21.5
Motors & generators	3621	0.9	2.7	4.5
Newspaper-publishing & print	2711	3.6	10.2	12.9
Office furniture	2520	1.2	3.7	9.9
Office furniture, ex wood	2522	2.0	6.0	9.6
Office machines, NEC	3579	1.4	4.3	5.6
Operative builders	1531	1.2	4.2	21.0
Operators-nonres bldgs	6512	3.7	8.0	8.2
Ophthalmic goods	3851	10.5	18.5	19.7
Ortho, prosth, surg appl suply	3842	1.8	4.2	12.5
Paints, varnishes, lacquers	2851	3.7	9.6	9.5
Paper mills	2621	3.6	11.1	2.0
Patent owners & lessors	6794	3.0	7.1	6.8
Pens, pencils, other office matl	3950	5.4	11.1	9.2
Perfume, cosmetic, toilet prep	2844	10.4	16.1	24.6
Periodical-publishing, printing	2721	3.7	6.7	5.4
Personal credit institutions	6141	1.5	2.6	5.8
Personal services	7200	5.7	16.0	3.4
Petroleum refining	2911	2.7	9.0	14.3
Pharmaceutical preparations	2834	6.8	10.1	9.8
Phone comm, ex radiotelephone	4813	2.2	4.5	2.8
Phono records, audio tape disc	3652	8.3	23.2	13.3
Photofinishing laboratories	7384	4.0	10.9	9.7
Photographic equip & suppl	3861	3.6	9.9	14.0
Plastic matl, synthetic resin	2820	1.2	6.2	18.8
Plastics products, NEC	3089	1.9	5.1	12.5
Plastics, resins, elastomers	2821	1.6	4.3	(20.7)
Pottery & related products	3260	5.7	12.2	64.3
Poultry slaughter & process	2015	3.1	20.7	12.1
Prepackaged software	7372	4.8	9.2	19.2
Printing trades machy, equip	3555	1.1	2.8	4.7
Prof & comi equip & supply-whsl	5040	3.0	8.6	9.6
Pumps & pumping equipment	3561	1.1	3.1	7.9
Radio broadcasting stations	4832	8.6	22.4	21.2
Radio, tv broadcast comm equip	3663	1.0	3.3	4.6
Radio, tv consumer elec stores	5731	5.3	23.8	16.9
Radiotelephone communication	4812	4.2	8.1	28.7
Real estate investment trust	6798	1.5	2.3	6.8
Record & tape stores	5735	1.4	3.3	13.5
Refrig & service ind machine	3580	2.3	6.8	7.8
Retail stores	5990	5.8	12.7	14.6
Rubber & plastics footwear	3021	5.2	14.2	15.4
Sausage, other prepared meat pd	2013	6.9	21.0	8.7
Savings instn, not fed chart	6036	0.9	2.4	(1.5)
Savings instn, fed chartered	6035	0.8	1.8	7.8
Security brokers & dealers	6211	3.1	7.3	13.6
Semiconductor, related devices	3674	1.0	2.4	10.3
Shoe stores	5661	2.8	7.4	(7.6)
Short-term bus credit, ex ag	6153	1.2	2.4	11.5
Skilled nursing care facil	8051	2.3	21.1	(5.1)
Soap, detergent, toilet preps	2840	7.7	17.4	8.7
Special clean, polish preps	2842	14.5	24.8	8.0
Special industry machinery	3550	7.9	33.4	17.5
Special industry machy, NEC	3559	1.4	3.3	14.9
Sporting & athletic gds, NEC	3949	5.5	15.8	13.9
Search det nav guide aero sys	3812	0.2	0.7	1.3
Subdivid develop, ex cemetery	6552	1.3	6.1	6.0
Sugar & confectionery prods	2060	10.6	28.9	10.8
Surgical, med instr apparatus	3841	2.4	4.5	11.9
Svcs to dwellings, other bldgs	7340	1.8	6.2	4.9
Switchgear & switchboard app	3613	1.1	3.3	7.7
Tele & telegraph apparatus	3661	1.6	3.6	9.2
Telegraph & oth message comm	4822	3.3	53.6	2.2
Television broadcast stations	4833	2.5	6.2	1.8
Tires & inner tubes	3011	2.0	7.5	6.7
Unsupp plastics film & sheet	3081	5.3	20.3	3.0
Variety stores	5331	1.9	7.5	8.6
Water transportation	4400	5.4	14.4	6.2
Wmns, miss, chld infnt undgrmt	2340	3.4	8.5	11.4
Women's clothing stores	5621	2.7	7.5	8.6
Womens, misses, jrs outerwear	2330	1.7	6.3	18.5
Wood hshld furn, ex upholsrd	2511	2.9	8.8	18.9

Source: Schonfeld & Associates, 1 Sherwood Drive, Lincolnshire, Ill. 60069 (312) 948-8080. Legend: SIC - Standard Industrial Classification. NEC - Not elsewhere classified. Ad dollars as percent of sales - Ad expenditures/net sales. Ad dollars as percent of margin - Ad expenditures/(net sales - cost of goods sold). Annual growth rate of advertising dollars.

Agency employment rankings

Total staffing at the top 10 U.S. agency employers rose 1% in the most recent six-month period, despite cutbacks at Ogilvy & Mather and elsewhere, due mainly to new business gained from smaller agencies.

Rank	Agency (March ranking)	November 1988	March 1989	% chg
1.	Young & Rubicam (1)	3,093	3,060	1.1
2.	J. Walter Thompson USA (2)	2,585*	2,513	2.9
3.	Foote, Cone & Belding (3)	2,410	2,359	2.2
4.	Leo Burnett USA (5)	2,181	2,077	5.0
5.	Ogilvy & Mather (4)	2,084	2,204	(5.4)
6.	Grey Advertising (7)	1,926	1,877	2.6
7.	DMB&B (8)	1,886	1,823**	3.5
8.	Lintas:USA (6)	1,883	1,920	(1.9)
9.	McCann-Erickson (9)	1,790	1,816	(1.4)
10.	Saatchi & Saatchi (10)	1,680	1,653	1.6
	Totals	**21,518**	**21,302**	**1.0**

*Reflects July acquisition of Anderson Fischel, Dallas, which added 57 staffers. **The March employment figure for DMB&B, its ranking and the top 10 total were restated to include 70 employees of the agency's IMP sales promotion unit, now officially part of the agency's Bloomfield Hills, Mich., office. As a result, it would have ranked eighth, not ninth, in the March tally.
Source: Advertising Age

Agencies stay lean as staffing rises only 1%

By Gary Levin and Jon Lafayette

If it isn't already apparent: The days are gone when a big account win meant a wave of hiring at the largest of agencies.

Instead, the employment picture at major U.S. agencies is remaining flat, *Advertising Age's* semiannual employment survey showed.

Combined U.S. staffing at the 10 largest employers as of this month rose to 21,518, up a meager 1% from last April and a 3.1% increase from November 1988. (The gains also reflect acquisitions by the largest agencies.)

Ogilvy & Mather's total staff dropped 5.4% in the most recent six-month period, by far the most significant decline, while Leo Burnett USA's staff grew 5%, the largest gain.

"[Client] man-hours are not going down. [But] there are fewer people sitting around with nothing to do."

Interpublic Group of Cos.' Lintas:USA and McCann-Erickson Worldwide both reported modest staff declines, while the increases at the other six largest employers ranged from 1% to nearly 3%.

Agencies ranked just below the top 10 include BBDO Worldwide, DDB Needham Worldwide, N W Ayer, Bozell and Backer Spielvogel Bates.

"As everybody else, we're trying to be more efficient," said Peter Schweitzer, vice chairman-agency operations for J. Walter Thompson Co. JWT USA gained 2.9%, but most of that came from the 57 employees inherited with its July acquisition of Anderson Fischel, a Dallas-based recruitment agency.

"We're lucky enough not to have to add massively in the wake of new business and not to have to be cutting back if there are losses," Mr. Schweitzer said. "Everybody's working a little harder. But it will always be an issue when the bulk of your costs are in payroll; you've always got to manage it."

Layoffs themselves are now regarded as a fact of life at agencies, which earlier recoiled at the prospect of putting people on the street. Layoffs, "once a painful thing agencies did with distaste, have become almost mechanized," said one agency chief. "We [simply] look at the numbers and make the adjustments."

"What we're doing is continually restructuring and reorganizing to be efficient," said Edward Wax, president-ceo, Saatchi & Saatchi Advertising. "You've got senior people who are 70% to 80% busy. You're not going to fire them. . . . [Instead] you give them more business to load them up to full efficiency.

"Clients won't suffer; they're getting better people who are more productive. Their man-hours are not going down. [But] there are fewer people sitting around with nothing to do."

Saatchi has filled about half of the 106 jobs that have become vacant since the summer of 1988. Still, Saatchi's staffing levels rose 1.6% in the most recent six-month period. But Mr. Wax noted the agency's new business, including its share of the Burger King Corp. account, was much larger than 1.6% of revenues.

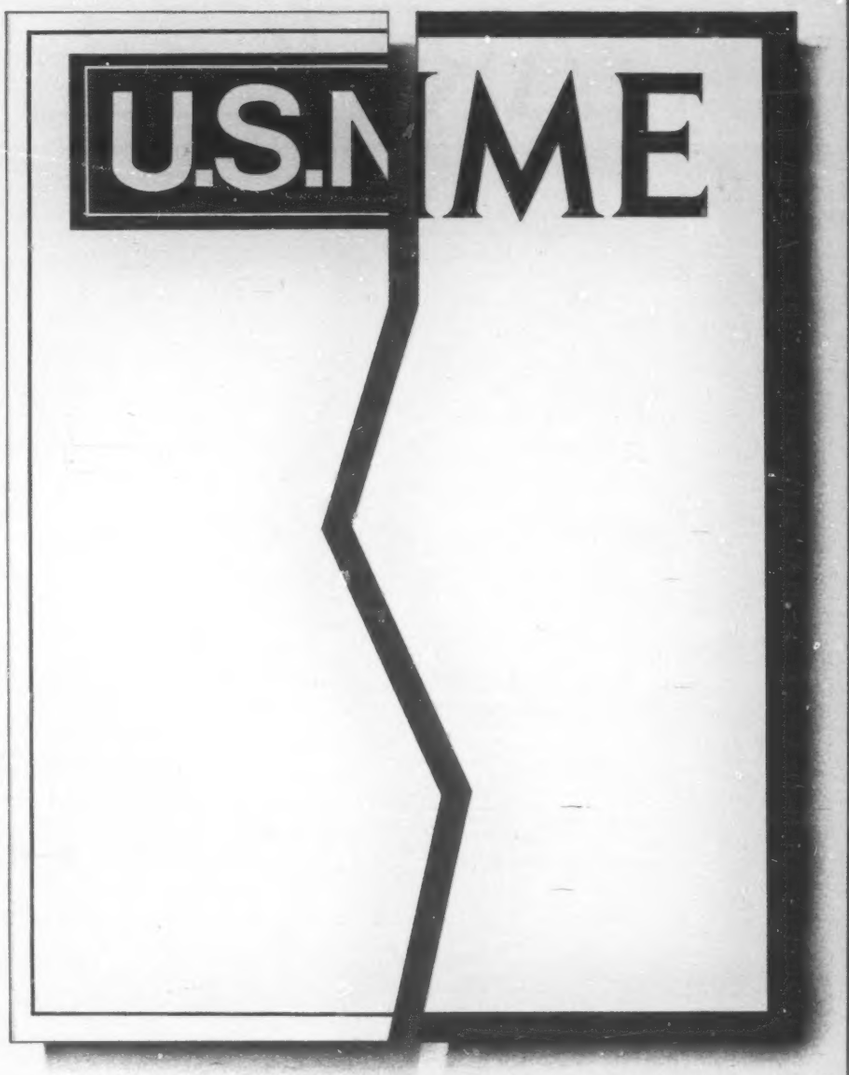
Employment will be particularly tight at companies that have been involved in expensive acquisitions, some executives said.

"I expect that most people are projecting conservative growth," said John Dooner Jr., exec VP and North American president at McCann. "In order to get double-digit profit growth, they'll be pruning like crazy, especially those agencies with a lot of debt."

McCann itself lost 1.4% of its staff since March, after losing R.J. Reynolds Tobacco's Camel and Winston business last summer.

But staff cuts aren't necessarily bad. "It's not the number of heads, but the heads themselves," said PaineWebber analyst Alan Gottesman, who added he's encouraged agencies are able to work more efficiently with leaner staffs. □

Scott Hume in Chicago contributed to this story.



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Source: SMRB 1989. Newsweek Composite Factor Method.

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SPECIAL REPORT

Grocery Marketing

Edited by Pat Gray Thomas

Shopping with the stars S-9
Celebrities hit the store just like the rest of us. A look at what's in some of their carts.

Center of attention S-10
The so-called center of the plate will be the marketing battleground in the '90s.

The greening effect S-14
Savvy marketers are hopping aboard the environmental cause.

The decade's best, worst S-16
What products made news—good and bad—in the '80s, plus what will be big in '90s.

The healthy alternative

Where the grocery industry is heading in the next decade

By Julie Liesse Erickson

1990s

When Eve pulled the apple off the fabled Garden of Eden tree, it had not been treated with Alar or any other environmentally suspicious pesticide; apples and cancer had no connection, nor was there an easier or faster way to eat that apple.

"Since the time of Adam and Eve, food consumption has gone through three general areas," says Ted Keller, VP-sales and marketing for health foods at Pet Inc.

"First humans ate for survival. Then the element of taste and self-indulgence became important. Now we are entering an era when people eat to live longer and have healthier lives.

"The whole notion of food as a life-prolonging system is a revolutionary idea," says Mr. Keller.

Consumers' reaction to products touting oat bran demonstrates they *will* change their habits to extend and improve their lives, he says.

The linkage of diet and health is the most significant of an entirely new set of rules facing the $354 billion grocery industry as it heads into a new decade:

- Although deregulation ruled the 1980s, food labels and advertising likely will be subjected to sweeping new regulations in the next few years.
- Product tampering and microwave gadgetry prompted marketers to add layers of extra protection to their packages. But, as overpackaging becomes a target of the environmentally conscious shopper, the layers are likely to be peeled off.
- In the '80s, retailers challenged the power of manufacturers by leveraging shelf space against ever-increasing promotional dollars, a trend that manufacturers continue to try to address. But the greatest challenge may be a proliferation of private-label products competing with national brands.
- While the products that set the style of the '80s fluctuated wildly between consumers' desire to eat light—for example, Lean Cuisine, Diet Coke, NutraSweet—and their enthusiastic self-indulgence—perhaps represented best by the DoveBar—brands that will succeed in the 1990s must address Americans' hope for a longer life through a healthy diet via fat substitutes, not sugar substitutes.

The greatest challenge for marketers is keeping up with the changes.

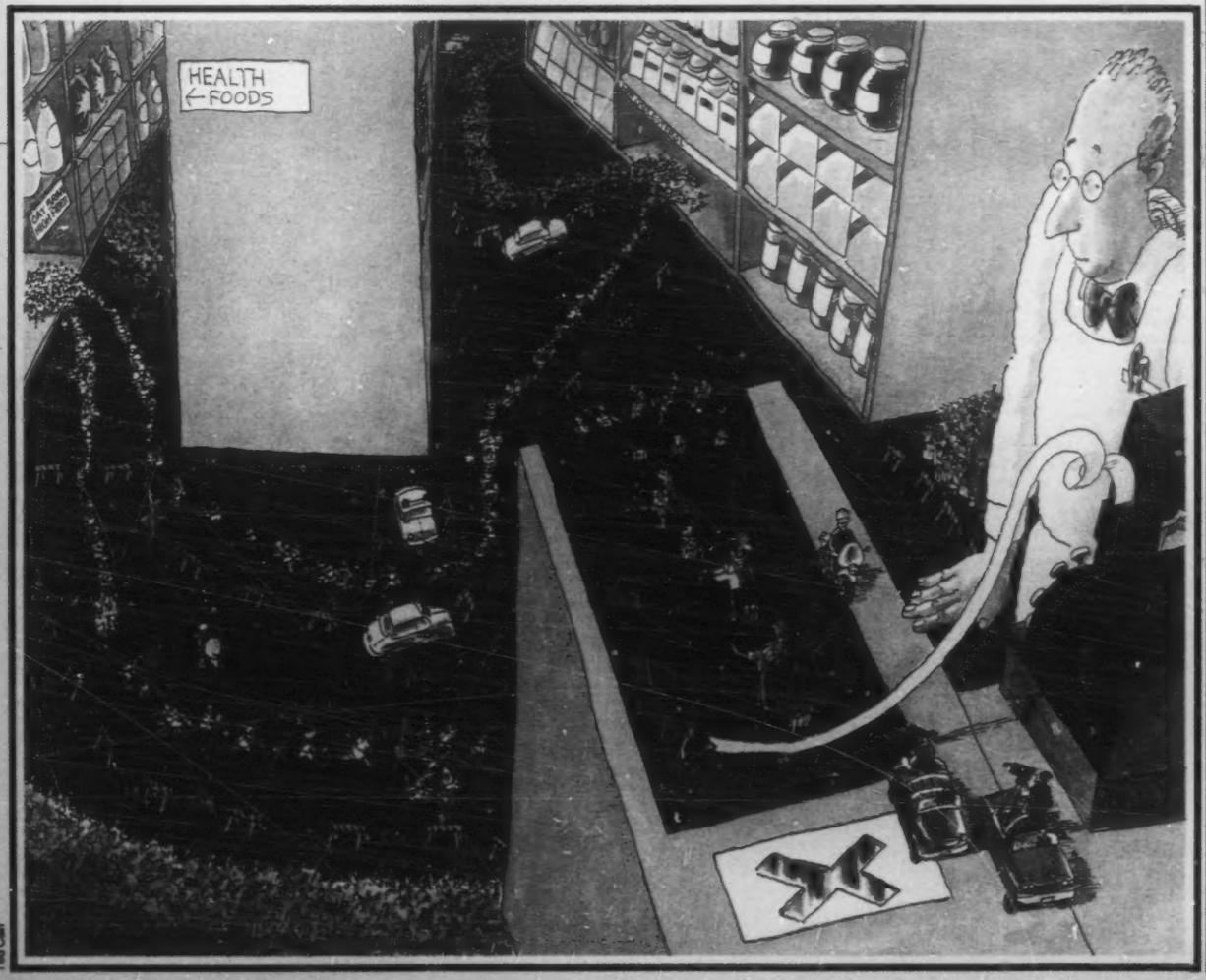
"We're like the drum major in front of the parade; if the crowd turns, we'd better be out front," says Philip Fletcher, president and chief operating officer of ConAgra. "And we have to see what's in front as well as what's behind."

New role for food

Up front for food marketers approaching the next decade is the perceived new efficacy of food that some executives say is one of the most revolutionary ideas—and greatest opportunities—in the industry's history.

"There has been no significant technological change in food processing in years," says ConAgra's Mr. Fletcher. "We've done a lot in terms of packaging innovations to deal with the microwave, but other than

(Continued on Page S-2)

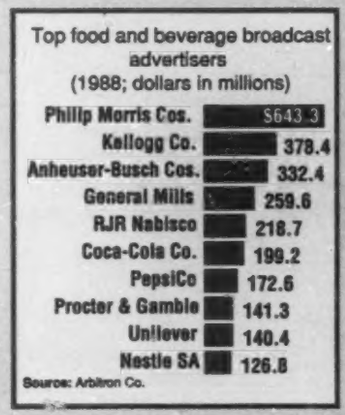


Ted Carr

BAROMETER

Take a number

Top food and beverage broadcast advertisers
(1988; dollars in millions)



Source: Arbitron Co.

Take the pulse

Cleanup in Aisle 6. Some unusual products are falling off the shelves these days. Here's a sampling from the Special Report shopping cart.

Frosty Paws...Dogged determination in convincing stores to stock a dog treat in the freezer case should play on pet owners' guilt about eating DoveBars in front of Fido.

40-Plus Bran...The fortysomething crowd, among others, huffed about this one. Kellogg learned the obvious: No one *wants* to be reminded about their age.

Sealtest Free frozen dessert...While we're waiting for Simplesse and olestra, Kraft General Foods is using cellulose gel as a fat substitute. Isn't cellulose gel what liposuction takes out of bods?

Breakfast with Barbie and **Teddy Grahams Breakfast Bears**...Forget sugar and spice, every nice little kid in America would kill for these cereals.

Clermont frozen venison patties...Bucking common belief that consumers equate eating venison with chowing down on Bambi, Fallow Deer Associates markets venison as "the healthy alternative." If it works, we'll give up Sliders and Big Macs.

The looming battle for center of the plate

Shelf-stable, refrigerated fare attacks frozens

By Judann Dagnoli and Julie Liesse Erickson

PRODUCT

The center of the plate, central to consumers' grocery shopping habits, is likely to become the center of the marketing battle of the '90s. The fight will focus on new shelf-stable and refrigerated meals pushing to replace frozens.

"By the year 2000, it is conceivable that prepared frozen microwaveable foods will be facing very stiff competition from the dry grocery shelves," says Catherine Roberts, a consultant with researcher Find/SVP. "Therefore, it is incumbent upon marketers to develop their strategies now."

Frozen food leaders such as Kraft General Foods Group and Campbell Soup Co. are testing shelf-stable or refrigerated adjuncts to their frozen lines.

At $5.8 billion in 1988 supermarket sales, frozen foods remain the dominant force in the prepared-foods category.

The biggest threat to frozens, Ms. Roberts says, are shelf-stable meals, which have longer shelf lives than refrigerated foods, are more portable than frozens and less costly for retailers to carry.

Shelf-stable foods, she says, have the potential to take away 10% of frozen-food sales by the end of the next decade.

The future is especially bright for "tub" packed shelf-stable foods, such as Dial Corp.'s Lunch Bucket and Geo. A. Hormel & Co.'s chili and stew products, which consumers view as "the logical extension of the can," says Ms. Roberts. Under optimum conditions, tub products could take away as much as 50% of the market for canned vegetables, sauces, soups and prepared foods by 1994, she says.

Shelf-stable microwaveables generally are not perceived to taste as good as frozen foods, but that's likely to change, says Bill Atchinson, senior group product manager for Dial Corp.'s Lunch Bucket shelf-stable line.

"[In] the 1990s, you'll see shelf-stable products closing the product quality gap with frozen," he says.

"It's still an investment in the future," says Mary Anne Jackson, founder and president of My Own Meals. "Although it won't replace canned or frozen foods, the shelf-stable category has more growth potential than any other category in the marketplace."

Because of their portability, "Shelf-stable will be pulling people from a lot of categories, including home cooking. These meals will appeal to people with different needs," Ms. Jackson says.

For retailers, shelf-stable offers financial benefits over frozen or refrigerated foods. Shelf-stable foods offer good margins for retailers, don't require costly refrigerator cases for storage and generate incremental store sales by stealing some business from fast-food restaurants, Mr. Atchinson says.

Shelf-stable foods, by cutting the energy, transportation, storage and handling costs of frozen foods, reduce distribution costs about 25%, Ms. Roberts says.

But shelf-stable foods still have a long way to go.

Tray-packed meals like Hormel's Top Shelf, Kraft General Foods' Impromptu and My Own Meals "are likely to meet a far greater degree of consumer resistance and skepticism than any other category of microwaveable food," Ms. Roberts says.

Some say taste and quality is holding back shelf-stable foods.

"Shelf-stable meals have made real progress and the quality has improved substantially—but not enough to be a serious threat to frozens," says Robert Gillespie, Best Foods president.

Rick Bross, director of marketing-grocery products at Hormel, agrees—to a point. "We have some darn good products out there now, but packaging and food technology is helping us implement better products each day," he says.

Hormel's 2½-year-old Top Shelf is completing national distribution this year, while the company continues to test its Kid's Kitchen line of shelf-stable children's entrees. Top Shelf soon will

Spreading the stability in the '90s

Major marketers' prepared food brands

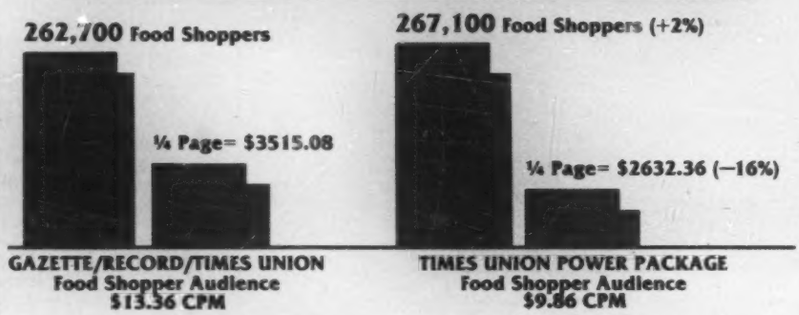
Company	Frozen	Refrigerated	Shelf-stable
Campbell's Soup Co.	Swanson and Le Menu	Fresh Kitchen	Franco-American
Nestle Foods Corp.	Stouffer, Lean Cuisine, Right Course	FreshNes, Contadina Pasta and Cheese	none
Kraft General Foods Group	Karft, Budget Gourmet, BirdsEye, Tombstone	Chillery	Impromptu
Geo. A. Hormel & Co.	New Traditions	none	Top Shelf, Kids Kitchen
Pet Inc.	Downyflake, Old El Paso, Van de Kamp's	Orval Kent	beginning tests

Source: Find/SVP Advertising Age Graph: Holly Seguine

The Best Two Paper Buy In The Eastern New York State Food Market

The Daily & Sunday

TIMES UNION FOOD SHOPPER POWER PACKAGE



GAZETTE/RECORD/TIMES UNION Food Shopper Audience $13.36 CPM

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package four of its varieties in a bowl instead of a box, to help consumers understand its point of difference.

Ms. Jackson believes price is a major barrier to trial for shelf-stable foods.

"Retailers want to price shelf-stable foods according to frozen food prices," she says.

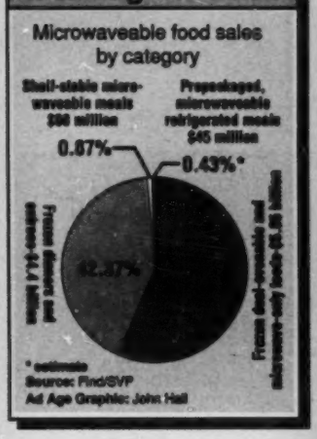
People buy frozen products because it's comfortable, she says. "We have to give them a benefit—lower price—and they will try shelf-stables."

Jules Rose, CEO of Sloan's Supermarkets, believes refrigerated foods—more than shelf-stable and even frozens—have the power to draw more consumers into the store. More and more consumers are shopping the perimeter of the store—where fresh refrigerated cases are usually housed, he says.

To tap the potential of that perimeter, Pet Inc. last year bought deli-salad maker Orval Kent Food Co. as its entry into refrigerated foods. Mary Ellen Roth, VP-sales and marketing for Pet's branded express foods division, will supervise the company's attempt to translate its dry-grocery and frozen brand names—like Old El Paso and Progresso—to the refrigerator case.

However, refrigerated foods also face consumer resistance, particularly in terms of food safety.

Catching the wave



"In the U.K., they had a scare with fresh foods when some of Marks & Spencer's lines turned up with Listeria," says Campbell VP-Market Research Tony Adams.

"Things like that are hard to anticipate and could really hurt the market if it happened here," Mr. Adams says.

Ms. Roth says advances like controlled-atmosphere packaging are critical to category success. New packaging technologies will allow the longer shelf life—30 or 40 days instead of a week—that is key to an efficient distribution system, she says.

And other packaging tools, like time-life indicators that change color when foods are no longer safe, will help build consumer confidence in the category.

"I think if the industry gets to the point where we can deliver fresh food that does not taste processed, which can be a problem with frozen foods, and eliminate mishandling, the taste and freshness of refrigerated foods will win out," says Ms. Roth.

Sales of manufacturers' branded refrigerated microwaveable foods totaled only $5 million to $15 million in 1988, according to Find/SVP.

Retailers have been quick to re-

(Continued on Page S-12)

Chain serves up Buffet

Buffeted by slow-to-respond manufacturers, one convenience chain has cooked up an in-house alternative.

The Fresh Buffet line is Wawa Inc.'s answer to its frustration over food marketers' sluggish response in developing refrigerated products.

The 450-outlet convenience-store chain based in Pennsylvania recently began testing the line of refrigerated entrees in 50 of its stores.

Convenience stores are particularly suited to marketing refrigerated foods because their consumer profile fits uniquely with that of fresh prepared food purchasers, says Ed Burcher, Wawa product planning manager-deli, produce and prepared foods.

Yet, large food manufacturers were not targeting this market.

"A lot of the bigger food companies don't see convenience stores as primary when there are 20,000 supermarkets in the U.S.," says Mr. Burcher.

"Nationally, we're not a big company, but . . . where we distinguish ourselves is in the perishables area," he says.

Another advantage was fresh prepared food buyers tend to consume the products within 24 hours. This fit the profile of convenience-store shoppers, who tend to run in and buy something for quick meals.

"People don't come in and buy 10 [fresh entrees] at a time," he says.

Wawa's Fresh Buffet is made and store-door delivered through an agreement with KeyFresh Foods, a foodservice company that makes the meals using Wawa recipes. There are 20 entrees, but only eight are merchandised at a time, Mr. Burcher says.

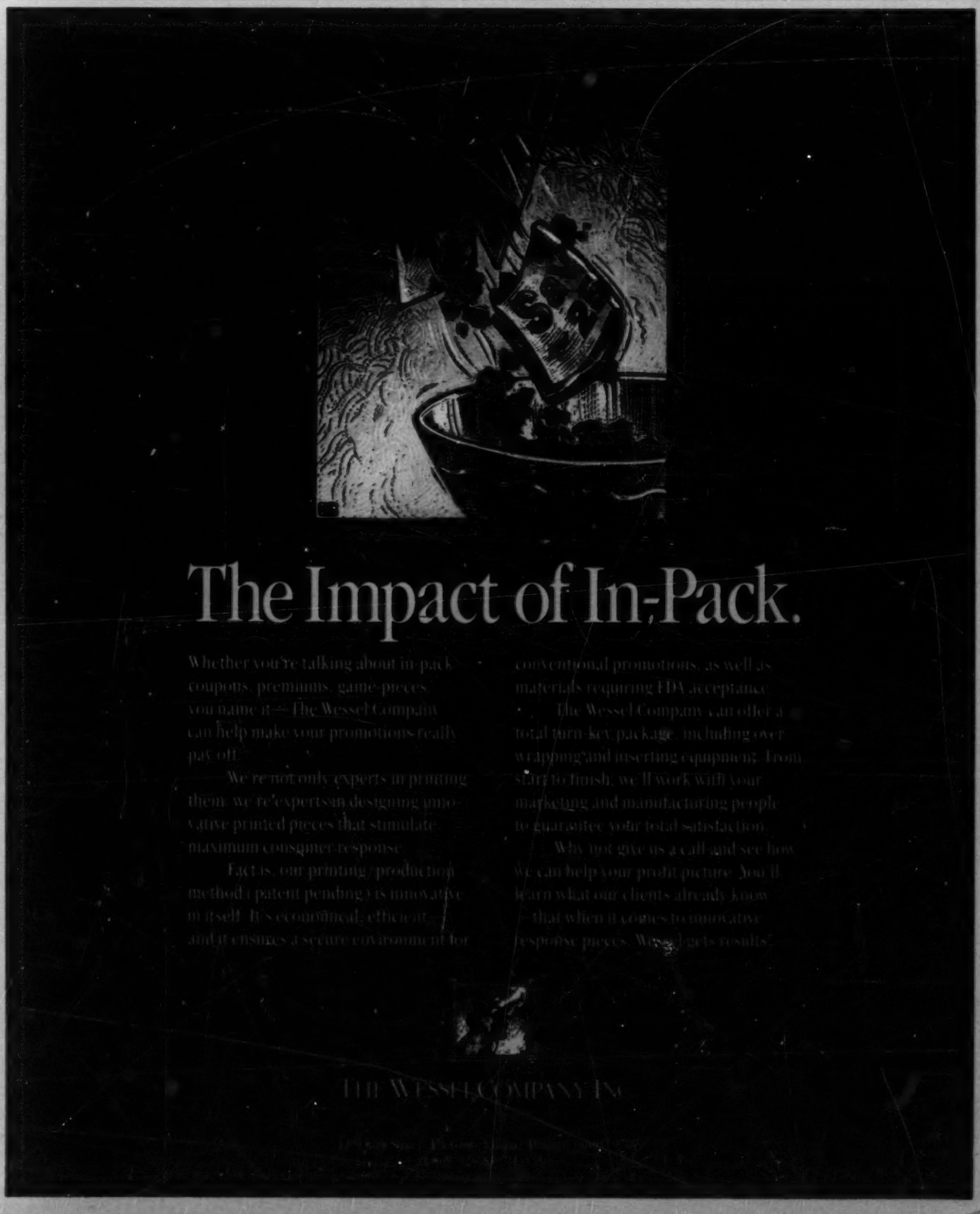
Varieties are mainly home-style, such as Lasagne Bolognese, Chicken Mexicana, Shrimp Creole and Pasta Primavera, and priced at $2.89-$3.99.

Both the prices and varieties differ greatly from General Foods' now-disbanded Culinova unit, which failed from projecting too upscale an image, according to industry insiders.

"People like down-to-earth food they can relate to," says Mr. Burcher.

Wawa began creating its own meals rather than wait for a national manufacturer to jump in because they saw an unfilled need. It was not, says Mr. Burcher, because the chain wanted to keep the high-margin profits. "You can't take 50% margins to the bank if you don't have a good product," he says.

—Judann Dagnoli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There's still shelf space for the off-the-wall

By B.G. Yovovich

ROLE

There's strength in size—when the size is small—says A.E. Hotchner, VP of Newman's Own.

In an era of greater competition for supermarket shelf space, increasingly complicated marketing programs and trade relations, and a market dominated by the mega-giant food combines, the prospects for small, entrepreneurial food marketers may appear less than promising.

But Mr. Hotchner strongly disagrees. He has seen Newman's Own grow from a $40,000 investment in 1983 on an oil and vinegar salad dressing created by movie star Paul Newman to an estimated $44 million in 1989 sales. The line now contains other salad dressings, popcorn, spaghetti sauce and lemonade.

"There are a lot more cracks in the market, more opportunities for small firms today than there were when we started," says Mr. Hotchner.

Newman's Own brain trust: (from l.) President Paul Newman, Exec VP Ursula Hotchner and A.E. Hotchner

According to Mr. Hotchner, the same factors that have spurred interest in ethnic restaurants and exotic cuisines have helped create a receptive consumer environment for new food products.

"The revolution in dining has given the small producer of food products a real chance," he says.

The steadily growing interest in "natural," health-oriented foods has opened new opportunities, as has the emergence of health-food and specialty-food retail outlets.

"There has been a big increase in the number of brokers who distribute to small outlets, and that has been a significant benefit to us," says Mr. Hotchner. "The smaller outlets are willing to place smaller orders, and they don't care as much about small price differentials."

Effectively using this channel of distribution is crucial to a new venture's success.

"It is a mistake [for small producers of food products] to start out by trying to get into the bigger supermarkets," he says. "Those buyers are tough. They drive hard bargains, and they have to be sold on the notion that your product will sell.

"You have got to go into small stores that don't have that kind of competition and where you don't have to buck the big food combines. If you make headway there, you can take the money you make, reinvest it, and begin to promote your product to eventually interest the bigger stores."

Mr. Hotchner also believes entrepreneurs can top large companies in delivering a quality product to consumers.

"My feeling is that the big food companies spend a lot of money on advertising and promotion, but they turn out an inferior product," says Mr. Hotchner.

Small companies need to take advantage of that and make sure that "the product that you put on the shelf is different, has some appeal, and is better than what the big guys put out. If you make it good, people will discover it. And, if you have a product that sells, the retailers will stock it." □

Michael A. Marcolla

Mary Anne Jackson

PEOPLE TO WATCH

Mary Anne Jackson started out with a typical mother's goal: providing nutritious and hot but convenient meals for her children.

But Ms. Jackson, 36, isn't an ordinary mom. Formerly director-operations planning for the Swift-Eckrich division of Beatrice Co., Ms. Jackson used her food industry expertise to create My Own Meal, a line of shelf-stable meals for children.

Two-and-a-half years later, My Own Meal is distributed in about 1,000 Midwest grocery stores, and in 86 Toys R Us stores in the Midwest, New York, Connecticut and New Jersey. If the Toys R Us test succeeds, it could be expanded to the rest of the chain.

Ms. Jackson's Deerfield, Ill.-based company uses direct mail and spot TV, produced by an ad-hoc group of freelancers, to support the product line. Daughter Katie, 4½, stars in the commercials with mom; son Joey, 2, helps as a taste tester.

Ms. Jackson's current goal is to get My Own Meal into national distribution. After that, she's eyeing line extensions and other products.

"But my objective is to focus on kids," she says. "I believe in doing one thing well."

—Julie Liesse Erickson

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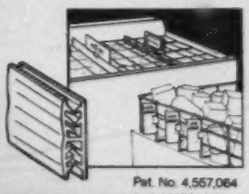

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Source: The 1988 Scarborough Report, L.A. Market

Center

(Continued from Page S-11)

spond with unbranded refrigerated food sales—often prepared by the retailer. Find/SVP reports sales of these products reached $30 million to $40 million.

Convenience, one of the biggest advantages of refrigerated foods, can become a drawback if not carefully handled, says Philip Fletcher, president and chief operating officer of ConAgra.

"Most families, especially when both spouses are employed, want quick, good-tasting food," he says. "But I specifically avoid the word convenient; we in the frozen-food business did ourselves a disservice by promoting our products as convenient only."

"The growth of alternative technologies doesn't mean the death of frozen foods," says Hormel's Mr. Bross.

"The demand for convenience foods is going to continue so strong that as shelf-stable and refrigerated foods explode, frozens probably will grow, too," he says. "But their rate of growth won't keep up with the growth in shelf-stable and refrigerated products."

What will be hurt are canned foods and restaurants, Ms. Roth says. "As consumers look for a better diet, I think the grocery store will be perceived as the best place to go to eat well." □

Bradley Johnson in Los Angeles contributed to this report.

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NEWSPAPER

Advertising Age

November 20, 1989

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Eastern Europe beckons

An Advertising Age roundup

Western marketers, agencies and the media are lining up for a historic gold rush into East European markets now that the Iron Curtain is parting.

The immediate focus is on East Germany, whose consumers began a momentous shopping spree in West Berlin 10 days ago. But Berlin is just the beginning.

At an International Advertising Association conference in London last week and in separate interviews with *Advertising Age*, admen were focusing their sights on the Eastern bloc's emerging consumer market.

Colgate-Palmolive Co., which exports many products to Eastern European countries, including toothpaste and bar soap, is said to be thinking about setting up operations in Hungary, the Soviet Union and Poland, either through acquiring existing companies or start-ups.

During the opening of the Hungarian chapter of the IAA in September, Hungary's Deputy Prime Minister Peter Medgyessy told Colgate executive Clay Timon that "1992 is a train leaving the station, and Hungary wants to make it onto the last car."

Mr. Timon, New York-based VP-worldwide advertising, was a featured speaker at the IAA conference.

General Electric Co. last week became the first Western investor in Hungary since World War II with its purchase of light bulb manufacturer Tungsram, one of the country's largest companies.

Colgate archrival Procter & Gamble Co. is currently negotiating a joint venture to manufacture and distribute products in the Soviet Union.

P&G exports Crest and Blend-a-med toothpastes, Camay bar soap and Alo detergent to the Soviet Union and is eager to distribute other detergents, soaps and personal-care items to

(Continued on Page 45)

Eastern Europe at a glance

Total population
(in millions)
136.9

Gross domestic product
($ billions)
367.6

Passenger cars
(in thousands)
14,963

Televisions
(in thousands)
34,686

Figures include information for Yugoslavia, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland and Romania. All figures are for 1987, except for televisions, which is for 1988. Source: Business International.

Patrick Piel/Gamma Liaison

An East German family browses among the stores of West Berlin.

Mighty minis roll into fray

By Raymond Serafin

There's nothing mini about the marketing war shaping up over minivans.

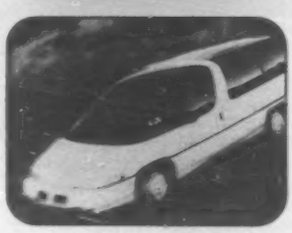
Ford Motor Co.'s Ford Division will break a campaign in late December for a new all-wheel-drive version of its Aerostar. That will follow this month's advertising launch of two new minivans, the Lumina APV and Silhouette, from General Motors Corp.'s Chevrolet and Oldsmobile divisions, respectively.

Early next year, GM's Pontiac division will start touting the new Trans Sport, with its first TV commercial likely to run on the Super Bowl broadcast.

The domestic automakers, which now dominate the segment, won't be fighting among themselves either.

Mazda Motor of America is making a dent in the minivan business with its stylish MPV, and Toyota Motor Sales USA is

(Continued on Page 44)



Pontiac will push performance in a spot for its Trans Sport.

PepsiCo serves up triple threat to McDonald's

By Scott Hume and Jennifer Lawrence

PepsiCo is about to introduce the restaurant industry to the 21st century—and step up the challenge to McDonald's Corp.

The world's largest restaurant operator next month will open a free standing unit with all three of its chains—Kentucky Fried Chicken, Pizza Hut and Taco Bell—under one roof.

The test unit, opening in the affluent Kansas City suburb of Overland Park, Kan., could provide efficiencies that deal with problems the $65 billion fast-food industry will face in the future. These include chronic shortages of labor and real estate sites.

More immediately, however, the three-in-one combination gives PepsiCo immediate marketing advantages by tripling the menu choices available to fast-food consumers, whose demand for variety

(Continued on Page 46)

LAST MINUTE NEWS

States win airline ad fight

NEW YORK—The states last week scored their first court victory in airline ad regulation. U.S. District Judge Robert W. Sweet ruled the state of New York isn't pre-empted from regulating airline ads and that the National Association of Attorneys General air travel guidelines can be enforced through state law. He dismissed most of Pan American World Airways and Trans World Airlines' claims. Judge Sweet also remanded to state court New York's actions against Pan Am and TWA. At press time, airline attorneys hadn't determined a course of action. The 5th U.S. Circuit Court of Appeals is considering similar issues in a Texas case that went in the airlines' favor.

Scali loads up at Lotus

CAMBRIDGE, Mass.—Lotus Development Corp. moved its software ad account to Scali, McCabe, Sloves, New York, from Leonard Monahan Lubars & Partners, Providence, R.I. Scali is also pitching Lotus' direct-marketing assignment, now at Barry Blau & Partners, New York, sources said. The combined account is valued at $12 million; ad spending alone is projected at $5 million to $7 million.

Taps for Bugle Boy shop

SIMI VALLEY, Calif.—Bugle Boy Industries last week split with Rubin Postaer & Associates, Los Angeles,

(Continued on Page 8)

INSIDE

What's hot for Christmas ..... P. 4
A variety of items share the attention of holiday shoppers this season.

Fur flies ..... P. 42
The fur industry takes on animal rights activists in new print ads.

Unpaid counts ..... P. 44
The Audit Bureau moves toward monitoring unpaid magazine circulation.

McCaffrey discusses buyout from Saatchi

By Jon Lafayette and Laurel Wentz

Saatchi & Saatchi Co., caught in a tightening financial vise, has agreed to discuss a management buyout of McCaffrey & McCall.

The negotiations come as London-based Saatchi is considering cutting its stock dividend and might be forced to take a sharp loss on one of its consulting investments.

Saatchi had been shopping McCaffrey & McCall, a $303 million New York agency, for months. Saatchi executives had refused to talk to McCaffrey management while seeking an outside buyer willing to pay the steep $30 million-to-$40 million price for the shop.

But "circumstances have changed," a source close to the deal said. "Discussions are going on."

McCaffrey Chairman Robert Cherins, who would lead the management group, last week would neither confirm nor deny that a buyout is being discussed.

Only weeks ago, Mr. Cherins said he knew nothing of any efforts to buy the agency.

Although no price has been agreed to, the management group has already contacted banks to borrow money, sources said, and some clients have been briefed on the discussions.

McCaffrey's biggest client, Mercedes-Benz of North America, declined to discuss the agency's plans, saying it doesn't comment on speculation.

The roots of Saatchi's apparent change of heart lie in the company's overall financial predicament.

"One might assess the financial health of the company as the issue," one source familiar with negotiations said. "One might assess the realization that they were not going to sell the consulting division companies as quickly or for as high a price as they had thought. It could be that the new ceo [Robert Louis-Dreyfus] is al-

(Continued on Page 45)

Isuzu shop gains—really

By Cleveland Horton

Joe Isuzu will turn up the volume next year.

American Isuzu Motors on Jan. 1 will pull its regional ad budget into its national agency, Della Femina, McNamee WCRS, Los Angeles, creating an almost $100 million account.

The Japanese importer's regional advertising will top $20 million in 1990, said Fritz Kern, Isuzu VP-assistant general manager-marketing and planning.

Nationally, Isuzu will boost its ad budget about 15% to almost $80 million.

The move effectively eliminates the 67 independent Isuzu dealer regional associations. Their efforts will be assumed by seven regional Isuzu marketing managers.

In the past, regional advertising was jointly funded with the associations; now, Isuzu will pick up the entire bill.

For the 1991 model year, Isuzu is preparing a two-prong strategy to build image and product knowledge on the national level while concentrating on promotional, or tactical, efforts regionally.

Although fictional spokesman Joe Isuzu has helped the company gain overall awareness, "our research shows that consumers don't know as much about our products as they should," Mr. Kern said. He added that the character's future with the company's advertising is assured.

Although somewhat of a coup for Della Femina, the regional billings aren't all incremental for the agency. Currently, it handles about half of the dealer associations, including most of the biggest ad spenders.

The importer is following a precedent established by several other auto marketers, including Nissan Motor Corp. USA, which last year consolidated all regional marketing at its national agency, Chiat/Day/Mojo, Venice, Calif. □

Energizer bunny beats on

By Julie Liesse Erickson

Eveready's drumbeating pink bunny is advertising's hottest star, and agency Chiat/Day/Mojo is working on new ways to make the bunny a ubiquitous symbol of longer-lasting batteries.

Sources said new executions of Eveready Battery Co.'s Energizer bunny campaign could start as early as next month. Eveready broke its set of much-discussed TV spots—in which the bunny interrupts parody commercials—in October.

"There are an infinite amount of commercials that we could parody, dozens of things that the bunny could interrupt," said Tony Wright, VP-management supervisor at Chiat's Venice, Calif., office. "One of the key elements is surprise. Once consumers have seen these three commercials, we need to move onto something else."

In the first set, the bunny interrupts sinus remedy, coffee and wine commercials.

Bob Wolf, president of the office, said: "We would love to have the campaign so well-received that someday we could have the bunny appear on the 'Today' show or the 'Tonight Show' and have him walk across Bryant Gumbel's or Johnny Carson's desk, and we wouldn't have to explain it. That would be the ultimate."

The ultimate happened earlier than Mr. Wolf had planned when an imposter bunny made an appearance on the Nov. 16 "Late Night With David Letterman" show.

On the show, band leader Paul Shaffer alerted Mr. Letterman, "Hey! It's that cute Energizer bunny!" while a mock pink bunny —complete with Energizer logo— walked on the set.

But viewers knew it wasn't a commercial when Mr. Letterman knocked off the bunny's head with a baseball bat—and the bunny's body continued to writhe on stage.

The agency said Friday it had nothing to do with the Letterman stunt.

An Eveready spokeswoman said the company "was delighted" with the publicity. "All I can say is that the bunny keeps going and going . . . and we don't even always know where he's going to be next."

The bunny is being put to work officially outside TV, too. Sources said Eveready sees "tremendous" consumer interest in bunny promotions.

In a Nov. 12 free standing insert, Eveready launched a promotion offering a stuffed bunny for $14.95 with the purchase of Energizer batteries.

"You'll see a lot of merch- ..lising, promotions and point-of-sale materials with the bunny," the Eveready spokeswoman said. "He's hip; he's cool; he's a personality that people enjoy."

The Energizer bunny is leading the charge in all-purpose alkaline batteries, and Eveready has more than its estimated $25-million-to-$30-million ad budget riding on it.

Eveready and parent Ralston Purina Co. are using the Energizer to go head-to-head with Duracell, after two years of trying to segment the $3 billion market.

Industry observers generally believe Duracell has the upper hand in the market; it leads the alkaline battery segment with a 39.9% share, compared with Energizer at 36.1%, according to Nielsen Marketing Research Group figures for the July/August reporting period. □

Cleveland Horton in Los Angeles contributed to this story.

MARKET PROFILE: PORTLAND
Special Advertising Supplement starts after Page 24

IN THIS ISSUE

Losing game: Fisher-Price faces tough times as its sales decline. 12

Mail matters: Magazines and newspapers duel with the U.S. Postal Service over second-class mail insertion rules. 14

Pumped up: Reebok launches new technology and increased marketing efforts in 1990. 35

Show time: Fast-food marketers tie into two of this year's major animated films. 39

Sweet success? The Limited prepares to introduce beauty-product lines in its specialty store divisions next year. 40

VIEWPOINT

Considerations 16
Editorials 16
Forum 18
Letters 20
Brady's Bunch 22
James Brady 24
The Next Trend 24
Joe Winski 24

Global Gallery 25
A TV spot for the EPA promotes the testing of homes for radon. TBWA, New York, recruited director George Lucas' Industrial Light & Magic to handle special effects.

SALES PROMOTION NEWS

Class promotions: Marketers target college and high school students with festivals and dances. 28

PEOPLE

PeopleWorks 30
People Moving 30
Photo Review 32

MEDIA

Consumer Linage 34

Miller Brewing puts the animals back in their cages and keeps the yuppies out of range in the new Lowenbrau Light campaign, which focuses on the strength of its German heritage.

U.S. NewsWatch 10
Corrections & Clarifications 20
Classified 37
For the Record 41
Index to Advertisers 46

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CONSUMER MAGAZINE AD LINAGE

	October 1989	October 1988	Year-to-date 1989	Year-to-date 1988
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	157.6	186.6	1,581.4	1 654.2
Car & Driver	111.4	82.3	1,085.2	1,007.0
Car Collector & Car Classics	15.3	22.3	168.3	170.1
Car Craft	91.4	74.3	782.4	833.1
Circle Track	76.6	72.7	854.8	808.2
Cycle	35.1	27.0	408.9	425.3
Cycle World	42.4	37.8	418.2	470.3
Dirt Rider	32.2	28.4	320.2	371.6
Dune Buggies & Hot Rods	69.1	70.0	689.0	740.5
Family Motor Coaching	167.5	187.1	1,822.4	1,749.1
4 Wheel & Off-Road	93.1	96.1	830.6	891.5
Four Wheeler	78.5	84.0	828.4	894.0
Hot Rod	93.3	69.5	899.9	877.1
Motorcyclist	30.3	21.7	411.3	426.6
Motor Trend	83.1	62.9	825.0	772.6
Motorhome	101.3	101.7	931.8	933.1
Rider	23.6	39.5	337.4	397.5
Road & Track	90.6	104.8	1,057.4	1,031.0
Trailblazer	42.0	48.0	555.0	568.2
Trailer Life	88.0	103.5	923.3	983.4
Total Group	**1,522.4**	**1,520.2**	**15,730.8**	**16,004.4**
% change	**0.1%**		**-1.7%**	
■ Boating & yachting				
Boating	136.0	165.3	1,486.9	1,600.7
Chesapeake Bay	64.3	77.0	532.1	526.4
Cruising World	247.5	261.8	1,220.5	1,260.8
Lakeland Boating (11X)	63.0	70.0	873.8	809.9
Motor Boating & Sailing	99.9	140.6	1,403.6	1,556.6
Sail	117.0	121.0	1,146.6	1,103.9
Trailer Boats (11X)	35.7	42.1	660.9	628.4
Western Boatman (6X)	—	—	227.1	258.3
Yachting	158.8	145.5	1,394.8	1,450.5
Total Group	**922.3**	**1,023.3**	**8,946.4**	**9,195.5**
% change	**-9.9%**		**-2.7%**	
■ Civic/fraternal				
Elk (10X)	21.3	17.4	139.4	155.2
Kiwanis	17.8	21.3	150.3	140.3
Lion (10X)	7.5	7.1	60.6	58.1
Rotarian	18.7	37.7	127.3	189.8
V.F.W. (11X)	33.5	34.0	262.8	262.4
Total Group	**98.8**	**117.5**	**740.4**	**805.8**
% change	**-15.9%**		**-8.1%**	
■ General				
American Health (10X)	57.5	47.8	617.0	542.5
American Heritage (8X)	—	—	276.4	229.8
American Legion	37.0	41.7	323.4	363.9
American West (6X)	24.0	33.5	149.8	162.0
Art & Antiques (10X)	104.6	95.5	620.5	605.3
ARTnews (10X)	155.8	116.9	958.3	921.1
The Atlantic A.	50.6	36.6	420.6	360.9
Bon Appetit A.	100.3	107.2	790.6	795.0
Cable Guide	54.4	40.8	374.3	317.6
Changing Times	57.5	74.0	507.5	550.5
Conde Nast's Traveler	118.7	66.7	752.8	495.4
Connoisseur	116.7	133.6	749.2	820.8
Consumers Digest (6X)	—	—	114.9	114.0
Ebony	79.0	92.7	953.0	984.0
European Travel & Life	74.0	46.0	423.0	339.1
Food & Wine	64.6	72.0	588.4	513.8
Games (6X)	—	—	56.2	36.4
Golden Years (6X)	—	23.9	220.0	391.6
Gourmet	154.3	135.4	975.2	980.7
Harper's Magazine A.	32.5	34.7	302.1	320.9
Harrowsmith (6X)	—	—	294.5	271.0
Islands (6X)	59.5	46.0	307.2	225.3
Let's Live	58.0	49.0	476.0	487.0
Life	55.2	64.8	595.1	542.7
Modern Maturity (6X)	47.0	45.8	201.2	182.4
Money	130.0	183.7	1,001.5	1,144.2
Mother Earth News	—	—	392.0	369.5
National Geographic	36.5	21.5	218.7	218.1
National Geographic Traveler (6X)	—	—	155.5	118.7
Natural History	51.1	51.5	402.7	376.2
New Choices	41.5	38.8	349.9	314.2
Prevention	44.0	49.0	510.0	548.1
Psychology Today	29.8	33.0	288.5	252.3
Reader's Digest A.	127.7	94.6	918.6	980.4
Saturday Evening Post (9X)	39.6	33.1	305.3	281.7
Smithsonian	112.4	101.5	838.1	827.5
Town & Country	185.9	194.2	1,266.9	1,282.7
Travel-Holiday	51.5	40.0	416.2	356.5
Travel & Leisure	169.1	160.6	1,208.9	1,095.7
Travelhost	1,281.0	1,226.0	12,833.0	12,339.0
Vanity Fair	164.9	119.4	1,131.9	907.0
Yankee	89.9	104.3	625.4	751.1
Total Group	**4,253.5**	**4,090.5**	**36,390.8**	**35,328.0**
% change	**4.0%**		**3.0%**	
■ Home				
Americana (6X)	17.8	17.0	91.4	79.9
Architectural Digest A.	234.5	223.6	1,487.4	1,454.8
Better Homes & Gardens	128.5	153.3	1,141.8	1,270.7
Colonial Homes (6X)	—	—	295.9	304.2
Columbus Monthly-Homes (4X)	37.6	35.6	134.1	150.5
Cooking Light	—	—	257.4	183.8
Country Home (6X)	44.0	84.8	354.9	281.7
Country Living	97.1	125.4	911.4	913.3
Family Handyman (10X) A.	50.4	62.4	413.6	427.2
Florida Home & Garden	67.1	90.6	809.6	718.2
Flower & Garden (6X)	22.1	36.0	188.5	214.9
Home	73.9	87.7	601.9	634.1
Home Mechanix	60.2	79.9	516.9	526.3
The Homeowner (10X)	33.0	32.7	288.3	284.0
Horticulture	35.7	35.7	377.5	376.9
House Beautiful	88.3	109.2	672.4	714.0
House & Garden	149.9	121.5	804.9	913.1
Metropolis	102.3	104.1	608.1	557.1
Metropolitan Home	121.2	109.6	1,003.0	852.8
Midwest Living	58.8	69.6	383.7	327.0
1,001 Home Ideas	69.6	69.2	594.7	573.1
Organic Gardening (11X)	27.2	36.7	361.5	443.2
Phoenix Home/Garden	68.0	75.8	726.8	713.5
Practical Homeowner (9X)	44.8	34.1	273.2	335.9
San Diego Home/Garden	74.3	63.8	724.9	706.6
Southern Accents (6X)	—	—	561.9	573.6
Southern Living	124.2	127.4	1,140.4	1,208.5
Sunset Magazine A.	126.7	139.1	1,167.0	1,228.8
Workbench (6X)	47.3	38.9	230.6	192.6
Total Group	**2,006.4**	**2,165.5**	**17,123.5**	**17,160.1**
% change	**-7.3%**		**-0.2%**	
■ In-flight & other passenger				
Aboard Group (6X)	—	—	193.8	176.2
Alaska Airlines	61.9	57.4	636.3	555.4
America West Airlines	82.3	72.5	686.3	622.0
American Way (24X)	224.3	217.3	1,544.6	1,455.6
East/West Network: Continental Profiles	58.9	61.6	578.0	496.3
Eastern Review	40.0	70.8	422.6	656.9
Northwest	66.9	39.5	507.4	397.9
Pan Am Clipper	59.9	52.6	538.4	442.1
Southwest Spirit	64.1	79.9	636.4	625.2
TWA Ambassador	50.6	53.9	506.0	453.6
Vis 'A Vis	99.3	94.1	866.7	629.9
Halsey Publication: Delta Sky	101.3	94.5	809.4	809.2
Pace Communications: Braniff Magazine	21.5	—	337.3	—
US Air Magazine	77.7	62.0	600.7	605.4
Spirit of Aloha	26.6	22.5	241.3	205.0
Total Group	**1,035.3**	**978.6**	**9,105.2**	**8,140.6**
% change	**5.8%**		**11.8%**	
■ Men's				
Esquire A.	166.0	139.8	1,131.3	979.4
Firehouse Magazine	63.3	66.3	423.8	460.9
Gentlemen's Quarterly A.	237.4	241.8	1,813.2	1,728.4
M Magazine	100.7	122.0	728.7	784.0
Penthouse A.	43.9	38.1	508.6	428.2
Playboy A.	54.4	58.7	595.9	534.9
Salute (10X)	40.0	27.9	270.5	233.2
Total Group	**705.6**	**694.6**	**5,472.1**	**5,149.1**
% change	**1.6%**		**6.3%**	
■ Metropolitan				
Aloha (6X)	—	—	223.0	145.3
Atlanta	78.5	83.0	615.9	699.2
Baltimore	73.3	72.9	661.7	678.7
Boston	132.9	191.4	1,359.0	1,560.7
California	102.9	121.6	624.5	652.6
Chicago	189.5	172.4	1,134.1	1,116.5
Chicago's North Shore	92.9	101.1	959.5	908.1
Cincinnati	94.2	80.7	502.4	492.9
Cleveland	67.6	60.2	544.7	579.8
Columbus Monthly	106.6	88.0	736.9	716.1
Connecticut	124.2	139.8	999.9	1,038.4
D/Magazine	84.8	79.1	689.6	798.4
Detroit Monthly	84.1	95.1	591.3	839.9
Grand Rapids	44.0	45.8	398.8	394.3
Honolulu	50.1	52.1	525.9	572.0
Houston Metropolitan Magazine	86.5	58.3	618.9	576.7
Los Angeles	164.6	167.7	1,483.4	1,484.8
Louisiana Life (6X)	—	—	164.5	172.9
Madison	42.0	40.0	398.0	316.7
Memphis	58.5	82.3	756.3	824.3
Mid Atlantic Country	43.5	40.3	426.8	365.7
Milwaukee	59.7	65.0	542.0	553.9
Minneapolis/St. Paul	101.6	116.1	1,071.4	1,015.1
Minnesota Monthly Magazine	61.4	43.4	524.6	404.3
Nashville	60.0	34.0	568.0	432.0
New England Monthly	56.0	62.5	457.6	472.4
New Jersey Monthly	116.1	136.3	941.8	1,032.8
Ohio	71.3	72.9	540.7	570.4
Orlando	96.3	86.7	986.3	865.8
Pacific Northwest	51.4	61.1	484.1	509.3
Palm Beach Life	63.4	92.9	652.5	609.4
Palm Springs Life	97.7	109.9	1,253.3	1,126.8
Philadelphia	159.1	177.3	1,357.5	1,503.3
Phoenix	26.3	54.1	411.3	501.2
Pittsburgh	69.7	63.3	657.6	689.1
Rhode Island Monthly	68.6	58.8	571.3	275.3
Sacramento Magazine	59.0	76.0	500.5	622.0
St. Louis	52.9	37.7	466.5	413.9
San Diego	122.3	187.2	1,307.4	1,507.2
San Francisco Focus	135.4	149.8	1,042.3	975.8
Sarasota	94.0	98.0	403.0	618.0
South Florida Magazine	71.1	81.9	1,001.5	909.7
Texas Monthly	110.6	183.1	964.6	979.5
The Virginian (6X)	—	—	298.7	305.8
Washington (7X)	—	—	349.8	355.7
The Washingtonian	177.8	194.3	1,580.0	1,523.7
Total Group	**3,704.4**	**4,014.1**	**33,349.3**	**33,706.4**
% change	**-7.7%**		**-1.1%**	
■ Music/entertainment				
Audio	340.3	302.5	1,141.9	1,034.7
Dance Magazine	48.1	49.0	524.6	527.7
Playbill	58.8	65.2	485.5	510.7
Video Magazine	74.0	67.0	642.0	630.0
Total Group	**521.1**	**483.7**	**2,794.0**	**2,703.1**
% change	**7.7%**		**3.4%**	
■ Outdoor & sport				
Alaska	38.3	39.7	380.0	356.0
The American Handgunner (6X)	—	—	274.0	263.0
American Hunter	52.9	38.9	243.0	256.5
American Rifleman	38.7	40.6	249.2	268.3
Backpacker (6X)	—	29.7	162.7	145.2
Bass Master (10X) A.	—	—	626.4	626.9
Bicycling (9X)	73.9	70.2	1,014.0	1,025.2
Cross Country Skier	38.2	37.9	125.6	135.4
Ducks Unlimited (6X)	—	—	150.6	152.8
Field & Stream	82.9	77.8	781.9	852.8
Fishing World (6X)	—	—	179.7	185.2
Florida Sportsman	87.0	103.7	1,232.8	1,254.2
Golf Digest	84.2	75.6	1,216.2	1,070.6
Golf Illustrated	47.3	42.3	484.0	310.2
Golf Magazine	74.3	62.3	1,027.4	920.9
Guns	42.0	53.0	385.0	349.0
Guns & Ammo	73.1	87.6	451.4	524.1
In-Fisherman (7X)	21.9	23.5	432.1	372.3
Outdoor Life	71.4	86.8	798.5	782.0
Petersen's Hunting	74.2	98.7	476.5	536.8
Runner's World (12X)	41.7	45.6	384.9	355.2
Salt Water Sportsman	80.4	101.2	1,169.8	1,178.2
Shooting Times	44.9	54.9	338.6	372.2
Sierra (6X)	—	—	230.3	209.2
Ski (8X) A.	167.8	178.0	692.1	633.8
Skiing (7X) A.	156.0	151.1	569.9	582.1
Skin Diver	98.3	102.8	1,147.4	1,151.8
Southern Outdoors (9X)	48.8	53.6	435.2	513.9
Southern Saltwater (8X)	—	—	380.7	264.7
Sport Magazine	51.2	37.5	360.4	364.3
Sports Afield	74.2	60.4	636.0	736.9
Surfing	83.0	73.5	698.9	645.5
Tennis	42.8	39.5	670.6	805.5
Waterski (9X)	—	—	608.4	553.4
Western Outdoors (10X)	31.0	41.0	330.9	378.9
WindRider (8X)	—	—	349.6	358.7
World Tennis	30.5	28.9	483.5	573.1
Total Group	**1,851.0**	**1,936.1**	**20,178.1**	**20,064.9**
% change	**-4.4%**		**0.6%**	
■ Photography				
American Photographer	30.2	28.0	308.8	303.2
Petersen's Photographic	23.4	31.9	258.5	264.2
Popular Photography	99.1	82.0	856.4	787.9
Total Group	**152.7**	**141.9**	**1,423.6**	**1,355.2**
% change	**7.6%**		**5.0%**	
■ Science/electronic/mech				
Discover	40.5	36.7	394.1	340.2
Home Office Computing	51.3	55.2	436.1	419.2
Omni	79.9	124.8	581.8	643.1
Popular Mechanics	99.0	77.3	776.9	775.9
Popular Science	59.1	78.5	810.1	670.2
Scientific American	38.7	31.0	412.2	382.4
Spectrum	69.7	146.8	580.1	656.7
Total Group	**438.2**	**550.2**	**3,991.2**	**3,887.6**
% change	**-20.4%**		**2.7%**	
■ Woman/fashion/service				
Beauty Digest (6X)	20.0	32.5	120.3	91.8
Bride's Magazine (6X) A.	450.6	350.5	2,832.5	2,420.5
Cosmopolitan A.	221.0	228.5	1,945.1	1,979.1
Elle Magazine	262.4	227.0	1,859.4	1,817.1
Essence	75.9	92.9	733.4	779.8
Family Circle (17X) A.	170.9	144.4	1,620.9	1,443.8
Glamour	184.5	169.6	1,658.3	1,728.0
Good Housekeeping A.	166.1	163.6	1,319.6	1,270.4
Harper's Bazaar	146.4	139.2	1,219.1	1,182.7
Health	41.8	42.1	329.2	368.9
Imagen	132.8	145.0	891.5	804.3
Ladies' Home Journal	140.6	123.1	1,266.8	1,060.9
Mademoiselle	141.1	172.1	1,377.0	1,508.4
McCall's	111.8	112.3	927.7	797.8
Military Lifestyle (10X)	54.4	60.7	472.4	452.1
Modern Bride (6X)	300.2	262.6	2,159.8	1,906.9
Ms.	30.5	40.8	313.4	312.1
New Woman	84.8	98.5	837.8	845.6
Parents Magazine A.	149.1	144.8	1,186.9	1,080.1
Redbook	124.2	112.4	967.7	995.0
Savvy	56.0	63.7	467.0	440.9
Self	119.8	122.0	1,093.3	1,028.8
Seventeen	95.2	93.4	1,173.8	1,237.6
Soap Opera Digest (26X)	61.1	28.2	403.3	237.6
Soap Opera Update	16.5	9.0	103.3	96.5
Teen Magazine	52.1	47.6	496.0	555.0
True Story A.	68.3	57.8	560.2	486.4
Vogue	328.7	352.0	2,752.1	2,740.9
W Magazine	232.6	220.1	1,325.1	1,248.6
Weight Watchers	39.3	37.6	346.0	333.4
Woman (10X)	35.3	43.7	291.6	344.5
Woman's Day (15X) A.	275.6	254.2	1,465.4	1,347.3
Workbasket	23.5	28.9	214.3	227.8
Working Mother	74.4	89.1	715.5	729.8
Working Woman	109.0	108.6	942.2	953.4
Total Group	**4,596.6**	**4,418.1**	**36,387.5**	**34,872.9**
% change	**4.0%**		**4.3%**	
■ Youth				
Boys' Life	18.1	16.5	188.9	164.2
Campus Life (10X)	106.7	83.8	397.2	369.5
Total Group	**124.8**	**100.3**	**586.2**	**533.7**
% change	**24.4%**		**9.8%**	
■ Business/national				
Barron's	226.6	220.0	1,532.9	1,823.2
Black Enterprise	87.7	80.7	812.7	775.5
Business Month	44.7	41.8	349.7	306.7
Business Week (52X) A.	829.1	696.8	3,927.5	3,667.2
Entrepreneur	124.7	115.5	1,487.1	1,058.6
Financial World (26X)	82.1	74.7	570.5	524.8
Forbes (26X)	790.4	582.6	3,162.4	2,753.4
Fortune (26X)	487.7	452.6	3,042.6	2,596.2
Frequent Flyer	67.3	54.1	431.6	469.8
Inc. Magazine	140.3	135.9	864.7	850.3
Income Opportunities	90.9	88.1	683.7	764.1
Industry Week (23X) A.	123.1	137.0	959.1	889.2
Nation's Business (12X) A.	52.9	42.7	377.6	357.5
Total Group	**3,147.4**	**2,722.4**	**18,202.0**	**16,836.5**
% change	**15.6%**		**8.1%**	
■ Business/regional				
Advantage-Nashville's Bus. Mo.	68.0	84.0	706.0	645.0
Baltimore Bus. Jrnl.	129.1	109.1	856.0	836.3
Bus. First of Buffalo	80.6	81.2	786.1	700.2
Bus. Jrnl.-Milwaukee	198.8	179.2	1,495.0	1,745.0
Bus. Jrnl.-Sacramento	100.8	99.2	848.4	846.8
Bus. North Carolina	38.2	33.7	421.0	371.3
Caribbean Business	117.4	164.0	1,254.6	1,111.9
Corporate Report Minnesota	66.0	68.4	664.0	727.4
Crain's Chicago Bus. (52X)	224.1	203.0	1,435.3	1,519.3
Crain's Cleveland Bus. (52X)	115.2	116.8	805.5	737.4
Crain's Detroit Bus. (52X)	124.9	111.8	821.2	800.6
Crain's New York Bus. (52X)	120.0	91.0	605.0	517.0
Florida Trend (13X)	58.6	84.1	530.0	614.0
Georgia Trend	62.0	51.2	483.1	564.9
Grand Rapids Bus. Jrnl.	62.9	58.4	465.5	526.8
Hawaii Business	52.3	50.0	523.1	490.2
Houston Bus. Jrnl. (52X)	91.1	108.8	787.0	664.0
Indianapolis Business Journal (52X)	224.5	224.7	1,655.7	1,568.7
New England Bus. (12X) A.	34.2	57.6	378.2	544.1
New Orleans City Bus.	47.8	40.6	432.1	473.7
Pacific Bus. News (52X)	137.2	125.2	1,048.3	1,072.5
Philadelphia Bus. Journal	185.3	199.6	1,478.0	1,502.7
Pittsburgh Bus. Times (52X)	146.1	103.6	250.6	251.3
Providence Bus. News	99.1	109.7	918.2	864.8
Regardie's/Washington	215.0	162.0	1,665.0	1,487.0
Review Newspapers: Broward Review	53.5	68.2	682.0	578.8
Miami Review	59.2	88.3	575.4	636.2
Palm Beach Review	57.3	95.2	617.9	560.3
St. Louis Bus. Jrnl. (52X)	110.3	137.1	1,019.0	1,146.5
Total Group	**3,079.4**	**3,105.6**	**24,207.2**	**24,104.8**
% change	**-0.8%**		**0.4%**	
■ National Sunday mags				
Parade (52X)	78.7	70.8	588.9	561.4
USA Weekend (52X)	67.7	54.1	519.0	472.5
Vista Magazine (52X)	32.2	31.3	205.9	183.2
Total Group	**178.7**	**156.2**	**1,313.9**	**1,217.1**
% change	**14.4%**		**8.0%**	
■ Newspaper Sunday magazine				
Boston Globe	372.4	330.6	2,094.8	2,085.6
Chicago Tribune	178.7	145.7	1,153.8	1,096.5
Cleveland Plain Dealer	90.4	85.2	663.5	655.3
The Dallas Morning News	84.3	82.1	642.9	768.1
Detroit Free Press	58.2	59.6	424.9	485.9
L.A. Times	88.4	130.2	732.2	747.9
Louisville Courier-Journal	42.0	52.0	317.0	382.0
New York Times Magazine	537.5	564.9	3,306.7	3,384.2
Philadelphia Inquirer	93.4	129.6	855.8	960.8
Seattle Times	124.0	254.0	719.0	859.0
St. Louis Post Dispatch	122.3	110.3	814.5	765.1
Toledo Blade Magazine	45.9	37.7	344.3	329.1
Washington Post	188.6	216.2	1,306.2	1,352.1
Total Group	**2,026.1**	**2,198.1**	**13,375.6**	**13,871.6**
% change	**-7.8%**		**-3.6%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	111.4	145.5	1,450.8	1,702.4
Army Times Military Group: Air Force Times (52X)	209.4	195.1	1,612.7	1,638.1
Army Times (52X)	213.2	189.8	1,562.3	1,567.0
Navy Times (52X)	231.9	214.9	1,778.0	1,789.0
Capper's (26X)	27.9	29.8	315.4	241.6
Commonweal (22X)	5.4	4.4	64.1	60.6
Golf World (40X)	59.1	48.2	1,101.2	956.1
Grit (52X) A.	52.0	40.0	357.0	292.0
National Journal (50X)	76.1	112.0	601.9	732.5
National Review (25X)	32.6	37.0	255.5	358.6
New Republic (48X)	55.2	64.6	409.3	416.5
New Yorker	300.5	256.8	1,778.7	1,738.2
Newsweek (52X) A.	336.5	281.5	1,956.7	1,955.4
People (51X)	328.5	378.4	2,995.1	2,880.2
Rolling Stone (25X)	158.4	166.4	1,551.2	1,469.1
Sporting News (52X)	66.5	65.3	518.2	508.3
Sports Illustrated (52X) A.	328.5	338.6	2,398.6	2,420.3
Time (52X) A.	338.9	292.6	2,194.2	1,980.9
TV Guide (52X) A.	246.0	442.5	2,659.5	2,798.7
US Magazine (26X)	91.7	69.7	625.3	525.7
U.S. News & World Report (50X) A.	273.0	199.3	1,612.6	1,462.9
Total Group	**3,542.8**	**3,571.7**	**27,798.3**	**27,483.5**
% change	**-0.8%**		**1.1%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. Ad Age makes no attempt to verify them and therefore is not responsible for inconsistencies or errors. Compiled by Kathy Welylu.

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NEWSPAPER

Advertising Age

November 27, 1989

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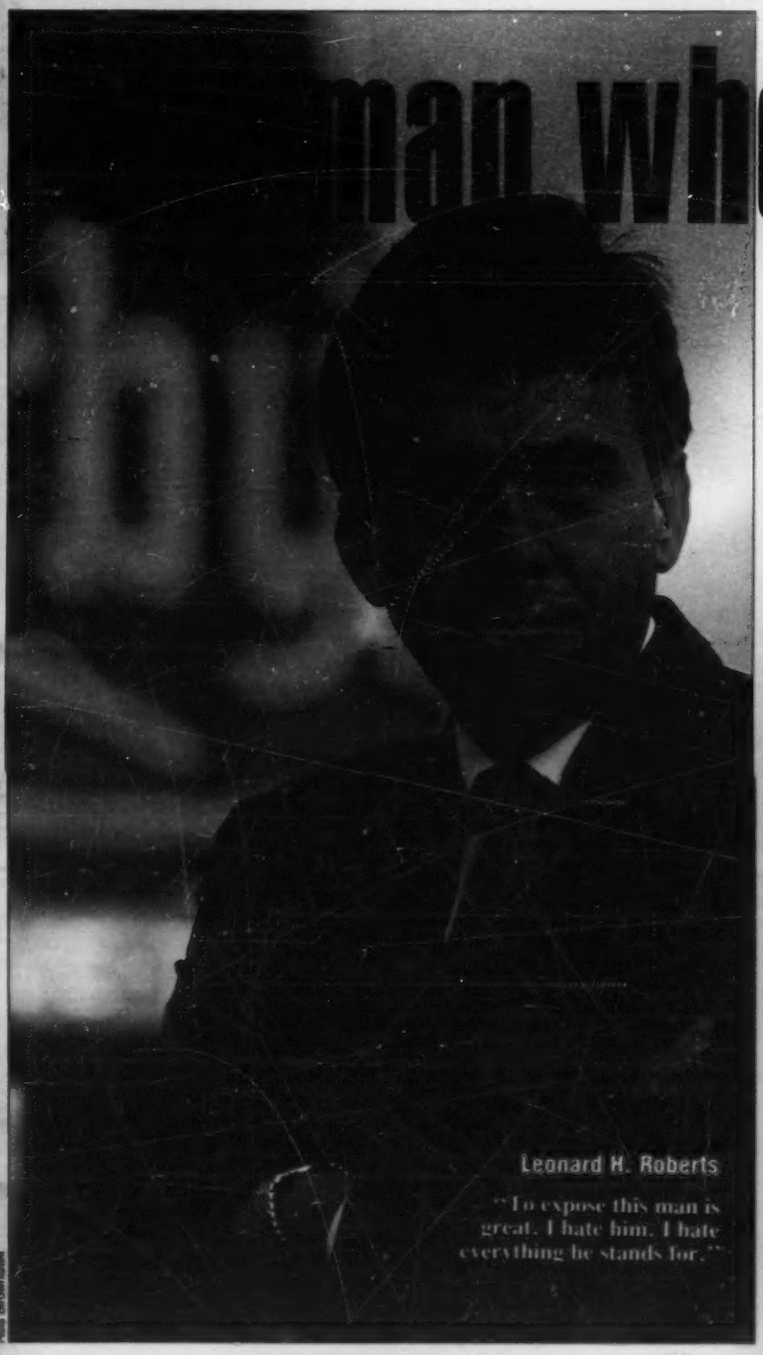
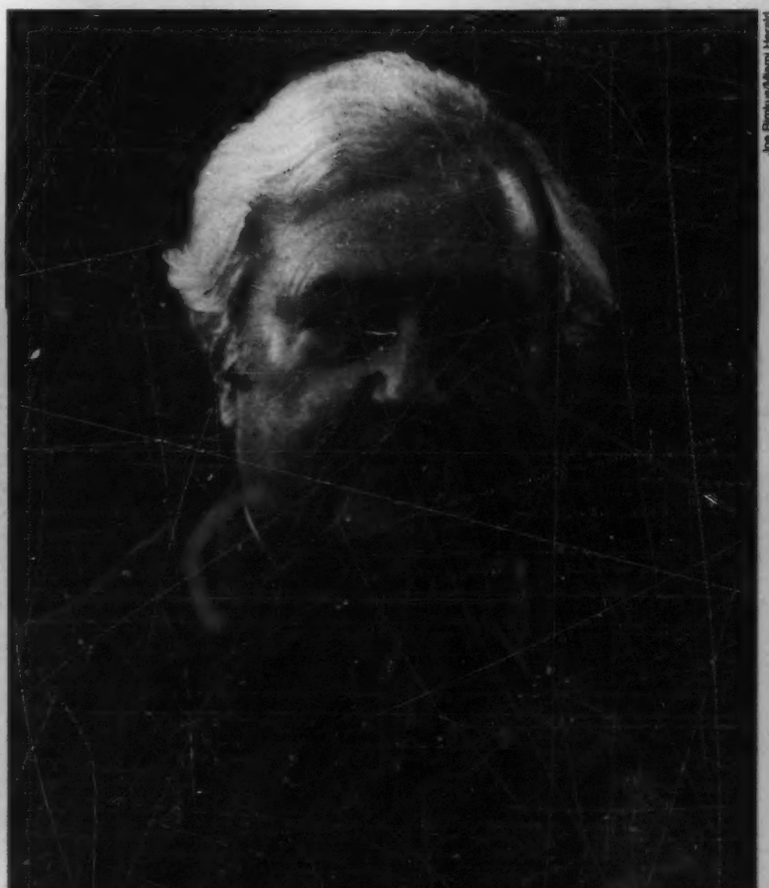
The man who stood up to Victor Posner



Leonard H. Roberts

"To expose this man is great. I hate him. I hate everything he stands for."

Ross Birkshead



Victor Posner

"Somewhere along the line, Roberts began to think that he could walk on water," a Posner aide said.

Joe Rimkus/Miami Herald

By Joseph M. Winski

In early 1985, Leonard H. Roberts, a Ralston Purina Co. vice president in search of funds for a management buyout of Ralston's foodservice division, boarded a plane to New York.

His seatmate that day was a woman named Renee Mottram. Mr. Roberts told her what he was up to.

She suggested that her boss, who had a certain fondness for acquisitions, might want to hear more about Mr. Roberts' plans.

Her boss, she said, was a man named Victor Posner.

Mr. Roberts met with Mr. Posner, who was chairman,

(Continued on Page 4)

Decision on dividend vital to Saatchi future

By Laurel Wentz and Jon Lafayette

When Saatchi & Saatchi Co. announces its yearend results Dec. 6, analysts will be watching for the one move that could put the company "in play."

Analysts believe that if London-based Saatchi cuts its dividend too far, it will cause the stock price to tumble and could set off bidding for the company.

New CEO Robert Louis-Dreyfus implied at a meeting with U.S. analysts early this month that he's not comfortable maintaining the dividend at the same level the company paid when Saatchi was more profitable.

At the same time, longtime Saatchi executives are believed to oppose a dividend cut, which would increase both shareholders' wrath and the company's vulnerability.

Saatchi paid a dividend of 7.4 pence per share two months ago for the first half of this year. A dividend of 8.6 pence, which would cost the company $21.5 million, was planned for the second half.

Cutting the dividend "would increase their vulnerability to takeover," said Neil Blackley, an analyst at U.K. stockbroker James Capel & Co. "I think the price would come back [down]. A compromise would be to write off everything that is prudent but maintain the dividend."

"There's definite friction between [Mr. Louis-Dreyfus] and the Saatchi old guard on the subject" of the dividend, said Emma Hill, analyst at Wertheim Schroder, New York.

Saatchi is still holding meetings about the write-offs and the dividend, and apparently hasn't made a final decision.

However, a recent story in the *Evening Standard* reporting analysts' impression that Mr. Louis-Dreyfus favored a dividend cut was altered in later editions to firmly rule out such a move.

Mark Shepperd, an analyst at

(Continued on Page 8)

Infiniti ads pull in traffic

An Advertising Age roundup

Nissan Motor Corp. USA's unconventional prelaunch campaign for Infiniti is having an impact.

An *Advertising Age* sampling of dealers across the country indicates the campaign is driving customers and the curious into showrooms.

The new upscale division officially began selling cars Nov. 8, following an intensive Zen-like campaign that never pictured the automobiles—the Q45 sedan and M30 sports coupe.

"I was very skeptical at the beginning," said Brian Kelly, principal of Roland Kelly Infiniti, Beverly, Mass. However, he said people began showing up at his dealership three weeks before it officially opened.

In the first week of business, more than 200 people entered the showroom, he said.

Wayne Wright, general sales manager of Grubbs Infiniti, Fort Worth, Texas, was another skeptical dealer: "I thought, 'If it doesn't show the car, the response will be bad.' But people thought it was a classy advertising campaign."

Some Infiniti dealers were skeptical at first, but now they say the unusual ad campaign is bringing in customers.

"The advertising clearly worked," said Robert Dekoy, sales manager at Loeber Imports, Chicago. "The number of people coming in here has been tremendous. It's been like the Auto Show here."

Mr. Dekoy acknowledged there was some chuckling early on over the TV spots from Hill, Holliday, Connors, Cosmopulos, Marina del Rey, Calif. "I think most people's first reaction was 'What the hey?' but after they saw them a few times, they got the idea."

Awareness of Infiniti ran high in the Cleveland suburb of Bedford, Ohio. While prospective customers at Motor Cars Infiniti split over whether they like the advertising, "they all remember it, and it has aroused their curiosity about the car," said Jeff Bleiweiss, general manager.

Infiniti of Beverly Hills, Calif., sold out its first allotment of $38,000 Q45s in just 10 days. "Eighty percent [of people drawn to the showroom] said they'd seen the commercials," said Jim Clarey, sales manager. "They said it was unusual, they'd never seen anything like it before."

He added that most people were

(Continued on Page 112)

NCAA joins CBS sports roll

By Wayne Walley

Advertisers and agency executives are bracing for a new standard in sports ad packages now that CBS-TV has added the National Collegiate Athletic Association basketball tournament telecasts for the 1990s.

The $1 billion, seven-year deal cemented with the NCAA last week gives the network virtually year-round, top-name sports for years to come. CBS has the 1992 and 1994 Winter Olympics, National Football League national conference playoffs and baseball's league championships and World Series.

"It gives the network a lot more in the way of packaging opportunities, which can provide more pricing flexibility," said Joseph Ostrow, New York-based exec VP-corporate director of media for Foote, Cone & Belding.

Many observers believe CBS will use its stockpile of sports inventory to create annual and multi-year deals for more than just the big-name advertisers that use sports.

"The key is how CBS packages the whole operation," said a buyer who asked not to be identified. "Obviously, what is happening is that we are getting into a stratum of higher pricing that squeezes the middle group of advertisers."

The network is asking about $360,000 for a 30-second spot in the 1990 NCAA championship game, about 20% more than last year. Agency buyers said asking prices for other tournament games are already about 25% higher than last year, and they expect bigger jumps once the new contract takes effect.

Guidelines for beer advertising, the hottest topic of negotiations, almost became a non-issue after the NCAA softened its stance.

Jim Marchiony, NCAA director of communications, said the idea of imposing restrictions was dropped when Anheuser-Busch proposed a voluntary plan to run a balance of ads promoting both product and moderation starting this year.

The NCAA originally broached the idea of banning all beer ads, then talked of limiting beer to "educational" or moderation commercials. It finally settled on limiting the amount of beer spots to 60 seconds per hour. The deal reduces beer advertising by a third, meaning CBS will need to find other ad categories to fill the void.

The new NCAA deal, starting in 1991, is the second billion-dollar contract CBS has signed in less than a year. Last December, the network agreed to pay $1.06 billion for four-year rights to Major League Baseball.

CBS might have also considered the NCAA a necessary piece of the network's sports puzzle after it lost the rights to the National Basketball Association to NBC earlier this month. NBC snapped up rights to the NBA starting in the 1990-91 season for $600 million.

The NCAA price tag pushes the annual rights fee to an average of about $143 million a year, up a whopping 260%. □

IN THIS ISSUE

L'eggs computes: L'eggs drives up sales with computerized hosiery shopping. **16**

Brand-name drugs: Two major drug companies seek the Food & Drug Administration's approval to advertise prescription drugs by name on TV. **31**

Eating dust: Dodge suffers the biggest loss from Chevrolet and Ford's pickup truck comparative-ad war. **32**

Whittle effect: Publishers copy the basic concept behind Whittle Communications' *Special Reports*. **108**

VIEWPOINT

Considerations **36**
Editorials **36**
Forum **38**
Letters **41**
Brady's Bunch **42**
James Brady **44**
Rance Crain **44**
The Next Trend **44**

Where are the key media headed? How much will prices increase? *Ad Age* talks to both the buyers and sellers in cable, magazines, radio, newspapers and outdoor to find out, with some surprising results.

INTERNATIONAL NEWS **76**

Global Gallery **77**

REGIONAL NEWS **82**

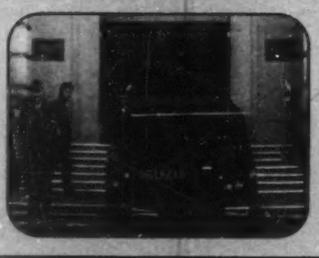
MEDIA

MediaWorks **86**

MARKETING TO HISPANICS **86**

PEOPLE

PeopleWorks **90**
People Moving **91**
Photo Review **94**



Joe Isuzu becomes an obnoxious hooligan, Hilton International returns to the days of imperialism and Philip Morris turns the First Amendment into a marketing ploy.

U.S. NewsWatch **20**
Corrections & Clarifications **41**
Classified **99**
Calendar **102**
For the Record **109**
Index to Advertisers **116**

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Where is the key media headed? How much will prices increase? Ad Age talks to both the buyers and sellers to find out, with some surprising results

MEDIA OUTLOOK

The sellers' perspective

TV appears on verge of new golden age

By Wayne Walley

BAROMETER

HOT

Ride 'em, cowboy... Westerns, once TV's most popular genre, are starting to corral viewers again. Although agency executives expected CBS' "Paradise" to draw a quick cancellation, the series is back in the saddle again, trying to turn Saturdays into a gunfight. ABC is high on "Young Riders," and NBC has its hopes riding on its "Desperado" movies.

Three out of four ain't bad... Producers Marcy Carsey and Tom Werner proved they aren't perfect when "Chicken Soup" didn't cook this fall. But few producers can lay claim to three top-rated series at the same time: "Roseanne," "Cosby" and "A Different World."

Going to the well... TV comedies usually grow stale and fade. Not NBC's "Cheers." Despite death, cast changes and syndication of early episodes, the series continues to serve up more laughs.

A little drama never hurts... First the famous Bryant Gumbel computer memo lambasting everyone on the "Today" show. Then the Deborah Norville intrigue. Finally, Jane Pauley's decision to leave her job by yearend. The "Today" plots almost come from "Dynasty," but the off-camera drama has given the NBC entry a new lease on life in the ratings race.

Outfoxed... Ever since Terry Rakolta turned an episode of "Married . . . With Children" into a national campaign to clean up TV, the Fox Broadcasting Co. comedy has become the fledgling network's biggest hit.

Let's be upfront about it... Despite TV's double-digit price increases, marketers bought 90% of the '89-90 prime-time space before the season started, or more than half the network's anticipated total ad revenues of $10 billion for '90.

Swinging for the fences... Following the long-form Porsche spots during the baseball playoffs, the big-bang commercial—somewhat dormant since "1984"—may be back on the roster.

Strange bedfellows... The networks, trying to woo viewers back to network prime-time, are entering

(Continued on Page S-20)

+1.9% National ad $s

Jan.-Sept. '89 vs. Jan.-Sept. '88

Advertisers are rediscovering broadcast television, giving network, barter syndication and spot TV sellers a rosy outlook for the 1990s.

The robust sellers' market starts with the Big 3 networks. After a record-setting $3.8 billion upfront market for the 1989-90 prime-time season—or some 90% of the available inventory—ABC, CBS and NBC are understandably optimistic.

Add in Fox Broadcasting Co., and network TV reaped about $4.2 billion in upfront sales, an increase of more than 20% over last year.

Can the same thing happen next year?

"The dinosaurs have become dynamos," says an elated network executive, who believes a vigorous effort to market network time and a spending shift from promotion back to advertising resulted in the improved sales volume.

The ad volume rolled in despite network's shrinking share of the TV audience, albeit at a reduced rate, and a cost-per-thousand jump of from 12% to 18% for the new prime-time season. Chances are scatter prices in early 1990 will fetch even higher prices as almost all advertisers are picking up first-quarter and second-quarter options to buy time in all network dayparts.

"There's no reason why it shouldn't go on," says Larry Hoffner, senior VP-sales, NBC. "Television is a strong market. The money is there and it's a steady thing. Network time is not a 'house on fire' market."

A strong economy and a strong network marketplace also mean booming business for all of broadcast TV. With fewer network availabilities, marketers with TV advertising needs turn to alternatives such as barter syndication, cable and spot TV.

For 1990, the Television Bureau of Advertising forecasts a 7.1% increase in broadcast TV revenues. Syndication, starting from a smaller base, will show the largest percentage increase—15% to 17%, compared with 6% to 8% for network and local TV and 5% to 7% for spot, according to the forecast.

Fueling the robust market this year and providing optimism for 1990 is the massive marketing battle on the automotive front. The big-spending introductions of Nissan's Infiniti division and Toyota's Lexus were just two of the factors igniting a frenzied market this year. The addition of the new Saturn line from General Motors could create the same spending spree in 1990.

As an industry, the automakers increased upfront spending on the networks alone by some 75% and could commit even more in the winter, spring and summer if the fall marketing campaigns don't work.

While a bulk of the automotive ad budgets are being spent on network, sellers of ad time in syndicated shows and those representing local TV stations in the spot TV market say the car marketers also are pouring money into their respective areas.

TV sellers say other advertisers also seem to be re-discovering brand-building through advertising, eschewing the massive promotion expenditures of previous years.

"Almost to a person, the advertisers speaking at the Association of National Advertisers conference this year said they had to pull back on promotional spending and redress that balance," says Jim Joyella, president of TvB.

Many seem to be coming back to network TV with larger budgets. "The realization is that the networks, with their large reach, are important to have," says Jake Keever, exec VP-sales, ABC Television Network, New York.

The networks also are buoyed by their apparent success in halting or at least slowing audience erosion this year. The three-network audience share of prime-time during fall 1989 has hovered between 65% and 70%. Another factor is the three-network marketing efforts.

"We have to do more to prove our value, so we're spending the time putting presentations together to show the value of particular dayparts," says ABC's Mr. Keever. "It's a positive thing to sell network as the best mass media situation. We did get increases in price and now we have to establish in the minds of the

(Continued on Page S-19)

Top 15 soften network TV's decline

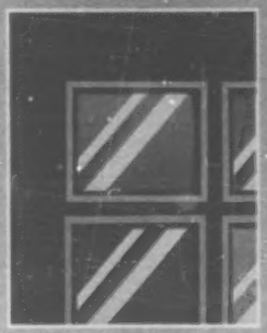
0.4% Jan.-June 1989 vs Jan.-June 1988

Network TV's top brands notch 0.4% gain in first half 1989 ad spending to ease network's 1.2% decline.

Top 15 network TV advertisers	Jan.-June 1989 ($mils)	% change Jan.-June 1989 vs Jan.-June 1988	full year 1988 ($mils)
McDonald's Drive Restaurants	$127.6	18.8%	$245.4
Burger King Restaurants	52.7	68.4	58.9
American Express Credit Card	32.7	23.4	51.6
Kentucky Fried Chicken	29.0	3.9	55.8
Budweiser Beer	24.3	(25.5)	66.0
Wendy's Restaurants	22.6	(3.8)	49.3
Red Lobster Inns Restaurants	20.9	(2.3)	39.5
Oldsmobile Cutlass	19.6	10.1	42.3
United Air Lines Passenger	18.3	17.3	39.8
Coca-Cola Classic	18.8	42.4	36.1
Miller Lite Beer	14.4	(19.1)	49.3
Miller High Life Genuine Draft	12.0	(26.4)	44.2
Michelob Beer	11.2	(42.6)	39.2
Budweiser Light Beer	9.6	(44.5)	41.6
AT&T Co. General Promotion	9.5	(71.0)	73.3
Total	421.2	0.4	932.3

Top 15 brands selected by 1989 it ad spending, but ranked by 1st half 1989 spending.
Source: LNA/Arbitron Advertising Age graphic: John Holland/Kelly Segura

INSIDE



CABLE: Good news at most networks has execs wired. Page S-2.

MAGAZINES: A plea for "smarter" rate cards. Page S-6.

RADIO: Making hay with spillover dollars from TV. Page S-10.

NEWSPAPERS: Some are still missing the ad news. Page S-14.

OUTDOOR: Opening up to draw new categories. Page S-16.

Edited by Craig Endicott
Illustrations by Joe Gast

BAROMETER

HOT

Pure dynamite...TNT, also known as Turner Network Television, explodes onto the scene. Old movies have drawn large numbers of loyal viewers to this year-old network, which will add more sports programming in 1990.

Play it again... The public's seemingly insatiable appetite for sports has buoyed ESPN to the top of the subscription charts. Watch for the pitch it gives to its giant baseball broadcast package.

...and again... Regional sports networks will prove that there's nothing like root, root, rooting for the home team. New sales packages that combine these into mini-networks should play well with national advertisers.

Kudos for Kay and Co.... Kay Koplovitz' USA Network is watching its ratings escalate as it puts on more original programming and consistently refreshes its schedule.

Nothing but lousy reruns... Re-regulation could become the top issue next year. Sen. John Danforth (R., Mo.) reportedly is considering introducing legislation that would re-regulate subscriber rates, return more power to franchising authorities, reconfigure must-carry rules and reduce multiple systems operator size.

You must be kidding... Comedy Channel and Ha! TV Comedy Network will make a big splash next year. OK, so they're a little behind the boom in stand-up comedy clubs. But it's just about the right time for cocooning to work in the networks' favor as clubbers stay home.

COLD

Fine young cannibals... SuperStation WTBS' ratings and programming pizzazz are slipping, industry watchers agree, as TNT cannibalizes its audience and Turner executives concentrate resources on their younger star.

Bear market... Financial News Network has lost momentum on business news coverage to CNN. Agency executives now wonder whether it has narrowcasted itself into a corner.

So much for NBC's win streak... Consumer News & Business Channel, the NBC-owned cable startup, is considered unremittingly boring and production values need to be improved.

Hee-haw... The Nashville Network needs a boot in the overalls. But even with a good programming shot-in-the-arm, critics wonder whether its appeal is broad enough to generate momentum in the ratings.

Shopped 'til it dropped... Home shopping networks aren't the tonic they used to be. Proof that shoppers would rather walk the aisles than order another cubic zirconia ring. □

The buyers' perspective

Upfront cable comes of age

By Judith Graham

The cable upfront buying market will sizzle in 1990.

Industry executives predict as much as $650 million in cable inventory will be sold on an upfront basis in the coming year, with "hot" networks and programs commanding sizable cost-per-thousand increases.

The reason, they say, is national advertisers' appetite for cable is healthier than ever, as is their desire to get their pick of increasingly appealing cable programming.

"More advertisers are looking at target marketing, and there are still more places where you can target on cable than on the [Big 3] networks. I think cable is going to have a super year," says Joseph Ostrow, worldwide media director, Foote, Cone & Belding.

According to Paul Kagan Associates, a leading cable researcher, cable network ad revenues are expected to jump 14.3% to $1.6 billion in 1990, compared with 1989.

The biggest ad growth categories for the industry will be regional sports networks, whose revenues should leap 35% to $100 million, and local advertising sold by cable operators, which is expected to climb 29.9% to $521 million.

With agencies increasingly anxious to snap up the best inventory as early as possible, the cable upfront market next spring for the 1990-91 broadcast season easily could top $650 million, says Larry Gerbrandt, VP-senior analyst at Kagan.

That would be a 30% increase over this year's cable upfront season, an activity whose strength caught both networks and agencies by surprise. The result was some networks underpriced inventory and some clients missed out on buys they had wanted.

Also, prices for popular inventory sold in the short-term "scatter" market soared, leaving clients and agencies determined not to be caught in the same position again.

The year before was the first one in cable's history to witness significant upfront activity, with $200 million in advance ad spending.

Most of the extra money in the 1990-91 cable upfront season will come from higher CPMs charged by cable networks, rather than a significant expansion of the inventory sold on an upfront basis, Mr. Gerbrandt says.

Robert Coen of McCann-Erickson predicts cable's CPMs will increase 8% in 1990 following a 10% increase in 1989. Mr. Gerbrandt declined to predict upfront CPM increases, saying only that the current 25% to 60% gap between network and cable CPMs would

(Continued on Page S-22)

Top 15 fuel cable's meteoric rise

Cable's leading brands climb 16.2% in first half '89 ad spending as medium surges 38.9%.

Top 15 cable TV advertisers	Jan.-June 1989 ($mils)	% change Jan.-June 1989 vs Jan.-June 1988	full year 1988 ($mils)
Time-Life Books	$3.7	146.7%	$4.0
Budweiser Beer	3.5	2.9	8.2
Sports Illustrated Magazine Subs	3.0	20.0	7.3
Time-Life Records & Tapes	2.4	242.9	3.2
America Dairy Assn./Cheese	2.3	15.0	4.5
Discover Credit Card Svc	2.2	144.4	3.1
Charles Schwab & Co.	2.0	(25.9)	5.4
Budweiser Light Beer	1.9	5.6	4.8
AT&T Long Distance Lines	1.7	30.8	3.1
Sporting News Magazine Subs	1.7	6.2	3.1
Wall Street Journal Subs	1.7	(15.0)	4.2
Levis Jeans Men	1.6	33.3	3.0
Michelob Beer	1.2	(25.0)	4.0
National Rifle Assn. of America	1.1	(52.2)	3.1
Pepto-Bismol Antacid Tblts & Liq	0.8	(20.0)	2.6
Total	**30.8**	**16.2**	**63.6**

Top 15 brands selected by 1989 total spending, but ranked by 1st half 1989 spending.
Source: LNA/Arbitron Advertising Age graphic: John Holland/Holly Seguine

The sellers' perspective

Original fare 'begins to blossom'

Hopes are running high among cable networks for an outstanding 1990, both in terms of advertising revenues and new programming advances.

Jack Bonanni, ESPN's senior VP-advertising sales, says, "1990 will be at least as good for cable as 1989, and 1989 has been staggering."

Network executives expect ad revenues for their side of the industry—excluding cable operators' local ad sales—to climb about 15% to 20% in 1990.

The surge will be fed in part by new commercial inventory and in part by cost-per-thousand increases.

Given an estimated $1.4 billion in cable network ad sales in 1989, that would place comparable 1990 advertising revenues somewhere between $1.61 billion and $1.68 billion.

Large amounts of new inventory will result from new cable ventures, including the launch this month of HBO's 24-hour "Comedy Channel," the April 1, 1990 premiere of MTV Networks' 24-hour "Ha! The TV Comedy Network," the anticipated 1990 launch of a sports news channel and the start-up of several regional sports cable networks that will be selling national advertising time.

Cost-per-thousand increases will be all over the lot, with some networks planning to raise prices an average 7% to 15% and others such as ESPN saying they will boost prices as much as 30% for high-demand programming such as first-run, exclusive shows.

While the potential for re-regulation of the industry looms, executives say the most important trend of 1990 will be the continued proliferation of original cable programming, which has demonstrated its ability to deliver both large audiences and command hefty CPM rates.

"After lots of dreams and promises, cable programming is finally beginning to blossom," says Gerry Hogan, president of Turner Broadcasting System's Entertainment Networks, responsible for SuperStation WTBS and Turner Network Television.

At Turner Broadcasting, that translates into a commitment to produce 30 original movies in 1990, compared with 15 in 1989, and to beef up documentaries at WTBS. TNT will run two original programs each month in 1990, compared with one for most of 1989, and four original programs monthly by 1991.

Mr. Hogan says WTBS' ad revenue increase should stay in line with that of the industry: Its ad increase will be 20% to 25%, while upstart TNT should amass 40% to 50% ad volume gains.

For ESPN, the big news of 1990 is the addition of 175 Major League Baseball games to its schedule, along with related programming such as a daily 30-minute highlight show called "Baseball Tonight."

Although baseball ad sales have started out slowly, ultimately they could prove a windfall for ESPN, which is charging a substantially higher CPM for baseball than it did for the inventory being replaced.

Among the ad categories showing substantial new energy for 1990, Mr. Bonanni says, are automobiles, national retailers, oil, tires and fast-food.

(Continued on Page S-22)

PERSON TO WATCH

M.A. Michel

Gerry Hogan

Gerry Hogan faces one heck of a juggling act next year.

As president of Turner Broadcasting System's Entertainment Networks, he needs to revive the sagging fortunes of WTBS SuperStation while nourishing the rapidly rising star of Turner Network Television.

The 43-year-old executive admits advertisers have expressed considerable confusion over the distinctions between the networks.

"The first thing we have to do [in 1990] is identify clearly the missions of each network—both the real and the perceived," he says. "TBS has been getting lost in the publicity we got for TNT."

An 18-year veteran of TBS who rose through the sales ranks, Mr. Hogan is acclaimed by cable industry insiders for engineering the startup of TNT, the single largest cable launch in history.

His biggest challenge in heading Turner's cable network operations has been reading through thousands of scripts and "dealing with creative people . . . learning how to motivate and excite them," he says. "It's a spectacular moment in cable," he adds, referring to the flood of original programming on networks such as TBS and TNT.

"Now, as each week goes by, we take another piece out of the pie [network] broadcasters built."

As if he didn't have enough to do, Mr. Hogan recently became president as well of Turner Pictures, a new division that will produce films for Turner cable networks and for theatrical release.

—Judith Graham

BAROMETER

HOT

Menage a trois...Publishers, agencies and advertisers will link up in three-way marriages. Known as marketing partnerships, these are the latest evolution in the value-added program craze.

Expand your brand..."Operate what you got" is a key phrase for 1990 as media companies get back to basics and expand their franchises.

The Seven Brothers...Look for the launch of several general interest men's magazines. *Cook's* founder Christopher Kimball already has announced one, and media buyers are expecting many more to jump on the manwagon.

Multi-madness...Multi-fill-in-the-blank deals will come into their own. "Multi" is what's causing advertisers to foam at the mouth: Multi-title, multi-media, multi-national packages are multi-hot, hot, hot.

The price is right...Free and controlled circulation magazines, with their ability to reach narrowly defined target audiences at a price at which no subscriber can say "no," will benefit from the popularity of niche publications. They should finally shake their second-citizen status and gain some respect from advertisers.

Channeling...Chris Whittle: 'Nuff said.

Greenpiece...Publishers try to get a piece of the environmental movement with such magazines as *Garbage, E, Buzzworm*. Hot next year, but the books may end up in the dumpster if environmental fervor unexpectedly ages.

Talk to me, baby...Texas Instruments and Absolut vodka ads have more to say than the average magazine ad, and "plain" advertisers gripe about being overshadowed by them. The pop-up ad craze a couple years back indicates talkies will have a couple years before they lose their voice —unless publishers take too much heat from core advertisers.

Rolling it in...The cigarettes/tobacco/accessories category leaped 29.5% in first six months of 1989, the largest year-to-year increase among magazines' top 10 ad categories, according to Publishers Information Bureau.

Hot off the doorknob...Publishers, eyeing another 18% postage rate hike by '91, are scurrying to develop alternate delivery systems.

COLD

Discontieg discounting...Strict rate negotiation is passe. Quality editorial and meaningful marketing partnerships are in.

Picky eaters...The feeding frenzy of major publishers should end. Look for less mindless mega-merger and acquisition activity, and more careful, well-planned joint ventures and hook-ups.

Big brother...While the entrepre-

(Continued on Page S-22)

The buyers' perspective

Only the 'smart' survive

By Scott Donaton

If magazine publishers don't start coming to media b yers with "smarter" rate cards, the pressure to negotiate rates off-the-card could escalate to an all-time high next year, say media buyers.

And "smarter" to media buyers means keeping rate increases lean, adjusting only for inflation—hardly good news to publishers.

"I'm not aware of any reasons publishers could give for big hikes," says John Gray, senior VP-director of media planning, J. Walter Thompson USA, New York. "They'll probably ask for larger increases than they'll end up getting, though. They know they have to negotiate downward, which has never been acceptable to them.

"If they ask for increases in the 7% to 8% range, there will be a lot of resistance from media buyers," he says. Mr. Gray, like most agency executives, expects consumer magazine rate hikes of 5% to 7% in 1990.

Unlike last year, no major postage or paper hikes are expected, and publishers would be hard-pressed to justify more than inflationary rate increases, they say. Yet, agency executives predict some publishers will raise their rates as high as 8% to 12%, expecting to negotiate downward.

That padding strategy, which many publishers believe makes them seem more efficient in the buyers' eyes, actually could backfire. "We're like a greedy animal. The more [publishers are] willing to come to us with a flat rate and negotiate, the more they'll encourage us," says Scot Butler, media director at Fallon McElligott, Minneapolis.

Mr. Butler suggests magazines make their rate cards "smarter. Make the rate more intelligent before you come to us. I find it hard to be sympathetic to magazines in this world of rate cutting."

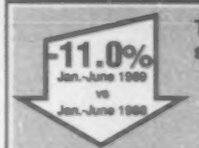
Fear among publishers is that rate negotiation reduces all magazines to a common denominator based on quantitative rather than qualitative factors. "Baloney," suggests Nancy Smith, senior VP-director of media services at Young & Rubicám, New York. "Negotiations will not cause magazines to become commodities. It does not suggest that all products have the same value."

Ironically, buyers say magazines that resist rate negotiation risk being viewed as commodities: "There is some degree of substitutability. Where there's an opportunity to strike a better deal with a competing publication, we'll go for it," says Mr. Gray.

Agency executives also are seeking to increase their involvement in marketing partnerships with their clients and the media.

(Continued on Page S-22)

Leading brands spurn magazine ad trend



Top 15 brands plunge 11% in first half '89 ad spending as rest of category rises 13.3%.

Top 15 magazine advertisers	Jan.-June 1989 ($mils)	% change Jan.-June 1989 vs Jan.-June 1988	full year 1988 ($mils)
CBS Television Network	$15.8	17.0%	$30.1
Merit Filter King Cigarettes	14.0	118.8	20.1
NBC Television Network	13.3	13.7	24.0
AT&T Long Distance Lines	13.1	151.9	14.9
ABC Television Network	12.9	(8.5)	26.1
Franklin Mint Porcelain Collection	11.5	0.9	21.8
AT&T Long Lines Overseas	9.2	41.5	15.0
Franklin Mint Collections	9.8	(1.1)	15.7
Now Filter 100s Cigarettes	6.8	(17.1)	16.7
Columbia Rds/CBS CD Club	6.4	25.5	13.0
Time-Life Books	6.2	(26.2)	13.9
De Beers Diamonds	6.1	(20.8)	19.4
Benson & Hedges 100s Lg Fl	1.7	(90.1)	22.9
Marlboro Lt. King Clt Mn FL	0.9	(93.7)	18.0
AT&T Co. General Promotion	0.5	(88.4)	13.0
Total	127.2	(11.9)	284.6

Top 15 brands selected by 1988 total spending, but ranked by 1st half 1989 spending.
Source: LNA/Arbitron Advertising Age graphic: John Holland/Holly Segulno

The sellers' perspective

Longing looks at the rate card

Convinced that quality editorial and strong marketing partnerships will unite to defeat rate-cutting pressures, magazine publishers say they are turning an optimistic eye toward 1990.

But their long faces tell a different story.

Ad revenues alone seemingly point to a bonanza among consumer magazines. Advertising reached $4.6 billion through the first three quarters—up 12% over the same period in 1988 and on pace to easily surpass the $5.9 billion spent in magazines in 1988. And next year looks even better, publishers say.

Yet, beneath these tallies, calculated at rate-card prices, surfaces *the* dark question: What are the real figures given publishers' tendency to negotiate at less-than-published rates?

The fact is agency executives are far from ready to ease negotiation pressure. The magazine industry, while healthy and growing, still has a fight on its hands.

That pressure has led publishers to reexamine their editorial product and to put together creative ad packages.

Time Inc. Magazine Co. officials say the division's 2-year-old corporate Max Plan discount program has pulled greater advertising into its publications, particularly the weeklies. Under the Max Plan, advertisers earned credits toward bonus space if they increased their share of their media budget devoted to Time Inc. magazines.

Conde Nast Publications, which has resisted pressure to discount rates on or off its rate card, will introduce "Conde Nast Package of Women" next year. The program awards discounts to advertisers who buy space in any four or five of the company's women's magazines.

Times Mirror Magazines also launched a new $1 million trade campaign from FCB/Leber Katz Partners, promoting its package of special-interest men's magazines.

Other companies such as Time Warner and Meredith Corp. are developing multi-media and multi-national deals for advertisers, hoping value-added programs will convince agency executives to stop focusing on rates.

"Rate negotiation and heavy discounting of magazine ad space threatens to commoditize advertising and reduce magazine profits," says Donald Kummerfeld, president of Magazine Publishers of America. "We must resist this trend and focus our sales efforts on why magazines are unique."

Magazine sellers must prevent buyers from judging their properties as essentially being the same, says George Green, president, Hearst Magazines International. "I think we'll get advertisers to recognize that they only get what they pay for."

For 1990, many publishers are reaching for rate increases somewhere in the 5% to 7% range, down from 1988's average 8%-plus increases. They insist their costs are rising and that they're still paying for last year's high paper and postal hikes.

But many publishers, recognizing that major rate increases will only invite more pressure to nego-

(Continued on Page S-22)

PERSON TO WATCH

When Thomas O. Ryder took over as president of American Express Publishing Corp. in 1984, it was perhaps the least respected or developed division within its parent company.

Since then—particularly in recent months—the former CBS Magazines senior VP has beefed up the unit through acquisitions at a time when most major magazine companies are concentrating on expanding their core franchises.

"We are building a structure to support a much larger magazine company . . . publishing between 10 and 20 magazines within five years," Mr. Ryder says.

Not bad for a company whose only purpose not so long ago was to publish a giveaway publication for American Express cardholders. That magazine was *Travel & Leisure*, which became

Doug Goodman

Thomas O. Ryder

the leading travel magazine in both circulation and ad pages under the guidance of Pamela Fiori, recently named the company's first editorial director by Mr. Ryder.

In September, the company took on responsibility for *Departures*, a magazine for American Express Platinum Card holders, and relaunched it with a new look and focus. Last month, it acquired *Atlanta* from MetroCorp.

American Express, which also publishes *L.A. Style, New York Woman* and *Food & Wine*, will actively pursue city magazine acquisitions in 1990 while examining launches, possibly of city magazines or in categories not now covered by its stable of titles.

"We're interested in quality metropolitan magazines in major markets; we'll put together packages where they make sense," he says.

Mr. Ryder says his goal is to offer advertisers a wide menu to choose from, sensible group buys and a presence in the top markets. He predicts that through expansion and nurturing his titles into the top magazines in their fields, he can raise the publishing group's revenues from a projected $135 million in 1989 to more than $500 million in five years.

—Scott Donaton

Radio

BAROMETER

HOT

Call it CHurban radio... The mix of R&B hits and contemporary hit radio announcers is bridging all ethnic gaps and creating crossover profits for FMs trying to reach that ever elusive 18 to 34 male and female demo.

Learning from PBS... Advertisers are turning to programming sponsorship and tie-ins and away from sole reliance on traditional 30-second spots. The thought is that if a popular announcer on a popular program sells a product, audiences will find the message more credible.

Divine intervention?... Some prayers have been answered and network radio is a hot commodity again as advertisers realize TV means big bucks and cable means no national reach.

Therefore, it logically follows... Spot is hot. For the reasons just mentioned why network is hot—and with network radio time increasingly sold out—advertisers are turning to spot as a way to move those unsightly products before the new ones arrive.

Bickering over Bach... Los Angeles citizens' group, riled by KKBT-FM's format switch from classical to contemporary hit radio, petitions the FCC to revoke KKBT's license. The squabble started when Evergreen Communications bought the station for 22 times cash flow—typical sale is 10 times—only to opt for the Bee Gees.

Getting what ya pay for..."Zookeeper" Scott Shannon, the irreverent disk jockey, was lured from WHTZ-FM, NY, to KQLZ-FM, LA, for $2 million earlier this year. KQLZ's market share has since climbed from 13th to 4th.

Spanning the nation... Two major Spanish-language radio station groups—Viva America Media Group and Radio Nacional—just formed by combining leading stations in different markets. Their purpose is to boost the medium's profile among advertisers and agencies—and jack up rates in the process.

All you ever wanted—and more... Demographic fine-tuning is hitting its stride. Examples abound: all-business radio pioneered in Los Angeles by KMNY-AM; all-sports WFAN-AM in New York; all-Asian music format by KAZN-AM in Los Angeles; all-black talk station WVON-AM in Chicago; all-self-help station WWNN-AM in Pompano Beach, Fla.

COLD

The dark ages...AM radio—moving from cold to virtually Neanderthal—is losing advertisers, audience and panache. The reason: poor fidelity (and we're not talking only about reception quality).

Entering old age... The New Age for-

(Continued on Page S-23)

The buyers' perspective

Second ad tier changes gears

By Anne Moncreiff Arrarte

Radio sellers like nothing better than to see TV costs-per-thousand escalate. Higher TV rates mean more advertisers will turn to radio, particularly medium-sized clients that cannot afford "big-splash" TV buys, sellers theorize.

And theory is translating into reality, radio buyers claim.

"We're using radio very actively now, often as an overlay with network television," says Robert Hielscher, senior partner at Tatham-Laird & Kudner, Chicago, which represents Miles Inc.'s One-A-Day and Flintstones vitamins. "We're putting a couple of million [dollars] per brand in radio because radio is very effective in extending our reach to light television viewers."

Buyers also note consistent spending from radio's traditional advertisers. Packages that include value-added promotional tie-ins and "reasonable" rate increases also portend well for the medium, they say.

In fact, radio is riding into 1990 on the heels of a strong 1989 performance for spot, national and local radio.

Through the first eight months of the year, advertising revenues on network radio had grown 10.6%, spot 11.3% and local 7.9% compared with the similar period in 1988, according to the Radio Advertising Bureau. The bureau is revising its full-year estimates to reflect the higher-than expected results.

"The medium-size accounts definitely will be doing more in radio this coming year," says Jill Gordon, VP-network group director for DDB Needham Worldwide, New York, which handles radio buys for Volkswagen of America and many of Campbell Soup Co.'s food lines.

"Ore-Ida Foods will be going in new—as a tie-in with television—and Campbell and Volkwagen radio budgets are going up. On an agency level, we'll be up 10% if not more."

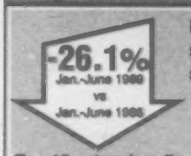
A dramatic increase in scatter buys—flights usually bought for three to four weeks—explains a lot of radio's 1989 success, says Mark Kaline, senior VP, media manager broadcast planning for Chevrolet at Lintas:Campbell-Ewald, Warren, Mich.

He attributes the heavy scatter largely to automakers trying to move inventories with incentive advertising at mid-year, and the hotel industry trying to emulate Motel 6's success with the medium. Similarly, Sears, Roebuck & Co. has been a heavy scatter buyer in pushing its Discover credit card and "everyday low pricing" policy launched after the upfront season.

Upfront has been extremely strong in 1990—time on most net-

(Continued on Page S-23)

Top 15 bail out of network radio



Network radio's leading brands slice ad spending 26.1% in first half '89 as medium struggles with 1% gain.

Top 15 network radio advertisers	Jan.-June 1989 ($mils)	% change Jan.-June 1989 vs Jan.-June 1988	full year 1988 ($mils)
Motel 6 Motels	$8.8	12.8%	$11.5
Sears, Roebuck & Co. (HH)	8.1	30.6	14.0
Discover Credit Card Service	7.4	39.6	14.4
True Value Stores (Misc)	7.4	(1.3)	18.3
Folgers Regular Coffee	4.2	100.0	6.0
Sears, Roebuck & Co. (Misc)	3.5	(42.6)	12.5
K mart Stores Sport/Toy/Hobby	3.1	(16.2)	8.8
AT&T Long Distance Lines	2.8	(48.1)	10.0
US Army Recruiting Svc	2.8	(15.2)	6.5
Wall Street Journal Subs	2.4	(38.5)	9.3
Buick Regal	1.8	(68.4)	7.6
Budweiser Beer	1.6	(54.3)	7.0
Telediso USA Records & Tapes	1.2	(78.9)	8.6
Allstate Homeowners Insurance	0.3	(92.7)	6.7
TV Guide Magazine Subs	0.0	(100.0)	9.5
Total	**55.4**	**(26.1)**	**150.7**

Top 15 brands selected by 1988 total spending, but ranked by 1st half 1989 spending.
Source: LNA/Arbitron Advertising Age graphic: John Holland/Holly Seguine

The sellers' perspective

Tie-ins sounding sweeter than ever

Radio has caught the same fever as other media: value-added madness.

Whether manifested through special programs, tour sponsorships or other tie-ins, value-added programs are helping radio reverse the nightmarish growth picture of two years ago and causing radio sellers to project double-digit growth in 1990.

ABC Radio Network, radio's largest network, this year opened a Tour Sponsorshop department, hooking into the Rolling Stones Steel Wheels tour on its maiden effort. ABC tour updates on affiliates across the country have included the standard on-air and signage packages and parties for clients in major cities on the tour.

The network never imagined the tour could be such a success, says Louis Severine, senior VP-director of sales, adding the sponsorship has resulted in a stronger affiliate base.

On schedule for 1990 is a Tour Mall 1990 promotion with Dick Clark and American Bandstand.

Westwood One's 3½-year-old Tour division and the recently formed Music Marketing division offer packages that include sponsorship, affiliated station events and tie-ins, venue signage and handouts. "Next year a lot of advertisers will sponsor long-form programs," says William Battison, president-chief financial officer. "We are dedicated to helping our advertisers get more for their money."

Along with value-added offerings has come a more aggressive sales stance as networks and individual stations are emphasizing strong research that clearly defines their listening audience.

That, says Steve Youlious, VP-sales, CBS Radio Network, has brought a lot of confidence to the medium.

"We're spending almost as much on qualitative consumer research as on advertiser promotion, and that is new," says Skip Finley, president-ceo of Albimar Communications, which owns KDAB-FM in Salt Lake City and WKYS-FM, Washington. WKYS also has added sales innovations including the advertising-directed KYS Connection, a phone number listeners can dial for headline news, cultural calendar and soap opera update, all of which are sandwiched between advertisers' spots.

More advertisers are turning to radio to bolster exposure levels for their ad messages, say radio sellers. Because TV clutter affects commercial exposure, more cli-

(Continued on Page S-23)

PERSON TO WATCH

Doug Goodman

E.J. "Jay" Williams

In only a year at the helm of Sheridan Broadcasting Network, the top black-owned radio network, President E.J. "Jay" Williams has become adept at overselling.

"That is what it takes to introduce advertisers to the $250 billion black market," says Mr. Williams, who came to his new post from the research department armed with "just about every legitimate concrete source I could find."

Mr. Williams has helped expand Sheridan's audience in the urban radio market 40% and its client base 50% largely through the launching of two more tandem networks—STRZ Entertainment Network and SPM Radio Network.

"But we also remind buyers that the black consumer market is part of a bigger market, and they buy us because our penetration delivers," he says.

Sheridan listeners are 78% black, although non-black listenership is on the rise. Programming on the new networks reflects this premeditated push toward cultural diversity.

On STRZ, Anne Lineberger holds court daily with a "Money Smarts" personal finance show. Franco Harris, former running back with the Pittsburgh Steelers, hosts "NFL Playbook," a daily five-minute show carried not only on urban black radio, but many country western stations.

SPM Radio Network, a joint venture with Starstream Communications, is currently producing "Exitos Calientes" (Hot Hits), which will offer a mix of Tejano, Mexican and current Latin hits.

Programming has been combined with market-driven ad packages such as a Chevrolet promotion tied to black college homecomings.

While Sheridan remains well grounded in urban radio's largely black audience, Mr. Williams' vision is decidedly cross-cultural. Next up is a sports network at Sheridan.

—Anne Moncreiff Arrarte

BAROMETER

HOT

Al Neuharth's revenge...Everybody's doing color a la *USA Today*. The *L.A. Times* just did it. The old gray lady of journalism, the *New York Times*, plans on adding color.

Where's the rub?...Yeech. Wash those hands. The *Chicago Tribune* and others are trying new inks that don't rub off.

Will we still get Christmas calendars?...Say goodbye to Junior, who faithfully tossed your newspapers on the front porch—or through your screen door. Say hello to adults in minivans, contract carriers who computerize home-delivery billing.

Mom always liked you best...Family-run newspaper chains are fading in favor of manager-led operations.

Advocating the mail...ADVO blankets Denver with Safeway ads that once ran in the newspaper. Is the saturation advertiser coming to your neighborhood, too? Newspapers are watching out.

The three kings...Valassis Inserts, Product Movers and Quad Graphics racked up $241.7 million in advertising in first half 1989, virtually all in Sunday papers at the expense of daily ROP ads. The tally gave the big three 5.8% of all national newspaper advertising.

Lining up on the West Coast...California's *Orange County Register*, *Los Angeles Times* and *San Jose Mercury News* finished Nos. 1-2-3 in the U.S., respectively, in total standard advertising units last year.

Thinking big...Going national is the latest hot button in newspapers. All eyes will be on *The National*, the aptly named sports daily that enters the picture next year.

Joint operating ecstasy...The six papers in Las Vegas, York, Pa., and San Mateo, Calif., waiting to hear about joint operating agreements show that when the going gets tough, team up.

COLD

Joint operating agony...It took almost four years and Supreme Court involvement for the Detroit JOA to be approved. Meanwhile, weakling newspapers are hemorrhaging while the Justice Department contemplates.

Soaring...Sears, Roebuck & Co.—the largest national newspaper advertiser—pulls back and sends its budget to broadcast advertising.

Our children, their future...Hey, kids, can you tear yourself away from the TV screen to read the newspaper? Nah. Young people continue to forsake newspapers in droves.

There's no money in it...Financial advertising falters. The October 1987 stock market crash started the downward slide, which picked up momentum after the market's repeat performance this fall. □

The buyers' perspective

'Let's haggle about that price'

By Janet Meyers

Events in the newspaper industry will bolster the axiom, "What goes up, must come down."

Advertisers and media buyers estimate newspaper ad rates will rise 5% to 6% in 1990. But they also see a dramatic increase in negotiation and newly created discounted rate packages.

Dealing off the rate card may not be enough to reverse the medium's fortunes, as most buyers are not sanguine about newspapers' health. They expect newspaper circulation in 1990 to continue its slow, steady decline. And they hope newspapers haven't awakened too late to the need to develop more sophisticated sales techniques.

Negotiations will center on discounts for frequency, zoning and newly created ad categories.

Bob Mitchell, senior VP-director of local media for Lintas: Campbell-Ewald, Warren, Mich., is predicting a 6% rate increase for 1990, but says he will negotiate for additional special rates.

In 1989, he negotiated rate reductions by convincing newspapers to add a travel sub-category (for national advertisers) at rates lower than national levels. This amounted to an off-the-rate card buy couched in new terminology for clients such as Eastern Airlines and Princess Cruises.

Sub-categories may just be another way to get more business today through discounting, but Joe Lafferty, chairman of Branham Newspaper Sales, predicts that national not only will splinter into categories in the next decade, but that rates will vary by season.

"We're going to put additional pressure" on negotiating lower rates, says Mr. Mitchell. "We're looking at new options within the newspaper category, such as zoning or repeat space buys to make it less expensive."

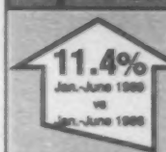
Many advertisers expect to devote the same or slightly less of their 1990 total media budget to newspapers. Charles Jacoby, national advertising director at Silo, an electronics chain that will spend about $50 million in newspapers this year, says his company's newspaper budget will increase in proportion to the retailer's expansion.

Auto marketers will continue to devote significant chunks of their budgets to newspapers, unless there's a trend back to image advertising, believes Mr. Mitchell. Their current emphasis on rebates and interest-rate deals demands detailed explanations more easily implemented in print than broadcast.

Karen Ritchie, senior VP-director of media, McCann-Erickson Detroit, says newspaper buys in 1990 will be flat or slightly down.

(Continued on Page S-24)

Top 15 outstrip newspaper growth



Leading brands sprint 11.4% in first half '89 ad spending, leaving medium to plod at 2.7%.

	Jan.-June 1989 ($mils)	% change Jan.-June 1989 vs Jan.-June 1988	full year 1988 ($mils)
Top 15 newspaper advertisers			
Ford Local Dealers	$27.0	26.2%	$46.1
American Airlines Passenger	25.6	86.9	27.5
Macy's (Household)	25.6	3.6	55.2
Pan Am Airlines Passenger	23.5	32.8	28.5
Continental Air Lines Passenger	23.0	5.0	41.3
Chevrolet Local Dealers	22.7	30.5	38.2
Eastern Air Lines Passenger	20.7	22.5	40.3
Sears, Roebuck & Co. (Misc)	20.4	6.8	45.5
Circuit City Electronic Stores	17.1	22.1	29.7
Sears, Roebuck & Co. (HH)	16.4	(7.9)	45.5
TWA Airlines Passenger	15.8	(9.7)	27.8
Automobile Tires Local Dealers	15.6	(8.2)	28.9
Delta Air Lines Passenger	13.9	(5.4)	25.2
Mervyns (Misc)	10.5	(19.8)	25.2
Macy's Apparel Women	10.4	(11.1)	27.2
Total	288.2	11.4	531.9

Top 15 brands selected by 1988 total spending, but ranked by 1st half 1989 spending.
Source: LNA/Arbitron Advertising Age graphic: John Heilandt/Kelly Seguine

The sellers' perspective

Manageable costs, more frills

Newspaper ad executives are braced for 1990 to be a mirror-image of 1989: a tough battle to increase advertising revenue and pages.

The one known bright spot is a decrease in newsprint prices, providing a savings that may be passed along to advertisers or at least result in lower rate increases.

Newspapers will redouble efforts to attract smaller advertisers. They also will offer lower rates for preprinted inserts, because they continue to lose business to ADVO-Systems Inc. and other saturation mailers. Rate cards also will be more flexible, changing over the course of the year.

At the Milwaukee *Journal* and *Sentinel*, ad rates will increase 6% next year, compared with a 7% hike in 1989, says Journal Co. VP-Advertising Beverly Klein. The *Journal* and *Sentinel* will offer a multiple insertion discount to those who buy several weekly pages, targeting smaller retailers that don't qualify for large volume discounts but could be enticed to advertise more frequently.

Fred Crisp, VP-sales and marketing for the Raleigh, N.C., *News & Observer*, says the paper will continue to woo smaller advertisers through cheaper zoned additions, often just a single, preprinted sheet inserted into the regular paper.

"That's an area that's pretty lucrative—or can be," says Mr. Crisp. "Once you get those advertisers in, they become regular customers."

Some newspapers won't increase ad rates for preprinted inserts to win back business from direct mail. Department stores in particular have shifted money from newspapers into catalogs mailed to their credit-card lists.

For example, the *St. Petersburg (Fla.) Times* will raise ad rates 5.5% next year, but hold to 1989 rates for preprints, says Al Corey, *Times* advertising director.

The paper also is developing new marketing products, targeting either a segment of the population or a geographic area.

This year the newspaper launched "Seniority," a quarterly tabloid section for mature readers, a large portion of the St. Petersburg market. The section will increase its frequency this year and eventually become monthly, Mr. Corey says. The *Times* also is targeting tourists by pairing its weekly TV section with a Tampa/St. Petersburg hotel guide.

Mr. Corey predicts 1990 will show modest gains in advertising—more modest than in the past few years. "We're having a nice year [this year], but not a great year," he says.

Dennis Atkin, VP-advertising *Long Beach (Calif.) Press-Telegram*, says daily ad rates will increase comparable to previous years, 5% to 6%. Sunday rates will rise 7% to 8% because of circulation gains, he says. In September the *Press-Telegram*—combined with the *Torrance Daily Breeze*—launched a new national package buy, dubbed the "Coastal Combo," which offers 260,000 daily circulation in Los Angeles County.

For 1990, Mr. Atkin expects "small, real growth in volume and a fairly decent year for revenue." Volume has been flat in 1989, he says, while revenue has grown slightly.

Part of newspapers' problem has been a softening in classified advertising after double-digit increases in each of the last three

(Continued on Page S-24)

PERSON TO WATCH

As publisher of the *St. Louis Post-Dispatch*, Nicholas Penniman IV has his work cut out for him.

Not only is St. Louis "not the most ebullient of economies" as he dryly points out, but the *P-D* faces competition from the nation's first new mass-market urban daily in years. Ingersoll Publications' *St. Louis Sun* began publishing in September and went straight for the *P-D's* advertisers and readers.

While the *P-D's* circulation has increased in recent months, advertising is down. The *P-D* has lost one advertiser, Coldwell Banker, to the *Sun*.

But equally prominent on the worry list of 51-year-old Mr. Penniman is encroachment from direct marketers, who have eaten away at the paper's lucrative preprinted insert business. Mr. Penniman doubled the volume of inserts in recent weeks after slashing preprinted prices 45% on the paper's Wednesday total market coverage section.

Next year, Mr. Penniman says he will fight back on all fronts with a modest overall advertising rate increase of 2% to 3%, down from the average hike of 5% in 1989.

He also promises to take on the *Sun* with his paper's most extensive promotion ever. A TV campaign via newly assigned D'Arcy Masius Benton & Bowles breaks early next year.

Nicholas Penniman IV

He also plans to continue to tinker with the paper's editorial; its sports, features and business sections were expanded last August.

Also as senior VP-newspaper operations for Pulitzer Publishing Co., Mr. Penniman oversees the *Tucson Star* and suburban Chicago papers.

—*Janet Meyers*

The sellers' perspective

Forced to fish in new waters

Outdoor Advertising

By Alison Fahey

Outdoor is slowly emerging from an identity crisis suffered three years ago when liquor and tobacco, its two mainstay ad categories, slashed their outdoor spending and shattered the medium's sense of security.

National outdoor revenues, which slipped 2% to $600 million in 1986, has recorded only 2% annual growth since, according to Robert J. Coen, McCann-Erickson.

By mid-year 1989, national had managed only an 0.9% gain over the same period in 1988—a stark reminder of what can happen to a business that operates from a narrow base.

Shaken by these events, outdoor companies have adopted a more marketing-oriented approach to selling the medium. The end result, according to Mr. Coen, has been 6.3% growth in local outdoor in 1988 vs. 1987, generated partly by an expanding client base.

"We should have been doing it all along," laments Joe Cherry, national sales manager, Naegele Outdoor. "The big bucks rolling in from tobacco companies gave the industry a false sense of security."

Yet sellers remain anxious, and for good reason.

At presstime, neither R.J. Reynolds Tobacco Co. nor Brown & Williamson Tobacco Corp. had made major commitments for 1990. Observers can't remember a time when such buys were so tardy. B&W is planning select buys, and RJR says it remains in a planning mode. As a result, many avails are open for 1990.

"It is obvious the mega-mergers and acquisitions are hurting our industry as well as others," says Mr. Cherry, referring to last year's buyout of RJR/Nabisco and the current attempt by Sir James Goldsmith to take over B.A.T. Industries PLC, parent of B&W.

Despite this unknown quantity, outdoor players are expecting growth of 6% to 8%—the uptick expected to come from new business—on moderate price increases of 4% to 6%.

Off-rate-card negotiations, which may be more prevalent in 1990 than this year, could negate some of that increase.

Outdoor companies have started to aggressively target the package goods, retail, financial institutions and healthcare categories. Abetting the industry's cause is the declining reach of TV and newspapers.

"We'll continue to see the power shift from advertisers to retailers and more and more programs that have importance on the local level," says James Keller, divisional VP-marketing, Gannett

(Continued on Page S-24)

BAROMETER

HOT

Traveling in packs... Look for multi media out-of-home ad package that combine outdoor boards, bu and subway advertising and in store media.

Strength in numbers... Merging of th Out-of-Home Measurement Bu reau and Traffic Audit Burea should put to rest infightin among the various types of out door media and give agencies re search they can hang a board on.

Jose Canseco's next medium...1-80 and 1-900 telephone numbers fea tured on outdoor boards are ring ing up big gains for direct-re sponse advertisers such a Johnnie Walker scotch an American Express Co.

The war in the store... As marketer try to get their messages eve closer to consumers at point-o purchase, look for new in-stor media to POP up and fill the needs. The problem is too man players will jump in, and som will have to drop out.

Really, cost is no object... As mar keters increasingly target ethni groups, they are being drawn t eight-sheets, typically located i inner cities where ethnic group are concentrated. The fact tha they're less expensive isn't hur ing their popularity.

That high-tech touch... More uses o three-dimensional, fiber optic an computer painting technology ar on the horizon.

COLD

Dry out... Liquor marketers ar cutting back on outdoor a spending and the medium i thirsty for its old standby.

Burn out... Tobacco spending isn going to be so hot, either.

Buy out... The experiences at Pr trick Media have been enough t discourage outdoor companie from seeking highly-leveraged ac quisitions. But they will continu to look at more logical acquis tions that extend their range i the broadening out-of-home cat gory such as picking up in-sto media companies.

Blow-ups out... Outdoor creativi has come into its own. Gone a the days when the industry simp blows up existing print ads to u for outdoor boards. □

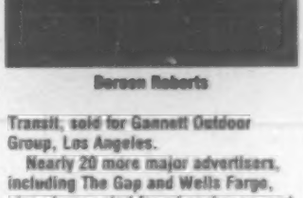
PERSON TO WATCH

Doreen Roberts has a driving passion for her favorite medium.

Ms. Roberts, VP-general sales manager of Gannett Transit, has convinced advertisers to look at out-of-home as ad packages that can include outdoor boards, subway posters and bus shelter advertising.

This new way of selling outdoor was part of the reason Gannett Outdoor purchased New York Subway Advertising in 1988. And the 36-year-old Ms. Roberts first put the concept into practice in November 1988 with Acapulco Restaurants, a company that had refused several previous Gannett proposals for traditional out-of-home placements.

"I said, 'Just give me one more chance . . . I came up with a package and they bought it,' " says Ms. Roberts, who before joining Gannett Transit, sold for Gannett Outdoor Group, Los Angeles.



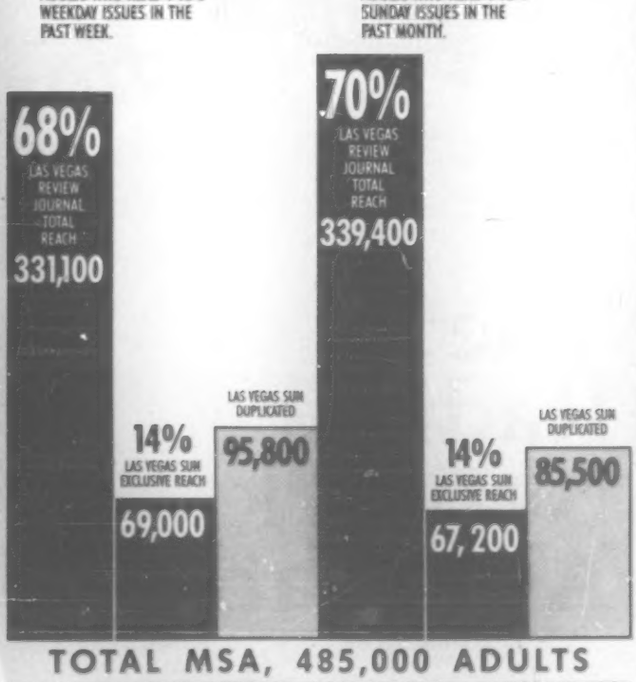
Doreen Roberts

Nearly 20 more major advertisers, including The Gap and Wells Fargo, since have opted for ad packages, and renewals have been strong, she says.

Such multiple deals are expected to become 20% of Gannett Transit business in 1990. Ms. Roberts predicts they'll become the norm at Gannett.

—Alison Fahey

WEEKDAY & SUNDAY REACH



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The buyers' perspective

Talk cheap, but marketers still flock to net TV first

By Wayne Walley

Marketers and media directors say money previously earmarked for promotions is starting to flow back into advertising budgets for 1990. And they're not exactly elated that the chief beneficiary will be broadcast TV.

By increasing demand for network, syndication and spot TV, the advertisers are helping create a robust seller's market with price increases outpacing inflation.

"When you are in a supply-and-demand business, why sell something at a 6% increase if people will pay 12%," Bill Croasdale, senior VP-director of national broadcast, Backer Spielvogel Bates, New York, said when network prices soared last summer.

As a result, media buyers wonder if the trend could have long-term detrimental implications.

"Our clients are strong devotees of network; it is an essential commodity," says Richard Kostyra, exec VP-director of U.S. media services, J. Walter Thompson USA, New York. "But it's almost a love-hate relationship. As soon as there is an alternative, it will be difficult to withhold a client from eagerly going after it."

While many marketers talk about shifting money from network to other media including cable TV, "unwired" networks, barter syndication, radio and print, those same advertisers are buying huge chunks of network time.

In the automotive category, for example, more than 40 brands compete for market share. A company has little choice but to use network TV.

Agency executives concede that despite eroding audiences, network TV offers enormous reach compared with its competitors.

"As long as national broadcast is out there, you have to be there to move your product or sell your services. It's that simple," says a chagrined media buyer.

"When you look at network TV, the question is why is it sold out to the extent that it is," says Douglas Seay, VP-director of broadcast programming, Hal Riney & Partners, New York. "Ratings continue to dwindle. Alternatives are available. Syndication is healthy and doing well. 'Star Trek' is like a network show. 'Entertainment Tonight' is like a network show. They even deliver some demographics better.

"But there is some cachet about network programming that makes it attractive to advertisers over and above its value," he says, adding visibility, not price, is sometimes more important. "You can tell a client you're running 500 gross rating points a week, but he only understands that intellectually. If his kid comes home and says three classmates saw the commercial, that's much better."

The networks will continue to be the core of most major advertisers' media plans because high-reach, high-profile mass communication builds brand awareness, says Mr. Kostyra. "Niche vehicles are then used to augment, not replace, the mass media buy."

Bargains, budget and need can downplay network. When bargains are available in syndication or spot TV, Chuck Bachrach, exec VP-director of network at Western International Media, Los Angeles, says he is quick to shift monies from network.

Other traditional network users for various reasons are allocating larger budgets to network competitors. Chrysler Motors will spend about 70% of its estimated $50 million budget on print for 1990 model-year advertising for Chrysler brand, up from 40% last year.

Other advertisers just want a cheaper alternative. Campbell Soup Co. will likely emphasize network radio, in-store advertising and cable and syndication in the future at network TV's expense, says George Marhlig, Campbell's director of media services.

But even though food companies are especially concerned when media prices climb faster than the consumer price index, he says Campbell cannot afford to completely ignore network TV.

Generally, most agency executives expect "healthy" TV spending in 1990.

"Beyond that, I don't know," says Joe Ostrow, exec VP-corporate director of media, Foote, Cone & Belding, New York. "There's more aggressiveness from competitors."

But fractionalization of media has forced the major media to work harder to service advertisers and prove value.

Many applaud the new network willingness to try new things such as the CBS/K mart Corp. fall season promotion and NBC/Sears, Roebuck & Co. sweepstakes.

An emphasis on working with advertisers—marketing the TV media instead of selling time—is helping syndication and spot TV.

"Taking advantage of the tie-ins now offered is only the tip of the iceberg," says Mr. Ostrow. "If the networks are sold, spending does shift to cable, syndication and spot. But in syndication there are a couple of shows that do great and a lot of other stuff that has inadequate performance. Spot is mercurial. But these other things help."

The future step, some believe, is the end of distinctions between different TV media.

"We'd like to see the advertising industry as a whole . . . begin to think in broader terms about electronic media instead of thinking about network TV and syndicated TV and VCRs separately," said Louis Schultz, exec VP, director of media services for Lintas:USA in a speech earlier this year.

"I'd like to see us thinking of them as one wonderful menu . . . that gives us new and exciting ways to reach our potential customers in the 1990s and beyond." □

To cover Houston, split your buy between the two biggest newspapers:

Golden age

(Continued from Page S-1)

buyers that they got the value."

CBS also was more than pleased with its "Get Ready Giveaway" promotion with K mart Corp. CBS executives say the promotion, coupled with the network's fall ad campaign, helped significantly increase ratings for the new shows vs. 1988 premieres.

George Schweitzer, senior VP-communications for CBS Broadcast Group, says several marketers are likely to join the network in future cross-promotions including programs as large or on a smaller scale as the K mart deal in 1990.

"We're just getting involved with tie-ins, joint ventures, promotions, merchandising and marketing," says NBC's Mr. Hoffner, referring to NBC's fall sweepstakes promotion with Sears, Roebuck & Co.

While the networks are gaining confidence for the 1990s, syndicators believe the next decade will bring parity with the networks.

"Syndication has some of the most popular shows in almost every daypart and we've demonstrated that we can reach the audiences advertisers need," says George Back, Advertiser Syndicated Television Association president and president of All-American Television. "We're a big part of the change that's going on in television."

Advertisers are beginning to realize there has to be a blurring of the distinction between network and syndication, says Marc Hirsch, president, Premier Advertiser Sales. "The viewers don't know one from the other, they just know it's a program they want to watch.

"It was a terrific year for network and the same is happening for syndication," he says, adding that the gap is closing between network and syndication rates in some time-periods such as late night and on some specific properties. " 'Arsenio Hall' is commanding more money out of the market than 'Pat Sajak,' " Mr. Hirsch says.

He expects male-oriented and dual-audience programs to help syndication attract new ad categories such as insurance companies.

" 'Star Trek' was the door opener," he says. "People looked at the numbers and realized other than 'L.A. Law,' this show reaches more men age 18 to 49 than any other hour series on television."

Expecting more program successes, ASTA predicts barter syndication revenues in 1990 will reach a record $1.25 billion, $200 million more than 1989. Tim Duncan, ASTA's executive director, says syndication areas of strength continue to grow, particularly in

(Continued on Page S-20)

PERSON TO WATCH: NETWORK TV

CBS won't broadcast its first Winter Olympic Games until 1992. But J. Larre Barrett, the network's new VP-Olympic marketing and sales, already is stalking major advertisers to sponsor telecasts of both the 1992 and 1994 Winter Games.

Just how well CBS can sell its Olympic inventory could not only give the network a better way to sell its regular time but affect the network's future bids for sporting events. CBS has found Major League Baseball, for which it paid $1.06 billion, a tough sell. If CBS can't sell the Olympics, the network might believe it can't afford to buy the big sports.

"The Olympics are a concept sell. You have to have the ability to talk to clients perhaps at a different level of understanding of marketing," Mr. Barrett says.

Doug Goodman

J. Larre Barrett

"You have to show clients the advantages network television offers that other mediums don't. That's selling by concept, selling by ideas and translating it into marketing a product," he says. "The Olympics have been in that category all along."

Mr. Barrett, a veteran of six Olympic selling seasons during his 24-year tenure at ABC, joined CBS in February.

"It was a natural move," he says. "CBS didn't have any experience selling Olympics. I had a lot of experience and a love for the Olympics."

At CBS, he is attempting to push the boundaries of marketing support. The network will make its on-air sports personalities available for client meetings or as hosts of special videotapes. The network will produce corporate newsletters and lapel pins and offer print opportunities in Olympic guides it produces and free-standing inserts.

Mr. Barrett is trying to broaden the universe of Olympic advertisers, taking the package to possible sponsors that will be more likely to buy time if it is laced with incentives. These new customers could make or break the bottom line.

This is different from past Olympics where such add-ons were done in bits and pieces but not assembled in an upfront, customized package.

"I want to, in essence, present clients with a marketing/promotion program that allows them to pick and choose the elements they feel will work for individual marketing objectives," he says.

"It's never been done in the Olympics before and it could help bring in advertisers who otherwise couldn't afford to be in the Olympics," Mr. Barrett says. "That's the reason we created this marketing program. It's going to be, I think, a prototype for other events."

—Wayne Walley

PERSON TO WATCH: SPOT TV

Ken Better is playing the odds that more companies will shift spending out of national promotions into regional and local programs in the next decade.

As VP-new marketing and business development at MMT Sales, a spot TV sales rep for 59 stations across the country, his goal is to offer advertisers a way to coordinate media, advertising, promotion and marketing events with local, regional and national spot TV, regional print and local point-of-purchase advertising.

MMT, owned by Meredith Corp., publishers of such titles as *Better Homes & Gardens* and *Ladies' Home Journal*, can combine spot TV with print to jump-start both media and offer advantages against competitors selling single media packages.

"A TV commercial could be customized to tie in with a program in a certain market. Then *Better Homes & Gardens* has 144 local or regional editions that can be customized with market-specific copy, coupons or include a list of participating retailers. We can also publish customized booklets using the magazine name and logo that can be used for in-store displays. There's a lot of ways we can go," he says.

Mr. Better learned the spot TV business during a 14-year stint with Peters, Griffin, Woodward, a now-defunct rep company folded into Corinthian Communications.

Mr. Better once started his own TV monitoring company, but he sold it to Broadcast Advertisers Reports after five years. He most recently worked for AlphaTex, a marketing services company, before joining MMT last year.

Doug Goodman

Ken Better

"What makes us unique from other rep firms is that we have the resources to do these things within our own company," says Mr. Better, who started the new department at MMT in July.

"We can control this in-house, contain the costs, give appropriate discounts, add value and more."

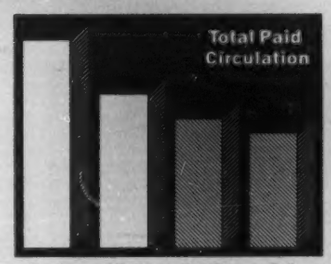
—Wayne Walley

The Sunday Chronicle and the daily Chronicle.

Surprised that The Houston Chronicle sells the two biggest newspapers in Houston? Well, it does.

The Sunday Chronicle sells 222,998 more papers than the city's other Sunday paper, giving it a 61% lead. And the daily Chronicle? It's got a 33% lead over their daily edition, and even outsells their Sunday paper by 64,996. The Houston Chronicle is also the largest paper in the Southwest and one of the top 20 papers in the country.

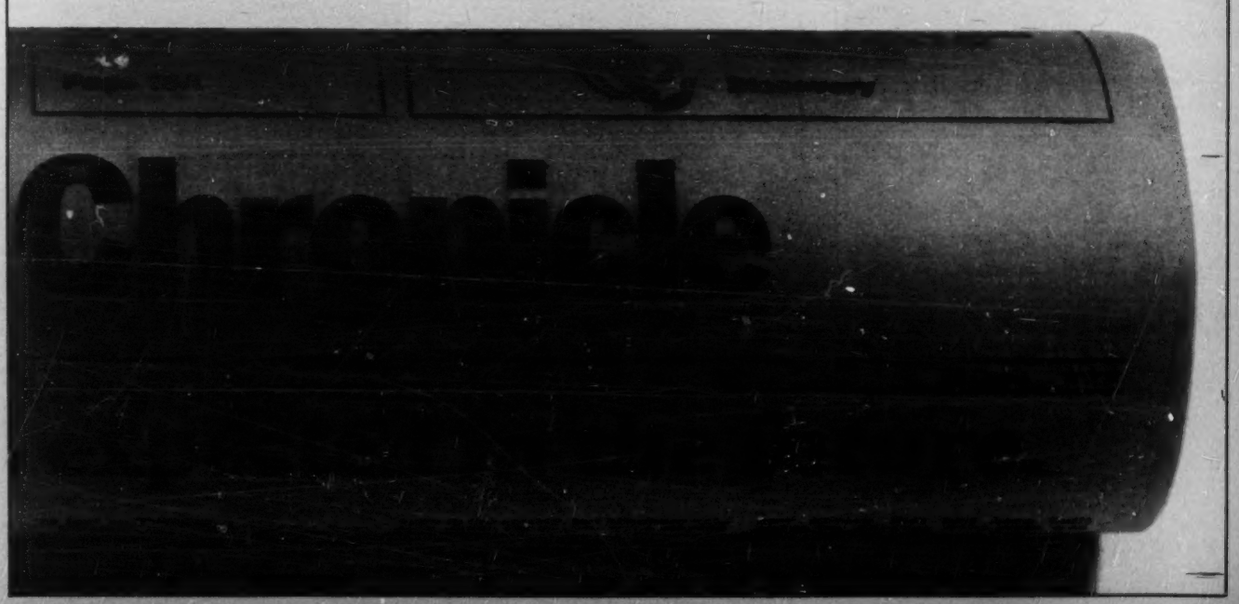
So if you want big advertising results, give us a call at (713) 220-7761. One phone call, and you'll get Houston's two biggest newspapers.



Sunday Chronicle	Daily Chronicle	Sunday Post	Daily Post
585,845	427,843	362,847	322,193

Calculations computed from the March 31, 1989 Publisher's Statements for The Houston Chronicle and The Houston Post.

Houston Chronicle
Houston's primary advertising investment.



PERSON TO WATCH: SYNDICATION

Doug Goodman

Marc Hirsch

Premier Advertiser Sales, the new kid in TV syndication, already is a force to be reckoned with.

Formed by merging the TV syndication sales teams of Paramount and MCA, Premier likely will command more than 20% of the $1.2 billion in projected barter sales in 1990.

The only thing that could change the picture is if Premier tries to become a "fifth network" instead of the country's largest purveyor of barter syndication advertising time.

Before that could happen, however, affiliates of Fox Broadcasting Co. would have to reverse their initial rejection of Premier's network proposal. Without the Fox affiliates, Premier would lack national coverage.

But Marc Hirsch, president of the new venture, believes no matter what the combined entity calls itself, Premier already has a unique place in the TV industry.

"There isn't anyone else out there selling barter syndication that has the kind of ownership to even think about doing the things we can," says Mr. Hirsch.

With the top-rated syndicated shows in late-night ("Arsenio Hall"), action/adventure hours ("Star Trek: The Next Generation"), first-run comedies ("Charles in Charge") and movie packages, Premier does have network-style clout, albeit on a smaller scale.

Although Mr. Hirsch is coy about future plans, it is believed Premier is contemplating package deals similar to networks or could create a hybrid way to meet advertisers' needs.

"Our job is to look for ways to increase the overall value of what we sell, not simply charge more money for it," he says.

—Wayne Walley

Golden age

(Continued from Page S-19)

daytime, early fringe and late fringe time periods.

The trickle-down effect of a strong network market also has helped spot TV, giving local station rep firms reason to expect healthy sales in 1990.

"The glory days of double-digit revenue increases ended a couple of years ago, but we might be looking at 6% to 8% increases in the next couple of years, and that's better than the 2% to 4% growth of the last few years," says Ken Better, VP-marketing and business development, MMT Sales, New York.

A key to spot TV's improved sales outlook is the return of package-goods marketers.

"The corporations have started to have a resurgence: the P&Gs, the Levers and more," says Tim McAuliff, president-chief operating officer, Blair Television.

While automakers have remained strong buyers of spot TV, movies unable to land network scatter spots also have contributed heavily. "It's been a tremendous category for us," Mr. McAuliff says. "They are perfect for spot."

Unwired networks also have grown out of the spot TV market, giving local stations a vehicle to vie with networks and barter syndicators for national ad dollars.

"Spot can be difficult and expensive for some people," says Mr. McAuliff. "With an unwired network, we can provide advertisers with one invoice, the sales and the support they need. More often than not it gives us a way to compete with barter." □

Age and sex is certainly valuable information. But if that's where your rating source stops measuring, you'd better hold it. Like the pictures here, the ages and sexes may be the same but vive la différence! Differences in income, education, lifestyle, purchasing habits, likes and dislikes, pros and cons, the list goes on and they're *all* important.

Only Birch/Scarborough provides you with the differences that are important to your media buying decisions. The differences that set you apart from other less-informed buying sources. Because Birch gets its information right from the horse's mouth. One on one. Person to person. At Birch/Scarborough, we talk directly to the people your clients want to talk to. Because that's the only way to get reliable, in-depth information. Information that gets results.

No two people are alike. The same is true of radio ratings services. They say people are the same. We say the difference is like nighttime and drive time.

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Ask for Kelly Anderson

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A VNU Marketing Information Services Company

BAROMETER

(Continued from Page S-1)

new types of affiliations for promotions, merchandising and more. CBS/K mart package and NBC/Sears are only the beginning.

Break my nose. Please... Talk is cheap. Talk is tawdry. Talk is hot. Even "Geraldo," the new kid on the block, is pulling down impressive numbers. The show is one of syndication's Big 3 in the afternoon, along with "Oprah" and "Donahue."

The happiest place on TV... Buena Vista Television's Disney Afternoon proves kids like cartoons—if they're done right.

Over here, over there... International sales always have been an important part of syndication. But the specter of 1992, the privatization of TV stations in Europe and an expanding market for programming has syndicators salivating over overseas potential.

COLD

Serial killers..."Dallas" and "Falcon Crest," once the most potent one-two punch on Friday night, are struggling to take second place in their respective time periods on CBS. ABC's "Dynasty," once a top-rated show, is gone. If it wasn't for CBS' "Knots Landing," nighttime soap operas might be considered a soon-to-be extinct genre.

Come on down! That's what is happening to ratings for daytime game shows. Only CBS' "Price Is Right" can crack the top 10. Even "Wheel of Fortune," the most popular syndicated show, can't find much of an audience on the CBS daytime schedule.

Mini mini-series... The blockbuster big-budget mini-series is gone, replaced by the more predictable and economical two-part TV movie.

Yes, we have no Vanna... Pat Sajak might spin a mean wheel with Vanna White at his side. But even with glib Dan Miller on the couch, Mr. Sajak's late-night talk show is putting audiences to sleep.

Crimes of passiveness... The networks, taken to task last year for a lack of program standards, are now safe instead of sorry. "Crimes of Passion," a reality-based docudrama, was pulled last year because of a lack of advertising support. Now producers say a titillating title could doom a network project.

That's all folks... With the resurgence of traditional cartoons from Disney, Warner Bros. and more, the Gobots and Transformers of yesteryear are fading fast. □

Upfront cable comes of age

(Continued from Page S-2)

close "a little bit."

Agencies already anticipate the need to move more quickly to secure desired commercial inventory when the upfront market opens next May or June.

"We probably will get in a little sooner this year," says Kathleen Lawson, VP-group director, Advanswers, a media-buying unit of Wells, Rich, Greene.

According to the 1989 "Myers Report" on cable advertising, agency media buyers are more attuned than ever to the importance of upfront cable, with 68% saying they believe it will have a "significant impact" on the broadcast media within the next year.

Already, however, some agency executives are sounding warnings of an advertiser backlash if cable networks try to raise CPMs too far, too fast.

"Granted, there's a lot of demand, but if cable networks continue to raise rates because of higher demand instead of higher [audience] ratings, something is going to have to give," says Chuck Bachrach, exec VP-director of network programming, Western International Media.

"Probably in the second half of the year advertisers are going to start saying 'enough is enough.' The ratings simply don't justify the continued rate increases," he says.

Although agency executives agree cable is now a well-established part of clients' media mixes, they also argue the industry needs better research and administrative systems for processing and tracking commercial orders than are available.

The Cabletelevision Advertising Bureau has made cable's administrative problems its No. 1 priority and will press in 1990 for industrywide standards on items such as commercial contracts, says Robert Alter, CAB president. □

Original fare 'blossoming'

(Continued from Page S-2)

Auto, retail, package goods and fast-food also are contributing to an expected 20% increase in ad revenues at the Discovery Channel, according to Kathy Clinton, senior VP-advertising sales.

With cable penetration now at the 56.4% level, which translates into 50.9 million cable TV homes, cable networks and operators will have to work harder than ever to improve customer service, says Whitney Goit, senior VP-marketing & sales, Arts & Entertainment.

On-air promotions also will get an overhaul at several networks such as VH-1, which has hired a group of writers and producers. "We will have a much stronger presence in 1990, in terms of the numbers of [on-air] spots and their look and feel," says Edward Bennett, VH-1 president.

Meanwhile, more trade advertising and promotion is planned by several networks such as A&E, whose niche now has been invaded by several competitors. "There's more noise out there than ever before, and we've got to keep pace so we're top of mind with advertisers," Mr. Goit says.

Several cable networks plan to provide better research to agencies and their clients so cable can be more easily weighed against traditional broadcast alternatives.

"The buzzwords for 1990 for ad-supported cable are going to be reach, frequency, demographic skews and efficiencies," says Dick Hammer, VP-advertising sales, The Family Channel. "Now that agencies have accepted cable as a regular part of the media mix, they'll look to more traditional media criteria to judge its value."

—Judith Graham

CAPITOL GAINS

Metro Harrisburg is setting new records for retail sales growth!

Metro Harrisburg jumped from 58th to 48th nationally in retail sales per household, according to Sales Management's 1989 Survey of Buying Power.

This important barometer of retail growth rates the Harrisburg market ahead of similar size markets year after year.

The Harrisburg Patriot-News is the one media vehicle that reaches the consumers with this acclaimed buying clout. We'll help your business tap this growing retail market by linking us to your 1990 ad schedules.

Call The Patriot-News (717-255-8203) or any Newhouse office for details.

Harrisburg Patriot-News

A Newhouse Newspaper

Only the 'smart' survive

(Continued from Page S-6)

The newest twist in value-added marketing partnerships allows agencies to work with portions of their clients' budgets the agencies never dealt with before.

For example, many leading magazines are beginning to spend more on consumer promotions, shifting the money away from trade efforts.

But here again, agencies expect publishers to accept such partnerships as one more element of the buying process, not some miracle replacement for rate negotiation.

Some media buyers are predicting that magazines could be the hot medium for advertisers in the coming decade, but they say publishers have a few things to prove first.

The media buyers are demanding more in-depth research on a magazine's reach, its relationships to the reader, its ad effectiveness.

"Magazines have survived the threat of TV, but is it because they're doing something right or because TV is having problems?" said Edward Wax, president-ceo, Saatchi & Saatchi Advertising.

1	New York	$108.12
2	Washington	95.11
3	Boston	89.79
4	San Francisco/Oakland	88.83
5	San Diego	85.48
6	Hartford/New Haven, Conn.	84.56
7	Los Angeles	80.04
8	Denver	78.12
9	Seattle/Tacoma	76.34
10	Sacramento/Stockton	93.94

Buyers also are pushing publishers into a Catch 22 situation by asking them to improve editorial quality while insisting on creative ad deals that usually involve a discounted rate that drives magazine revenues down.

Publishers insist rate negotiation eventually weakens their editorial product.

So far, buyers have been able to push for and obtain discounts because competition between magazines is heating up and the proliferation of niche magazines is pulling more and more ad dollars out of the marketplace.

That means publishers are doing what they have to do in order to stay afloat.

"The print marketplace is changing dramatically," says Ms. Smith.

"In 1970, there were 1,200 consumer magazines. Now, there are over 2,400," she continues. "The traditional means of doing business by the good old rate card is going by the wayside." □

Longing looks at rate card

(Continued from Page S-6)

tiate, are passing on the burden to the reader, raising cover and subscription prices.

In their ad pages, they expect to see strong growth in 1990 from automobiles, tobacco, liquor and computers, all basically no-growth categories in the early to mid-1980s.

To attract a broader advertising base, many magazines are expanding their editorial products and publishing more themed ad sections.

As niche publications grow in popularity, magazines also are making more of an attempt to sell individual sections to their advertisers.

In a new twist, Meredith's *Ladies' Home Journal* is asking advertisers not to compare it to the "Seven Sisters," but rather to judge its individual sections, such as health and fashion, against niche magazines that focus on the same topics.

"Our sections are as strong as any magazine in their field," claims Myrna Blyth, the magazine's editor in chief and publishing director.

—Scott Donaton

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BAROMETER

(Continued from Page S-6)

neurial spirit still will be very much alive, small publishers will need the support of major media companies to survive in the emerging global market.

Cover up...*Playboy* and *Penthouse* may suffer; their sleazier sisters definitely will. Can't ignore the continuing impact of AIDS and the country's return to basic values.

Not paying a premium...Hot-air circulation will diminish. More magazines will follow *Time's* lead in cutting back on the use of premiums to drive up subscriber counts and letting their rate bases fall where they may. The premiums failed to deliver loyal readers and merely begat more expensive gadgetry while milking the bottom line.

Does not compute...Computer books went through a shakeout recently but there's still too many around —way too many, say media buyers. More will down-load next year.

Blinded by science...The experiment's over: Most science magazines—the fad of the early '80s—have seen steadily declining circulation numbers. Many of the players in the '80s already no longer exist. □

Ad tier changes gears

(Continued from Page S-10)
works already is 30% to 35% committed—as more advertisers have entered the medium, many fearing they may be squeezed out of scatter positions later in the year if automakers make another run at available inventory. Yet last-minute needs will remain the overriding factor, says Mr. Kaline.

Scatter buying has revived network radio advertising, flat between 1987 and 1988. Depending on the monitoring service, growth was up either 4.7% or 12.1% in the first three quarters. The lower figure, an estimate based on units times rates, comes from Arbitron's Broadcast Advertisers Reports. The latter is from Radio Network Assn., and is based on ad receipts from 22 networks.

"Everyone wants value-added, and the fact that radio has begun to respond to that in areas beyond the youth side is important," says Mr. Kaline.

Adding value is an integral part of Anheuser-Busch Cos. radio buys. "Locally, we've been working successfully with a lot of tie-ins to consumer promotion, particularly in sports," says Chuck Fruit, VP-corporate media & sports marketing for A-B. "Nationally, we're involved with everything from straight network to syndicated program sponsorship."

A-B plans to keep using radio as part of a media package, as it has done this year in sponsoring the Rolling Stones tour, which also included signage and TV and cable buys.

A-B spent $42.7 million in 1988 on radio, down 2.1% from 1987, but has maintained 1988 levels through 1989 and expects to do the same in 1990. Radio pulls 10% to 15% of the company's total media budget, with 25% of radio dollars headed to network buys.

Richard Vietra, media supervisor for Backer Spielvogel Bates, New York, which handles Campbell Soup's red & white label soups, says radio's strengths are cost efficiency and lack of clutter.

"Companies are more and more interested in the bottom line than ever before. There are more products, things are tight on Wall Street, brand loyalty is a thing of the past," he says.

Anne Moncreiff Arrarte is a Advertising Age correspondent based in Miami.

Tie-ins

(Continued from Page S-10)
ents are buying radio as a backup to a TV image campaign, says Lawrence Norjean, senior VP, marketing and sales for the Radio Advertising Bureau.

Peter Moore, president of the Radio Network Association, predicts at least a 10% across-the-board increase in 1990.

Mr. Youlious says, "1987 was the nightmare, '88 was the turnaround year, '89 has been very good, and in 1990 we feel we'll be at least 6% to 8% over 1989."

Substantiating that claim is the heavy upfront buying for 1990. At ABC some 60% of available time was bought upfront, compared with the 30% to 50% upfront markets of the past.

—Anne Moncreiff Arrarte

BAROMETER

(Continued from Page S-10)
mat has settled into a comfortable routine. But a mid-life crisis may be looming as 40-decibel commercials clash with the mellow sounds emanating from your headset. Still primarily a one-station-a-market wonder.

Birds do it, bees do it... Even radio stations do it. An AM without an FM or an FM with no AM is a lonely drone. Better ratings, higher sales come with togetherness. One is the loneliest number.

Oh, shut up... The glut of moronic exchanges in advertising on the airwaves could make one lose faith in one's fellow man. Listening to insipid chat on the radio is cause for a swift channel switch.

Jessica Hahn's legacy... The giggling female radio presence—perhaps best typified by a Phoenix station's hiring of Ms. Hahn following her, ahem, brush with fame—is difficult for even the most dedicated chauvinist to swallow. So what if the job pays well?

Who's kidding whom?... Kiddie radio was a good idea gone awry. After the initial hoopla surrounding KPAL-AM's move to children's programming, advertising floundered and the Little Rock, Ark., station since has shoe-horned kid's programming into 2½ hours a day, down from 14 hours. □

BusinessWeek
INTERNATIONAL HIGH TECH
Feb. 26, 1990
Closing Jan. 22, 1990

BusinessWeek
WORLDWIDE AUTOMOTIVE INDUSTRY
Apr. 9, 1990
Closing Mar. 5, 1990

BusinessWeek
INTERNATIONAL HOT GROWTH COMPANIES
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Join the Leader!

Outdoor: The buyers' perspective

Room to pick and choose

By Alison Fahey

There are truths, half-truths and then research. Despite concern about the reliability of data on out-of-home's frequency and reach, advertisers plan to spend up to 6% more in the medium in 1990 than they did this year.

Developments in 1989 will continue in 1990, according to agency execs. That means new category growth, moderate rate hikes, off-rate-card dealing and declining spending in liquor and tobacco, the health of the latter tied to how RJR carves up its media plans for 1990 which already includes a 25% cut in magazines.

Declining tobacco spending will keep inventory available and rate increases low, marketers say. There are "wide-open avails in the first quarter," says Pete Riordan, VP, BBDO Worldwide, referring to a drop already in upfront buys from tobacco companies.

Rates, however, ultimately could be affected by an expected increase in 1990 by Patrick Media Group. The large outdoor company has not raised rates in 18 months while trying to sell operations in many of its markets to pay off debt.

"I expect Patrick will have to play catch-up ball at some point next year," says Mr. Riordan.

"Everybody is waiting to see what happens to Patrick's branches," says Robert Flood, senior VP-director of corporate outdoor, D'Arcy Masius Benton & Bowles, St. Louis.

As in other media, adding value via creative ad packages has found its way into outdoor.

"We are anxious to negotiate with packages. We like the idea of getting a proposal that combines various [out-of-home] formats," says Mr. Riordan, referring to Gannett Transit's packages that may include outdoor boards, subways and bus shelters.

Also, in-store media is heating up as new players enter the market at a breakneck pace. Many have been enticed by ad packages combining outdoor with in-store.

Improving research in general is a simmering issue in the industry. "They need new and improved research on delivery," says Glenn Griffin, outdoor media specialist, Young & Rubicam, New York.

An industry-backed attempt to revamp the audience measurement system, scheduled to be completed by 1991, is expected to address advertisers' concerns that current reach and frequency numbers are inflated.

Some advertisers are keeping their outdoor spending down until the new data is available, agency execs say.

The Jan. 1 planned merger of the Traffic Audit Bureau and the Out-of-Home Measurement Bureau is expected to result in more reliable numbers on more out-of-home media formats.

The new organization, Traffic Audit Bureau for Media Measurement, will broaden its base to include in-store media and bus shelters.

Many outdoor companies have been successful in attracting new users by touting the medium's ability to target, and backing up this claim with hard evidence from systems like Conquest and Prizm.

These efforts "are definitely working," says Mr. Griffin, noting Y&R clients in package goods, healthcare and retail are considering outdoor for the first time. □

Outdoor leaders enter headlong dive

-8.8% Jan.-June 1989 vs Jan.-June 1988

Top 15 outdoor brands drop 8.8% in first half '89 ad spending as industry edges up 0.9%.

Top 15 outdoor advertisers	Jan.-June 1989 ($mils)	% change Jan.-June 1989 vs Jan.-June 1988	full year 1988 ($mils)
Newport Menthol Filter Cigarettes	$13.8	22.1%	$22.9
Marlboro Filter Cigarettes	13.5	22.7	24.3
Kool Filter Cigarettes	8.0	233.3	7.7
Camel Filter Cigarettes	4.9	(24.6)	12.7
Salem Filter Cigarettes	4.5	(60.9)	19.7
Winston Filter Cigarettes	4.5	(32.8)	13.6
Benson & Hedges Mthol Fil Cigs	3.5	59.1	6.3
Capri Trim & St 100 Cig Reg Fl	3.5	(28.6)	12.9
Chevrolet Local Dealers	3.4	(19.0)	7.6
Virginia Slims Cigarettes	3.4	0.0	7.6
McDonald's Drive-In Restaurants	3.0	(3.2)	6.3
Ford Local Dealers	2.9	(14.7)	7.2
Marlboro Menthol Filter Cigs	1.7	(22.7)	5.0
Carlton Filter Cigarettes	1.3	(51.9)	4.4
Vantage King Cig Reg Fl	0.2	(94.4)	6.8
Total	**72.1**	**(8.8)**	**165.0**

Top 15 brands selected by 1988 total spending, but ranked by 1st half 1989 spending.
Source: LNA/Arbitron Advertising Age graphic: John Helland/Holly Seguine

Haggle

(Continued from Page S-14)

She sees a possibility to close the gap between national and local rates, particularly as national newspapers put more pressure on local papers. Ms. Ritchie applauds *The National*, the nationally distributed sports newspaper that will be launched next year, for its single rate for both national and local advertisers. Currently, the disparity between national and local rates can range from 15% to 100%.

"Newspapers for many years had a blind spot as far as national advertisers were concerned," she says, referring to an almost blase attitude toward national advertising because it represented a minor part of total linage. In '88, national placements represented just over 11% of all newspaper ads.

"The world of newspapers is 4,000 separate kingdoms," Ms. Ritchie says, noting that she is beginning to see more flexibility in some of those kingdoms.

Yet, in today's market, most buyers say no one buys at the national rate.

Newspapers' merchandising and cross-promotional activities have been almost nonexistent. "The [advertising] sale of newspapers has not been as sophisticated as other media, and that may be part of their problem," says Ms. Ritchie.

"Newspapers can be as creative as any other medium," says Mr. Mitchell. "You just have to push it."

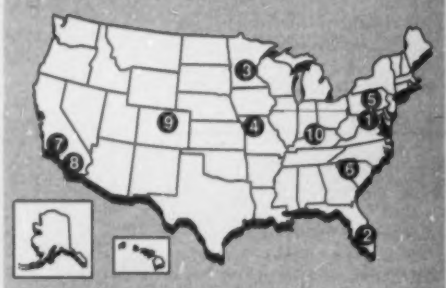
But overall, the buyers are not optimistic about the medium's future.

Newspaper's outlook "is grim. The trend has been that newspapers are getting a bit weaker each year. I don't know how they will pull themselves up," says Mr. Jacoby, pointing to the industry's heel-dragging on more flexible national rates and its inability to grab young readers.

"The long-term trends are very ominous," says Ms. Ritchie. "Unless newspapers rise to the occasion, they're going to find themselves out of business." □

10 hottest newspaper markets

ADI's ranked by gross media revenues per household



1	Washington	$373.56
2	Miami/Ft. Lauderdale	357.81
3	Minneapolis/St. Paul	281.27
4	Kansas City	262.77
5	Harrisburg/Lansing Pa.	261.09
6	Greenville/Spartanburg, S.C.	256.25
7	Los Angeles	248.93
8	San Diego	248.32
9	Denver	246.67
10	Louisville	246.55

Source: AA estimate Advertising Age Graph: Holly Seguine

More frills

(Continued from Page S-14)

years. The *News & Observer* is hoping to increase classified linage by establishing "pick-up" classified rates that give Sunday classified buyers a half-price rate for Monday.

These strategies help take the pressure off straight rate-card negotiations. "We're very careful not to go off the rate card," Mr. Crisp says.

But the reality of newspaper selling these days demands flexibility.

The *News & Observer* may change the rate card to "test a supplemental rate card during the year," he says. "Ten years ago no one would have dreamed of that."

—Janet Meyers

Here's what you get if you buy Hartford/New Haven without the Register.

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SOURCE: Sales & Marketing Management Data Service (1989) and ABC.

New Haven Register

40 Sargent Drive, New Haven, CT 06511

New waters

(Continued from Page S-16)

Outdoor Group.

"We have to keep up with marketers' changing product strategies and continue to show them how we can add value to their local media plans," says Tom Hudson, Patrick Media Group's VP-national marketing and sales and general manager of the Los Angeles office. This means putting outdoor on the must-buy media list to target minority groups, for example.

Rather than selling out-of-home strictly as a cost-efficient way to target locally, industry players are detailing how outdoor can serve as an effective companion medium—even among other out-of-home forms. Gannett Outdoor Group, which has a variety of outdoor vehicles at its command, reports it has sold about 20 ad packages that typically include bus, subway and outdoor boards.

With an influx of in-store media—everything from the old standby shelf-talker to the newest electronic video network—ad packages combining outdoor with in-store media also are surfacing. Outdoor sellers see this as their way to tap into marketers' desire to bring sales messages increasingly closer to the point of sale.

With the growing support of retailers and other new clients, more in-depth research on reach and frequency, out-of-home audience demographics and new ad packages continually emerging, the industry seems to be recovering from the trauma of three years ago. □

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MEDIAWORKS

OCTOBER AD RESULTS

Newsweeklies show gains

October was a solid month for ad-page gains among the three national newsweeklies.

Men's magazines also turned in good performances, according to Publishers Information Bureau data, as did *Life*, which saw its October ad-page count double from 1988 levels. *Forbes* regained the year-to-date ad volume lead from *Fortune*.

After a disappointing summer, *Newsweek* turned in a strong performance, bringing its ad-page count even with last year's January-October period.

The newsweekly carried 337 October ad pages, 19.7% higher than October 1988. Its 10-month 1989 ad-page total was 1,957, a modest 0.1% advance *(see table at right)*. Executives at the magazine last week insisted they weren't worried about falling ad-page volume; they noted PIB ad revenues were up 5.4% over 1988 to more than $200 million for the first 10 months of 1989.

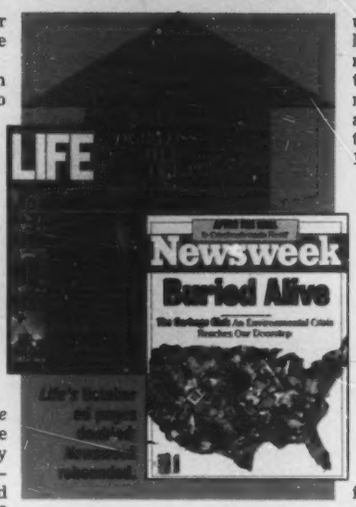
Publisher Howard Smith said *Newsweek's* fourth quarter is looking strong and that he expects 1989 results will surpass 1988 in both ad-page volume and revenues.

Newsweek's October performance brought it no closer to category-leading *Time*, whose October ad-page volume was up 24.3% from 1988 to 359 pages. For the January-October period, *Time's* ad count was 2,210 pages, up 11.6% from last year.

Time continued to benefit from Max-Plan, Time Inc. Magazine Co.'s corporate discount program.

U.S. News & World Report also had a healthy October, logging 272 ad pages, a 37% increase over the year-ago period. Its January-October count rose 9.7% to 1,604 pages.

Among business magazines, *Forbes* recaptured the 1989 ad volume lead from *Fortune* after



surrendering it in September. *Forbes* benefited from publishing three regular issues in October and also its annual *Forbes* 400 edition. *Fortune* published two issues in October.

Forbes' October ad-page total of 793 was up 36.2% over last year. *Fortune's* October issues carried 486 ad pages, a 7.3% hike. For the year to date, *Forbes* carried 3,165 ad pages, up 14.9%, to *Fortune's* 3,043, up 17.2%.

Business Week's ad-page total for 1989's first 10 months reached 3,927, a 7.1% increase, PIB reported.

After a strong September, *TV Guide's* ad pages dropped to 246 in October, a 44.4% fall from October 1988. The comparison is affected by the 1988 network TV writers' strike, which delayed the start of the fall 1988 TV season and forced *TV Guide's* ad-heavy fall TV preview issue into October from September.

After a first-half dip in ad volume from 1988 levels, *TV Guide* had rebounded during the summer months and was up 2.4% through September. With October results factored in, *TV Guide's* ad-page count for January to October was 2,659, 5% below its 1988 pace.

Time Magazines' *Life*, which is having its best year ever as a monthly, carried 136 ad pages in October, a 109.7% increase over last year. Its January-October count reached 676 ad pages, a 24.5% jump.

Hearst Magazines' *Victoria*, meanwhile, more than doubled its ad-page count for the first 10 months. The magazine carried 136 ad pages, a 151.8% leap.

Travel & Leisure continued to dominate the travel field, despite increased competition in the category. Its ad pages totaled 1,206 for the first 10 months, up 10.1% over last year. *Conde Nast Traveler* carried 754 ad pages for the same period, a 50.7% increase.

Endless Vacation saw its ad page count rise 9.7% to 299, while *Travel/Holiday's* pages climbed 9.1% to 369. *National Geographic Traveler* posted a 34.2% increase to 149 ad pages.

Among health titles, Owen Lipstein's *American Health*, which is reportedly about to be sold to Reader's Digest Association, carried 616 ad pages through October, a 12.2% increase.

Its competitors didn't fare as well. *Health* saw its ad pages fall 17% to 336, while *Prevention's* pages dipped 9.5% to 510.

Men's magazines looked strong, overall, through 1989's first 10 months. *GQ's* ad pages rose 5% to 1,820, while *Esquire's* pages rose 14.8% to 1,049. *Playboy's* pages reached 596, a 10.2% jump, while *Penthouse* reported its pages rose 19.1% to 511. □

Written by Scott Donaton.

Magazine ad-page leaders

Publishers Information Bureau figures for January through October.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	3,927.47	7.1	208,620,248	15.4
2	Forbes	3,164.72	14.9	127,901,813	24.6
3	Fortune	3,042.67	17.2	134,732,996	21.5
4	People	2,991.04	3.8	257,291,826	11.7
5	Bride's	2,825.24	16.3	46,571,531	25.9
6	Vogue	2,760.80	0.3	82,564,433	15.5
7	TV Guide	2,659.41	(5.0)	263,386,125	(1.0)
8	New York Magazine	2,419.09	0.2	36,809,237	6.2
9	Sports Illustrated	2,398.90	(0.9)	269,307,187	2.3
10	Time	2,209.69	11.6	301,814,730	9.8
11	Modern Bride	2,127.82	14.5	32,792,926	24.6
12	Newsweek	1,957.10	0.1	200,125,724	5.4
13	Cosmopolitan	1,948.62	(0.7)	104,318,743	10.5
14	Economist	1,935.87	(0.3)	14,979,519	10.6
15	Elle	1,862.41	2.5	49,929,936	12.0
16	GQ	1,819.81	5.0	40,143,241	14.8
17	The New Yorker	1,773.64	2.1	40,140,544	9.7
18	Glamour	1,657.64	(4.5)	75,279,632	2.6
19	Family Circle	1,620.86	12.3	121,550,716	17.5
20	U.S. News & World Report	1,603.78	9.7	119,689,243	20.3
21	Rolling Stone	1,551.06	5.6	55,177,543	13.3
22	American Way	1,544.38	5.4	16,706,705	12.9
23	Entrepreneur	1,489.26	43.4	11,790,564	75.1
24	Architectural Digest	1,487.91	0.8	36,436,332	8.5
25	Woman's Day	1,487.77	9.2	111,759,474	22.3
26	Yachting	1,415.86	(3.3)	8,546,607	(1.5)
27	Mademoiselle	1,380.94	(9.3)	40,963,913	(1.4)
28	W	1,336.51	7.1	26,836,809	15.5
29	Good Housekeeping	1,318.00	4.0	115,912,732	13.5
30	Muscle & Fitness	1,280.38	(0.9)	19,775,686	46.7
31	Town & Country	1,272.74	(1.0)	27,417,997	12.2
32	Ladies' Home Journal	1,265.38	18.2	82,010,443	25.0
33	Sunset	1,259.21	(3.5)	36,866,928	(3.9)
34	Parents	1,216.90	9.8	47,784,046	17.8
35	Harper's Bazaar	1,210.46	2.2	29,569,747	10.8
36	Travel & Leisure	1,206.14	10.1	41,677,148	19.7
37	Seventeen	1,174.21	(5.0)	34,333,623	1.2
38	Better Homes & Gardens	1,153.63	(1.5)	123,920,568	2.2
39	Skin Diver	1,151.43	(0.1)	10,174,345	2.7
40	Vanity Fair	1,136.48	24.9	31,868,469	53.3
41	Golf Digest	1,131.15	5.7	54,226,403	15.6
42	Southern Living	1,119.84	(5.7)	51,428,213	1.4
43	Texas Monthly	1,096.78	(0.2)	11,822,253	4.7
44	Self	1,092.79	6.5	34,408,132	17.7
45	Car & Driver	1,060.38	5.6	43,091,364	19.9
46	Esquire	1,048.92	14.8	29,858,694	25.3
47	San Francisco Focus	1,040.59	6.0	6,236,052	12.9
48	Golf	1,028.77	22.8	28,625,185	22.0
49	Money	1,009.11	(11.9)	61,240,635	(5.3)
50	Metropolitan Home	1,005.84	17.5	29,030,610	26.4
51	Road & Track	998.46	2.3	31,414,848	17.5
52	Redbook	991.66	(0.7)	60,219,530	6.4
53	Gourmet	975.58	(0.7)	23,438,165	11.9
54	Inc.	970.76	2.9	36,603,683	13.9
55	Ebony	953.21	(3.1)	30,982,904	0.3
56	Jet	947.83	(11.1)	15,021,369	(8.2)
57	Bicycling	947.26	(1.6)	11,240,827	19.0
58	McCall's	927.40	16.3	62,562,375	27.3
59	Working Woman	924.67	0.1	25,911,915	9.1
60	Country Living	911.92	0.1	35,055,269	16.0
61	Hot Rod	906.65	1.6	19,962,871	17.5
62	Reader's Digest	897.08	(6.7)	90,785,769	1.3
63	Popular Photography	860.99	10.7	18,816,647	6.9
64	New Woman	838.61	(0.8)	19,383,333	10.9
65	Smithsonian	830.80	(1.0)	34,495,231	8.4
66	Four Wheeler	826.94	(7.6)	6,169,964	4.8
67	Motor Trend	825.59	6.4	26,566,953	18.0
68	Popular Science	808.36	20.8	22,541,573	27.5
69	House & Garden	805.55	(12.0)	19,075,543	(0.8)
70	Bon Appetit	805.21	(0.7)	23,852,503	10.2
71	Field & Stream	796.97	(3.5)	34,112,690	9.9
72	Outdoor Life	796.88	1.9	23,287,266	13.5
73	Popular Mechanics	791.85	1.6	24,453,487	9.6
74	Delta Sky	771.98	(2.6)	18,456,912	7.5
75	Black Enterprise	765.90	2.4	9,336,141	5.7
76	Conde Nast Traveler	753.94	50.7	18,013,776	74.3
77	Connoisseur	751.17	(8.8)	11,754,092	11.4
78	Essence	740.18	(6.9)	16,371,986	0.6
79	M-The Civilized Man	729.12	(6.7)	8,247,742	6.9
80	Working Mother	693.04	(0.6)	13,778,952	10.5
81	Tennis	676.15	(16.1)	15,131,604	3.7
82	Life	675.62	24.5	47,420,664	33.2
83	House Beautiful	673.43	(6.1)	22,598,709	4.6
84	Ski	668.37	5.7	12,596,518	15.3
85	Basemaster	651.08	(0.8)	11,159,730	4.7
86	Sports Afield	648.32	(13.4)	11,734,899	12.9
87	Shape Magazine	648.04	(21.1)	9,556,230	(4.3)
88	Financial World	640.75	4.7	12,651,960	40.3
89	Yankee	633.69	(15.3)	7,045,763	(5.8)
90	US	624.89	18.7	18,393,704	41.8
91	American Health	615.83	12.2	11,734,799	20.2
92	California	612.87	(6.1)	8,271,284	(0.0)
93	Art & Antiques	609.55	0.9	3,315,928	4.4
94	Premiere	602.89	36.7	8,729,593	114.0
95	National Journal	599.21	(18.9)	3,774,480	(15.6)
96	Playboy	596.49	10.2	36,610,500	15.2
97	Home	593.20	(6.5)	15,323,800	4.3
98	Food & Wine	587.82	14.4	13,158,267	28.0
99	Omni	582.19	(9.4)	17,251,015	2.5
100	1,001 Home Ideas	581.38	2.3	15,396,999	18.8

Per cent change is computed from January through October 1988 pages by PIB.
Source: Publishers Information Bureau

NEWSSTAND

Print advertising opportunities.

The Family Handyman, Minneapolis, "Windows" special editorial feature, February issue; ad close: Nov. 28. B&w page: $21,200; color page: $30,740.

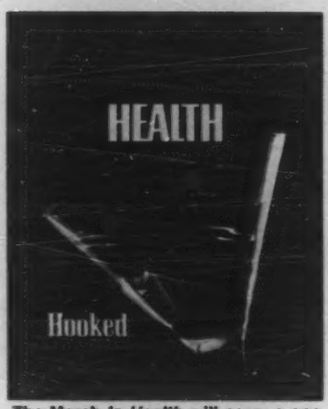
New Woman, New York, "Reveling in romance" special editorial section, February issue; ad close: Nov. 28. B&w page: $19,160; color page: $25,560.

Metropolis, New York, "West Coast" special advertising section, January/February issue; ad close: Dec. 1. B&w page: $2,820; color page: $4,655.

Redbook, New York, "PTA reports: childcare in the 1990s" special advertising supplement, March issue; ad close: Dec. 1. B&w page: $28,125; color page: $37,500.

Cooking Light, Birmingham, Ala., and **In Health**, **Life** and **Parenting**, all New York, "Family nutrition in the '90s" special editorial section, March issues; ad close: Dec. 4. Color ½-page: $79,240; color page: $140,000.

Men's Health, Emmaus, Pa., "Getting an edge: new sports equipment" special editorial section, March/April issue; ad close: Dec. 4. B&w page: $8,155; color page: $11,500.



The March *In Health* will carry a special "family nutrition" section.

New York Magazine, New York, "Downtown Manhattan" special editorial issue, Dec. 18 issue; ad close: Dec. 4. B&w page: $15,340; color page: $24,150.

Philadelphia, Philadelphia, "The looks of the '80s, the shape of the '90s" special editorial feature, January issue; ad close: Dec. 6. B&w page: $5,185; color page: $7,690.

The Sporting News, St. Louis, "Man of the year" special editorial issue, Jan. 1 issue; ad close: Dec. 8. B&w page: $15,520; color page: $19,500.

Golf Digest, Trumbull, Conn., "The Senior Tour journal 1990" special editorial issue, February issue; ad close: Dec. 10. B&w page: $39,440; color page: $59,160.

Alaska Airlines Magazine, Seattle, "Arizona" special editorial feature, February issue; ad close: Dec. 11. B&w page: $3,130; color page: $4,110.

Fortune, New York, "The portable office" special advertising section, Jan. 29 issue; ad close: Dec. 11. B&w page: $36,230; color page: $55,440. □

Bertelsmann tops in Euro media

By David Murrow

LONDON—Bertelsmann is No. 1 in European media revenues, according to a recent Saatchi & Saatchi Communications report.

This is the first time Saatchi has conducted the study, called "Top 50 European Media Owners" and based on the most recent year's financial reports on media revenues from TV, print, radio, cinema and outdoor from 17 European countries.

The top 50 corporations generated media revenues of more than $31 billion during that time.

Bertelsmann, a West German media conglomerate, led the list with $1.67 billion in media revenues out of total company revenues of $6.45 billion.

Reed International, the U.K.'s largest publisher, ranked second with $1.65 billion in media revenues. Silvio Berlusconi's Fininvest placed third, claiming media revenues of $1.47 billion.

No single media owner accounts for more than 4% of European advertising revenue, estimated at $50 billion, the report found.

Media "companies are increasingly becoming multimedia and multinational," said Steven Winram, Saatchi's worldwide media research and information director.

"We know all about the centralization of media buying, so we decided to . . . study the recipients of the money being spent," he said.

Of the top 50, U.K. companies have the most representation, with 16 companies accounting for 30% of total media revenue.

German media companies, with 10 in the top 50, representing 23% of the total, are second.

"The principal criterion . . . is those media revenues and media properties that are of direct interest to the advertisers, advertising agents and media buyers who use these vehicles as part of their consumer marketing effort," the report said.

Rounding out the top 10 European media owners were: Germany's Axel Springer Verlag, the largest newspaper publisher in Europe; French magazine group Hachette; French communications giant Havas; U.K. newspaper and magazine publisher United Newspapers; French media group Hersant; German publisher Heinrich Bauer Verlag; and Rizzoli-Corriere della Sera, the Italian publisher.

"Top 50 European Media Owners" costs about $440 and is available from Saatchi & Saatchi Communications, 80 Charlotte St., London W1A 1AQ, England. □

Europe's largest media companies

Rank	Company	Media revenue	Total revenue
1	Bertelsmann	$1.665	$6.453
2	Reed International	1.649	2.225
3	Fininvest	1.468	9.685
4	Axel Springer Verlag	1.425	1.620
5	Hachette	1.382	4.100
6	Havas	1.286	2.654
7	United Newspapers	1.212	1.341
8	Hersant	1.176	1.176
9	Heinrich Bauer Verlag	1.142	1.142
10	RCS	1.092	1.092

Figures in billions. *Source:* Saatchi & Saatchi Communications

Murdoch allays media merger fear

By Wayne Walley

NEW YORK—The development of a global TV network will likely be spawned by advertisers, not the media, Rupert Murdoch says.

"One network under one ownership umbrella would be very tidy, but it's not possible in all countries," the News Corp. chief executive said this month at Yeshiva University's Benjamin N. Cardozo School of Law. "When you do get a global network, it will be for sporting events, and it will be driven by advertisers."

But Mr. Murdoch said his company would like to create some form of a global news service with the "ability to plug in anywhere in the world for your news. We are reaching out. I know NBC is reaching out, too, to form these sorts of associations [or partnerships] around the world."

During his 75-minute conversation with attorney Howard Squadron about the development of global communications companies, Mr. Murdoch hinted at some changes at *TV Guide* and questioned regulatory constraints on media, media consolidation, the "success" of *USA Today* and the future of daily newspapers.

"*TV Guide* has a long way to go," Mr. Murdoch said of the weekly he bought in August 1988. "Half of American homes have cable TV. Within five years, all cable will have 55 channels. It's going to be major work deciding what you are going to watch every night. You will want a good, complete guide, much better than a newspaper can afford to give you."

As for government regulations, he said, "the trouble is that it takes years [for legislators] to work it out and it quickly becomes outdated." Instead, he'd like to "allow market forces to work."

Mr. Murdoch said he sees technology as the likely equalizer for any potential dangers from media mergers. "I don't think there's going to be a monopoly," he said. "It's too easy to start a magazine today. Technology offers more, cheaper opportunities for diversity."

Regarding *USA Today*, Mr. Murdoch said Gannett Co. has "done a magnificent job in production, and marketing it and selling it to advertisers, but it doesn't satisfy readers. I think it's disappointing."

USA Today's competition, however, isn't coming from daily newspapers, he said.

"There is less readership of daily newspapers today because of so much TV news and radio news," Mr. Murdoch said. ". . . I'm not saying newspapers are going to die, far from it. But I think daily newspapers of large circulations are going to find it hard. There are other ways [to reach consumers]. The media are changing." □

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CALENDAR

December

Dec. 4-6, **Association of National Advertisers**, creative advertising, media strategy and promotion strategy seminars, Stouffer Westchester Hotel, White Plains, N.Y., (212) 697-5950.

Dec. 6, **Business Month**, Best Managed Companies Award Luncheon, Waldorf-Astoria Hotel, New York, (212) 645-7840.

Dec. 7-8, **Marketing Institute**, "Harness the Power of Brands" brand loyalty and equity conference, Holloran House, New York, (212) 883-1770.

Dec. 11-12, **Executive Enterprises**, Publishing Mergers & Acquisitions Workshop, Sheraton Centre, New York, (212) 687-1765.

Dec. 13, **Art Directors Club**, second annual holiday art auction to benefit the club's Visual Communicators Education Scholarship Fund, ADC Galleries, New York, (212) 674-0500.

Dec. 14, **International Radio & Television Society** and **Unistar Communications**, Christmas benefit, Waldorf-Astoria Hotel, New York, (212) 867-6650.

Dec. 14-15, **Advertising Research Foundation**, "Electronic Media & Research Technologies," Hilton Hotel, New York, (212) 751-5656.

January 1990

Jan. 11-12, **Suburban Newspapers of America**, Circulation Roundtable, Hyatt Regency, Chicago, (312) 644-6610.

Jan. 12, **Association of Retail Marketing Services**, Supermarket Promotion Seminar, Swiss Grand Hotel, Chicago, (201) 842-5070.

Jan. 14-17, **National Retail Merchants Association**, 79th annual convention, New York Hilton and Sheraton Centre hotels, New York, (212) 244-8780.

Jan. 16-19, **National Association of Television Programming Executives**, annual program conference, New Orleans Convention Center, (213) 282-8801.

Please send Calendar items to Kathy Welyki, Advertising Age, 740 Rush St., Chicago 60611.

Big campaigns draw mixed recall

By Scott Hume

Maybe there aren't any rules when it comes to new ad campaigns.

The October adWatch survey of ad awareness presents a mixed bag of results for three high-profile campaigns in three different product categories.

Burger King Corp.'s $150 million "Sometimes you just gotta break the rules" campaign didn't elicit much of a response from the 1,000 consumers polled last month.

For Nissan Motor Corp. USA's $60 million-plus effort for its new Infiniti division, the news was mixed. After a slow start, the controversial ads that didn't show the product until Nov. 5 generated more recall than they had immediately after their launch. But as far as top-of-mind awareness, Infiniti is still back in the pack of automotive advertisers from which it has tried to differentiate itself.

The strongest showing was posted by Apple Computer, which introduced its first laptop computer at the start of the month and broke a $40 million campaign for the Macintosh line midmonth.

D'Arcy Masius Benton & Bowles and Saatchi & Saatchi Advertising, both New York, handle Burger King; Hill, Holliday, Connors, Cosmopulos, Marina del Rey, Calif., handles Infiniti; BBDO Worldwide, Los Angeles, is Apple's agency.

None of the three cracked the list of 10 best-recalled advertisers for October. What stands out most on that list is the appearance of two "generic" entries. Auto ads in general tied for sixth; grocery store ads in general came in tenth.

This raises the unsettling question of whether consumers are exposed to so much advertising that they're remembering categories rather than brands.

Before advertisers lose too much sleep over that, however, they should consider what happened to the Burger King, Infiniti and Apple brands.

Burger King executives from the start have said their "break the rules" campaign is a long-term effort meant to create a dialogue with consumers rather than indulge in the short-term, promotional ads tied to new products and price discounts favored by so many other chains.

In that case, the October survey results won't surprise them.

When respondents were asked which fast-food advertising first came to mind, 46.1% named McDonald's Corp. (up 2.5 points from September); 12.6% named Wendy's International (up 4.2 points); and 11.4% named Burger King (up 0.8 points).

McDonald's spent the month promoting various discounts and the new McRib sandwich; Wendy's introduced a Super Value Menu of 99¢ food products; and Burger King launched its string of low-key image spots, with minor weight given to a new BK Doubles sandwich line.

Nissan's Infiniti garnered only one unaided mention in September but boosted that to eight in October, good enough to tie it (with K mart Corp. and Nike) for 13th overall.

But when respondents were asked which car or truck ad first came to mind, Infiniti ranked 17th.

Maybe people didn't understand from the ads that Infiniti is an automobile.

Ford topped the category again with 20% of first mentions, Chevrolet was No. 2 with 18.9% Toyota was No. 3 with 6.7%.

Apple showed the biggest gain of any advertiser for the month. When respondents were asked which computer advertising first came to mind, Apple received 33.1% of first mentions, up 5.5 points from its September showing.

IBM Corp. was No. 2 with 18% (vs. 18.7% the previous month); Radio Shack was No. 3 with 3.7% (vs. 4.4%).

AdWatch is a joint project of *Advertising Age* and the Gallup Organization. Awareness is measured by asking a nationally projectable sample of adults to name the first advertiser that comes to mind, overall and in several categories, from all heard, seen or read in the previous 30 days. The phone survey's margin of error is plus or minus 3.1%.

Among other items of note, Coca-Cola remained the best-recalled advertising overall last month. But it still can't catch Pepsi-Cola when respondents are asked to recall the first soft-drink ad they remember.

Pepsi-Cola came to mind first for 36.6%, up from 35.3% in September. Coca-Cola was No. 2 with 29.9% of first mentions, down 4 points from the previous month. Diet Coke was No. 3 with a 6.4% share (vs. 6.5%). □

For more information, contact the Gallup Organization, 301 S. 6th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness Top 10 in October

Last month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 10/89	Rank 9/89	Advertiser	Agency
1	1	Coca-Cola	McCann-Erickson Worldwide
2	2	Chevrolet	Lintas:Campbell-Ewald
3*	5	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham Worldwide
3*	7*	Ford	J. Walter Thompson USA
5	6	McDonald's	Leo Burnett USA
6*	—	Tide	Saatchi & Saatchi Advertising
6*	—	Automobiles (general)	Various
8*	3	Pepsi-Cola	BBDO Worldwide
8*	7*	Toyota	Saatchi & Saatchi DFS/Pacific
10	—	Grocery stores (general)	Various

*Indicates tie.

Jamaica starts agency review

By Jon Lafayette

NEW YORK—While the federal bribery case against Young & Rubicam slowly works its way to trial, the Jamaica Tourist Board has begun the process of selecting another agency.

Last week, the tourist board began contacting by fax a short list of agencies to pitch its $5 million-to-$10 million account, said Regional Manager Noel Mignott.

Among the agencies contacted were Bozell; Chiat/Day/Mojo; FCB/Leber Katz Partners; Jordan, McGrath, Case & Taylor; Saatchi & Saatchi Advertising; and Tromson Monroe, all New York, and Burrell Advertising, Chicago.

Mr. Mignott declined to give out the full list until he could determine which agencies are interested in pursuing the account.

Some of those contacted won't be interested. Saatchi & Saatchi currently is agency for the Mexican National Tourist Council. The account is under review, however, and Bozell is a contender.

The eventual agency there is unlikely to be able to pursue the Jamaican account.

Chiat dropped out of Jamaica's earlier review in April and has since indicated it's no longer interested.

Meanwhile, Y&R's trial on conspiracy and racketeering charges in connection with its handling of the Jamaica Tourist Board account isn't expected to start until February, sources said.

When the trial does begin, the two Jamaicans charged with accepting bribe money, businessman Arnold Foote Jr. and former Tourism Minister Eric Anthony Abrahams, are unlikely to be in the courtroom.

"There's definitely a large question whether these offenses are extraditable under the treaty," said an official in the U.S. attorney's office.

The U.S. government, however, doesn't believe the unavailability of the two Jamaicans will affect the charges against Y&R.

"There are a lot of offenses that are not extraditable," the official said. "It doesn't mean they weren't properly charged or that other people can't be proceeded against."

A Y&R source said the agency would prefer to have the two Jamaicans available as witnesses. But since the Jamaicans are defendants, they might choose not to testify.

Earlier this month, Y&R made motions to dismiss the charges. The government has until Dec. 1 to respond. □

Coen forecasts

(Continued from Page 3)

time commercial and CPMs up 7% can be expected.

Because of the red-hot upfront market for the 1989-90 TV season, prices will be much higher in the opening quarter with prime-time commercials up 10% and CPMs about 12% from first quarter 1989.

But with the economy expected to worsen as the year evolves, prices will drop. Prime-time costs will soften as some marketers will exercise cancellation options.

Next year also will see more reruns than 1989, which feasted on more first runs because of the fall 1988 writers' strike.

■ **Spot TV.** Overall spot TV increases for most markets are expected to rise 4% in unit prices and CPMs. However, there could be wide swings by market and time of the year.

Demand for spot TV commercial time has been soft since early 1985 and will remain so in 1990. Two big factors shaping the spot market—economic conditions and new-product launches—won't show much improvement.

The most important package-goods advertisers have been tightening their budgets. Only categories such as automobile dealer associations and travel and resorts may have somewhat larger budgets.

Non-network commercial inventory will be tight in September and October, reflecting heavy spending on political campaigns.

The buyers of spot TV schedules will be able to negotiate favorable prices if there's enough lead time and a deep enough market list. Schedules placed at the last minute in weeks or months of above-average activity may be subject to exceptionally high prices as stations make up for under-budget performances.

■ **Cable TV.** Unit prices and CPMs for cable will increase 12% and 8%, respectively, in outdistancing growth of other media.

Cable's pricing growth is a function of larger audiences, greater coverage by the cable networks and improved ratings.

Cable CPMs remain a bargain despite the unit-rate escalation.

■ **Network radio.** Unit rates and CPMs for network radio will both rise 4% in holding to inflation.

This comes after a year of heavy rate increases largely responding to the relatively limited supply of radio network commercial slots.

Network radio will maintain its appeal to advertisers, but key users could modify their strategies and thereby soften total buying pressure.

■ **Spot radio.** Spot radio increases should reach 5% for unit prices and 4% for CPMs following a year of stronger increases.

Like network radio, it's difficult for this medium to post large price gains in successive years.

■ **Newspapers.** Newspaper ad increases will be more in line with other media in 1990 as unit prices and CPMs improve 5%.

National ad rates of newspapers historically rise in line with newsprint and labor costs. During most of the '80s, newspaper rate increases have been larger than increases in general inflation.

Buyer demand gradually has weakened. Newspapers' more earthbound projections reflect a need by the medium to become more competitive for ad dollars.

■ **Magazines.** Magazine publishers now feel justified to ask for large price increases. For the past three years, magazines have been under intense pressure to modify rates and provide many extras. This pressure has left ad rate increases lagging behind the rise in their own costs.

Unit prices should grow by 6% and CPMs by 5%, though intense competition between magazines in a year of sluggish ad growth will affect the final size of the real rate increases.

■ **Outdoor.** The demand and pricing in this medium should turn up in 1990—5% in unit prices and 4% in CPMs—after bottoming out this year.

The industry has been feeling the ad decline in several important categories—and has had to moderate rate increases while providing more special concessions and extra bonus exposures.

■ **Direct mail.** Unit and CPM increases will rise only 3% as direct mailers continue to reel under pressures of higher postal rates. Rates in first quarter 1989 were 10% to 15% higher than a year earlier, contributing to a fall-off in mail piece volume.

Another postal rate increase is possible late in 1990, cutting deeper into volume. But for most of the year, advertising mailing costs will be barely higher than in 1989. □

Mr. Coen is senior VP-director of forecasting at McCann-Erickson Worldwide, New York. His projections of media costs are the most widely anticipated forecasts in the industry and are presented exclusively in Advertising Age.

NEWSPAPER

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December 4, 1989

Advertising Age

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Euro ventures on the way

The Energizer bunny makes its next commercial appearance when it "chow chow chows" across a Purina cat food spot.

Energizer bunny will plug Purina

By Julie Liesse Erickson

Ralston Purina Co. is hopping on its own Energizer bunny bandwagon.

When Ralston's Eveready Battery Co. breaks its new Energizer TV commercials Dec. 11, the mechanical pink bunny will start marching through spots for real Ralston products.

In the first to air, the bunny interrupts Purina Cat Chow's well-known "Chow chow chow" campaign.

The "Chow chow chow" campaign hasn't run since 1985, and Energizer agency Chiat/Day/Mojo shot its own version of that old concept.

In the new spot, the bunny walks onto the set, dancing along with the woman and her cat to the "Chow chow chow" step before parading across a line of Cat Chow boxes.

The 15-second spot is one of four new commercials that begin airing this week. This second wave, primarily :15s, parodies familiar commercial genres: bath soap, snack food and direct-mail record albums.

The spot for "Alarm!" bath soap shows a man showering. As a chorus sings, "Alarm! It'll start your day. . . . Alarm! You'll be on your way. . . . Ring in your day with Alarm!" the man glances down to find the bunny—in yellow rain slicker and hat—marching through the shower.

Another spot is intended to create the flavor of late-night spots promoting greatest-hits record collections; it seemingly offers viewers a collection of "The Best of Olga Montiera," a fictional harpist.

The last parody is for "Pigskins" snack chips; the spot stars former National Football League player Lyle Alzado—a real-life former TV spokesman for Block

(Continued on Page 54)

An Advertising Age roundup

A new joint cereal venture between General Mills and Nestle SA may be a prototype for companies hurrying to enter Europe before 1992.

The venture arrangement also represents an attractive alternative to debt-laden acquisitions or inadequate licensing agreements for marketers.

The agreement between Nestle and General Mills, announced last week, calls for the creation of a separate company, Cereal Partners Worldwide, to market ready-to-eat cereals in all areas outside the U.S. and Canada.

Cereal Partners will be owned equally by the two companies, which will split responsibility for capital investments.

Vevey, Switzerland-based Nestle, headed by Managing Director Helmut Maucher, and Minneapolis-based General Mills, whose chairman-ceo is Bruce Atwater, each will control half the seats on the board.

Robert Trumbull, senior consultant at Clarion Marketing & Communications, Greenwich, Conn., said joint ventures are the "wave of the future," particularly in the U.S., Japan and Europe—"major markets where distribution presents such an enormous barrier to gaining entry."

Mr. Trumbull said food companies in particular could initiate more joint ventures overseas, because food-store distribution is "the toughest nut to crack."

Helmut Maucher

Bertrand Facon, an analyst with Credit Suisse First Boston, London, said, "This signals that U.S. companies, after talking about 1992 for so long, are realizing they are very weak in Europe. I think [General Mills] realized they are not going to expand without help."

John Quelch, marketing professor at Harvard University's school of business, said such "strategic alliances" as the General Mills/Nestle venture are a sound method for U.S. marketers to gain "access to European distribution channels."

One industry source suggested likely European candidates to enter joint ven-

(Continued on Page 52)

Burger King courts health fans, kids

Chicken sandwich, new club planned

By Scott Hume

To counter the fast-food industry's reliance on fried foods and appease consumers' interest in healthful foods, Burger King Corp. is preparing to roll out a chicken sandwich it will cook on the flame broilers it uses for hamburgers.

Linking the new sandwich to the hottest craze in food marketing, Burger King will serve the BK Broiler on an oat bran bun.

At the same time, Burger King will battle the fast-food industry's longstanding belief that no one can loosen McDonald's Corp.'s hold on the children's market.

Burger King will fight for brand loyalty among the youngest consumers by launching a Burger King Kids Club, an ambitiously broad children's marketing program set to start next month.

Because preparation of the BK Broiler requires some equipment modifications, the product may not be in all Burger King restaurants until March. But national advertising for the product is planned to begin Feb. 26.

Burger King has tested the sandwich in San Diego and Greensboro, N.C.

Advertising—from new-products agency Saatchi & Saatchi Advertising and black consumer agency UniWorld Group, both New York—has positioned the BK Broiler as an alternative to fried chicken and competitors' chicken sandwiches.

Ads carry the "Sometimes you just gotta break the rules" theme.

The BK Broiler provides Burger King with a competitive answer to rival McDonald's McChicken sandwich, introduced nationally this spring.

The BK Broiler is a formed chicken patty,

(Continued on Page 52)

LAST MINUTE NEWS

Pepsi gets Savage

SOMERS, N.Y.—Pepsi-Cola Co. has filmed a holiday-themed TV spot with Fred Savage, star of ABC's "Wonder Years," an industry source said. Also, Pepsi is said to be close to signing comedian Billy Crystal, who appeared in a spot for Pepsi in the mid-1980s. The company declined comment. BBDO Worldwide, New York, handles Pepsi.

Separately, Pepsi-Cola International is consolidating its worldwide advertising at BBDO, meaning a loss for Leo Burnett Co., Chicago. Burnett lost to BBDO the estimated $25 million-to-$30 million international ad account for the 7UP brand. Also, sources said Pepsi's Canadian 7UP business is likely to move to J. Walter Thompson Co. from Burnett, both Toronto. JWT already handles Pepsi in that country. And in Mexico, Pepsi will move all its soft-drink business, estimated at $6 million, to BBDO from Burnett, both Mexico City, sources said. Pepsi officials said they're in the process of finalizing agency assignments in Canada and Mexico. The company said the consolidation is a financial decision, not a reflection on Burnett's creative work. Burnett continues to handle 7UP in the U.S., where it's owned by Dr Pepper/Seven-Up Cos.

Two Saatchi execs quit

LONDON—Victor Millar, 53, consulting division chairman-ceo, and David Perring, 50, secretary, Saatchi &

(Continued on Page 8)

INSIDE

Road to freedom ..... P. 4
Czechoslovakia moves toward consumerism, but the going's slow.

Global Media & Marketing
A special international report by *Ad Age* starts after Page 38.

Life after Achenbaum ..... P. 49
Consultants drum up more business in an effort to become the new leader of the pack.

HHCC will operate N.Y. office without president

By Gary Levin

NEW YORK—Walter O'Brien is out as president of Hill, Holliday, Connors, Cosmopulos' office here, and the Boston-based agency will try to get by without a successor.

The agency said it mutually agreed last week to part company with Mr. O'Brien, the fourth person to head the office in less than six years.

Susan Smith, 36, exec VP-new business, and Dennis Farrington, senior VP-group account director, will take on Mr. O'Brien's duties. Neither will be given the task of running the office.

Jack Connors, Hill Holliday president-ceo, earlier hinted changes were coming (AA, Sept. 11).

Asked about his commitment now to the office here, Mr. Connors said, "I'm more committed to it than I've ever been. We probably went through a period when we made 10 new-business pitches and lost 10. Now we're getting on the short lists and winning accounts."

He said he'd consider, but isn't actively seeking, an acquisition to bolster the office.

In recent months, Mr. Connors has spent much of his time here and has been directly involved in pitching accounts.

W. O'Brien

"I think we have a really good team of people here," Ms. Smith said, "and the emphasis we have is on keeping existing clients and building new business. I don't know that a $30 million agency needs a president. We'll get some new business and see where we go, but there's no need to replace" Mr. O'Brien.

Mr. O'Brien's background—running large multinational accounts for J. Walter Thompson Co.—didn't mesh well with Hill Holliday's focus on smaller, entrepreneurial accounts, sources said.

The clash of styles hurt Hill Holliday's attempts to win accounts, though it did pick up SportsChannel America, a $2 million account, last month.

"I think his talent is in the area of working with the largest accounts," Mr. Connors said of Mr. O'Brien. "Obviously, we're a little different than that."

Currently, the office's largest piece of business is the $6 million-to-$8 million United Jersey Banks account.

It also handles Springmaid Sheets, Irish Tourist Board and Pitney Bowes, and does creative work for Labatt Brewing Co.'s Rolling Rock beer.

Last week, the agency lost the Irish Aer Lingus airline account, which spent less than $1 million, to Campbell-Mithun-Esty.

Mr. O'Brien, a 24-year veteran of JWT, joined Hill Holliday only 15 months ago (AA, Aug. 1, 1988), and followed Malcolm MacDougall, Charles Decker and Christine Miller in the top post.

Mr. O'Brien couldn't be reached for comment, but observers expect him to seek work at a larger agency. □

Bayer gets tough with Urich

By Patricia Winters

Robert Urich is taking on Angela Lansbury, but the competition isn't in network TV shows.

Mr. Urich, the former star of "Spenser: For Hire," is the new pitchman for Sterling Drug in a TV campaign positioning Bayer aspirin as the macho medicine for headache relief.

Bristol-Myers Squibb recently broke a campaign featuring Ms. Lansbury for Bufferin (AA, Oct. 23).

Although both competitors are using celebrity endorsers, they part company when it comes to strategy.

Mr. Urich calls Bayer an "adult-size" pain reliever, while Ms. Lansbury takes "a cup of tea and Bufferin" to eliminate aches and pains in ads targeting the over-50 set.

The new campaign for Bayer, best known for its soft-edged "wonder drug that works wonders" effort, shows Mr. Urich explaining how he beats headaches.

"When I get headaches, they're not little baby ones. They're full-grown, adult-size bangaroos," he says.

In a new Bayer spot, actor Robert Urich "bangs back" a headache with the "adult-size" pain reliever.

The spot closes with the tagline: "For adult-size pain—Bayer, the wonder drug that works wonders."

Lintas:New York handles the $30 million account. The Urich spot will air in 15-, 20- and 30-second versions on network, spot and cable TV.

Industry observers say Bayer's stronger pain relief message is an attempt to revive the aspirin business.

Last year, Bayer and other marketers all but dropped ads promoting aspirin to prevent second heart attacks after the strategy failed to boost the segment.

"The aspirin segment is really taking it on the chin, and Bayer as the leader is also taking it on the chin," said one industry executive who asked not be named.

Aspirin unit volume was down 9% through August from a year earlier, this source said. Ibuprofen-based pain relievers are growing, with tracking data putting unit volume up 21%.

Bayer is the leader of the aspirin segment with about a 17% share; Bufferin is fourth with a 10% share behind American Home Products Corp.'s Anacin and Bristol's Excedrin. □

Chiat wins Reebok overseas

By Pat Sloan

Reebok International has named Chiat/Day/Mojo, London, as lead agency for advertising outside the U.S.

The international division account represented $15 million in billings in 1989 and is expected to go higher in 1990.

Chiat's New York office is Reebok's main agency in the U.S.

The move won't affect Reebok's 38 local agencies in the foreign countries where the company operates through distributors and subsidiaries, said John Duerden, international division managing director based in Bolton-Lancashire, England.

All other Reebok agencies, including Lowe Howard-Spink, London, will remain in place, he said.

Chiat "is working with us on the development of global advertising. We will use them as the lead agency to interface with the others," Mr. Duerden said.

He added that a new international campaign should be ready "in the first half of next year and will be adapted to different countries."

"One of the places we'll spend money in the next five years is in Eastern Europe," said Reebok Chairman Paul Fireman. "We're one of the hottest products in the Soviet Union on the black market. And we're putting products in their stores, too.

"We've also looked at a Polish factory for athletic footwear. And in countries where it's appropriate, like Hungary, we'll advertise."

Mr. Fireman said he's committed to international expansion and the opportunities it offers for increasing both sales and profits.

Reebok had about $1.8 billion in total sales in 1988, but international sales are pegged at just $350 million.

Next year, the international growth rate should exceed 15%, Mr. Duerden said. □

IN THIS ISSUE

Image change: Electronics retailers try image-oriented advertising instead of "buy now" ads. 6

Healthy info: *Ad Age* survey shows consumers are skeptical of health claims but want to see more. ... 12

Retread: JWT recaptures the remainder of Goodyear's domestic account as the tire company refocuses on brand building. 14

Something's brewing: Adolph Coors Co. plans a reduction in agencies and changes in marketing support for Stroh Brewery. 22

Movie horror: 21st Century's "Phantom of the Opera" flops with the help of a misguided ad campaign. .. 29

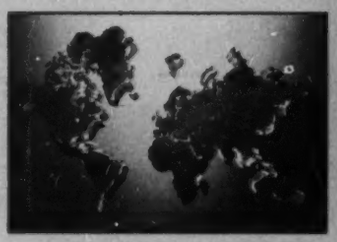
Big win: Lawler Ballard tops the Athena awards for excellence in newspaper advertising. 50

VIEWPOINT

Considerations 30
Editorials 30
Letters 32
Brady's Bunch 34
James Brady 36
The Next Trend 36
Joe Winski 36

INTERNATIONAL NEWS

Global Marketing & Media
Unilever tops all advertisers outside the U.S. in rankings as global newspapers pace circulation growth.



Global Gallery .. 39

SALES PROMOTION NEWS 40

MEDIA

MediaWorks 42

PEOPLE

PeopleWorks 46
People Moving 46
Photo Review 47

Cotton Inc. finds dignity by abandoning its sophisticated approach in favor of an earthy, down-home campaign for the kinder, gentler America.

U.S. NewsWatch 18
Corrections & Clarifications 32
Classified 43
Calendar 50
For the Record 51
Index to Advertisers 56

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Wary consumers want more health ad info

By Julie Liesse Erickson

Consumers say they want more health messages in food product ads, but they're looking at those messages with a skeptical eye.

Those are the conclusions of a poll of 1,000 consumers conducted for *Advertising Age* by the Gallup Organization.

More than eight of 10 (82%) consumers polled said they'd like to see more products advertised as having health-related benefits. But 49% said they didn't believe product claims such as "the ability to reduce cholesterol."

Kellogg Co. last week launched a $45 million campaign for Heartwise, with network TV spots promoting the new ready-to-eat cereal as high in soluble fiber and containing psyllium and extolling the health virtues of a high-fiber, low-fat diet (AA, Nov. 27).

Although Kellogg said the campaign is educational, consumers already appear to have learned their lessons about diet and health.

Nearly half of those surveyed (47%) said they'd bought in the previous 30 days a food product marketed as promoting good health. That included 54% of women polled and 40% of men.

Also, 86% of women surveyed said they'd like to see more ads promoting products' health benefits, compared with 77% of men.

But seeing isn't necessarily believing. Asked whether they believe such product health claims as "the ability to reduce cholesterol" (a claim General Mills has made in introductory ads for its high soluble-fiber Benefit cereal), 48% of the total sample said they believe the claims, but 49% said they do not.

That finding may interest state attorneys general, who've criticized—and in some cases filed suit against—some food companies' health claims as confusing or deceptive.

Minnesota Attorney General Hubert H. Humphrey III recently said that "health and nutrition claims in food advertising are almost totally out of control, with little sign of restraint or responsibility from advertisers."

The random nationwide survey was conducted by phone in October. It has a margin of error of plus or minus 3.1%.

Older consumers may present a dilemma for marketers. More than half (53%) of those 55 or older said they'd bought healthful foods, compared with 39% of those ages 18 to 34.

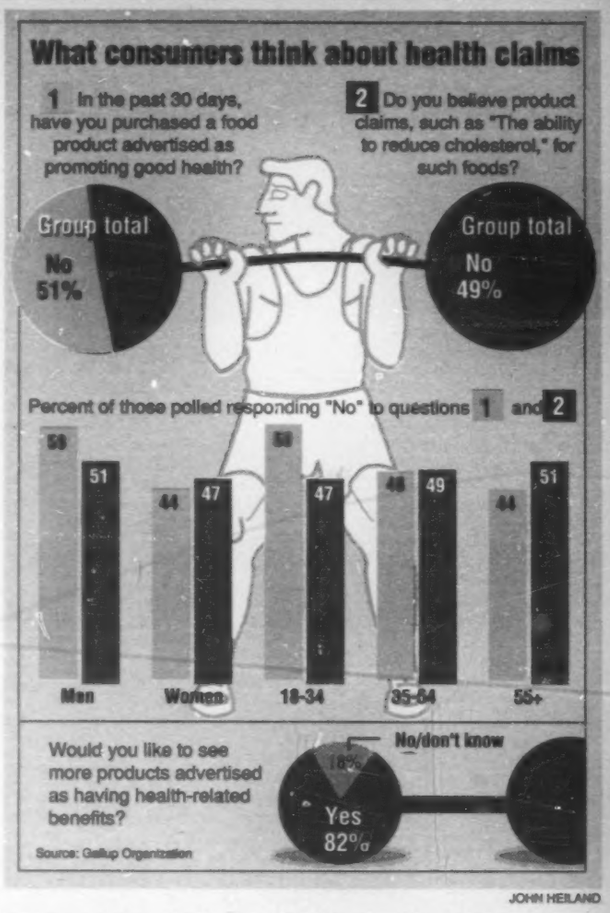
But they're less supportive of seeing more health claims than are younger consumers, and more skeptical. Only 46% of older consumers said they believe health claims, compared with 52% of the 18-to-34-year-olds.

Other groups with comparatively high concentrations of consumers buying healthful foods were the college-educated and consumers in the North Central states.

Cereals continue to lead the way among perceived healthful products. Of those respondents who said they'd bought a product advertised as healthful, 25% said it was an oatmeal or oat bran product. Another 12% had bought other cereal products.

The most often mentioned branded products were General Mills' Cheerios and Quaker Oats Co.'s Quaker Oat Bran and Quaker oatmeal.

Among other "healthy" products purchased included apples, milk and yogurt. □



JOHN HEILAND

IT WAS DESTROYED BY MT. ST. HELENS IN 1980.
IT'S A SUBURB OF SEATTLE, RIGHT?
MAINE?
I KNOW, IT'S THE #1 CITY IN GENERAL MERCHANDISE SALES PER CAPITA. IT'S THE 2ND MOST POPULAR TEST MARKET IN THE U.S. AND IT HAS THE OREGONIAN, THE NEWSPAPER WITH ONE OF THE LOWEST CPMS ON THE WEST COAST.

Where the heck is Portland?

Portland and The Oregonian. It's a sales story that stumps 3 out of 4. Amaze your friends and clients with your ability to spot a terrific market. Call John Mannex, General Advertising Manager at (503) 221-8302 for the complete story.

The Oregonian

Represented nationally by Newhouse Newspapers
Source: Scarborough Research Portland Publication Report, Spring 1990, Total Adults, Monday-Sunday, Portland Publication Area, Based on actual number of new pairs knits owned.

P&G takes the cake with health strategy

By Laurie Freeman

Procter & Gamble Co. is taking a health-oriented marketing approach for its Duncan Hines cake mixes and frostings.

P&G's strategy contrasts with competitors General Mills and Pillsbury Co., both of which are concentrating on microwaveable and candy-added products.

The shift coincides with P&G's introduction today of a new Duncan Hines Sheetcake ready-to-spread frosting line and the relaunch of two cake mix flavors.

All Duncan Hines mixes and frostings are now flagged with a "no palm oil" label, and cake mix packages include recipes for low-calorie and no-cholesterol baking.

An estimated $3 million ad campaign starts in January via N W Ayer, New York, though the new frostings and the reintroduced orange and banana flavor mixes will be available this month.

Sheetcake frostings contain only 11.3 ounces of frosting mix, compared with the regular 16-ounce packages. The frostings are meant to appeal to consumers baking sheetcakes, cupcakes and brownies, which require less frosting than layer cakes, said Don Tassone, a P&G spokesman.

Duncan Hines leads the $735 million cake mix category with a 32% share, followed by General Mills' 30.6% share for Betty Crocker products and Pillsbury's 22.8%, trade sources said.

General Mills is completing national distribution of two new MicroRave cake mix flavors: Apple Streusel and Cinnamon Pecan.

DDB Needham Worldwide, Chicago, handles the Betty Crocker baking line.

Pillsbury this fall introduced Funfetti cake mix and frosting, both with candy sprinkles.

Print ads are supporting the national launch, and a network and spot TV commercial from Leo Burnett USA, Chicago, will break soon.

P&G has added candy pieces to three of its Duncan Hines frostings, called Polka Dot frostings, but the company isn't planning to add a companion cake mix.

General Mills was first on the market with a candy-added line: the Rainbow Chip variety of Betty Crocker cake mix and frosting. □

Julie Liesse Erickson contributed to this story.

Design Photographers International

Unilever triumphs as top ad spender

P&G, Nestle follow in non-U.S. race

By Julie Skur Hill

Unilever, Procter & Gamble Co. and Nestle held on to their respective slots as the top three advertisers outside the U.S.

In *Advertising Age's* third ranking of the top 50 leading ad spenders outside the U.S., the Anglo-Dutch conglomerate kept its top ranking, doling out $1.2 billion in 24 countries in 1988.

Cincinnati-based P&G spent $932.7 million in 18 countries outside the U.S., while Vevey, Switzerland-based Nestle chalked up $600.6 million in 19 nations.

Rounding out the top 10 are: Renault, Paris; Matsushita Electric Industrial Co., Osaka, Japan; Fiat, Turin, Italy; Mars Inc., McLean, Va.; Kao Corp., Tokyo; Nissan Motor Co., Tokyo; and Toyota Motor Co., Toyota City, Japan (*see chart, Page S-2*).

When U.S. ad spending is included, consumer goods giant P&G comes out on top with worldwide spending of $2.4 billion.

New York-based Philip Morris Cos. follows closely in worldwide spending, with $2.4 billion. Philip Morris ranks No. 12 among spenders outside the U.S.

Unilever ranks third worldwide, spending $1.8 billion, while General Motors Corp., Detroit, ranks fourth, spending $1.6 billion.

Spending for the top 50 totalled $12.4 billion, up 37.1% from 1987 figures.

Newcomers to the top 50 list include Peugeot, Paris; Bayerische Motoren Werke, Munich; Barilla, Parma, Italy; Gervais Danone, Levallois-Perret, France; RJR Nabisco, New York; Jacobs Suchard, Zurich; BAT Industries, London; British Telecom, London; Kingfisher, London; and Cole Myer, Sydney.

These 10 marketers replace Mazda Motor Corp., Hiroshima, Japan; Shiseido Co., Tokyo; Sony Corp., Tokyo; Ajinomoto Co., Tokyo; Mitsukoshi Ltd., Tokyo; Takeda Chemical Industries, Osaka; Daimaru Inc., Osaka; and Marui Co. and Hattori Seiko Co., both Tokyo.

Last year, Citroen was counted separately from Peugeot. This year, the two were combined.

Despite the decline in the number of Japanese companies represented on the list, 20 marketers of the top 50 are based in Japan. Eleven are U.S.-based. France put three on the list, while West Germany and Italy each claim three. The U.K. houses 4½, while the Netherlands claims 2½. The split is the result of Unilever, which claims roots in both countries. Switzerland houses two, while one calls Australia home.

Food marketers topped the list with 12 entries contributing $2.5 billion. However, the list's 11 automotive marketers contributed a whopping $3.1 billion. Soap and electrontics advertisers ranked six each on the top 50, while retailers accounted for five. Beer marketers accounted for four of the total, while telecommunications advertisers brought two to the list. Computer and photography marketers contributed one each.

Information for *Ad Age's* ranking of the top 50 spenders in non-U.S. advertising was compiled from data supplied from 38 major advertiser markets by *AA's* international network and sources around the world *(see How to read this ranking on Page S-14)*. □

Newspapers shine as media choice

N. American books drive category

By R. Craig Endicott

Global newspapers outperformed weeklies and monthlies in 1989 in giving advertisers greater geographic distribution while holding a tighter rein on ad costs, according to *Advertising Age's* fifth annual Global Marketing & Media survey.

Newspapers, paced by the circulation growth of *USA Today* in the U.S. and abroad, held down the average increase for a full-page b&w ad to 4.6%, undercutting increases of 6.2% for monthlies and 7.7% for weekly magazines. Likewise, the medium's cost-per-thousand average increase of 5.7% bested the 5.9% average growth from monthlies and 6.2% from weeklies.

The study included 17 global publications selected because they are circulated on at least three continents, draw close to 10% of the worldwide circulation from international editions and have centralized ad buying. The study found newspapers are the medium of overall circulation growth (up 2%), mostly a reflection of their 2.1% boost in circulation in North America.

Using mass coverage as an ad criteria, global monthlies led with total circulation up 0.7% in 1989 to 41.5 million, far outstripping circulation of 11.9 million (down 2.6%) for weeklies and 4.3 million (up 2%) for newspapers.

The study shows that as goes North America so goes global media, because North American publications offer the big circulation base and English, the lingua franca of international marketing. Ten of the publications also happen to be U.S.-based.

North America accounted for 84.1% of the group's global circulation in newspapers, 81.1% of the weeklies' circulation and 69.8% of the monthlies'.

Paris-based *Paris Match* joined *People's Daily* out of the Republic of China in the study for the first time. *People's Daily* totals—circulation of 4 million and CPM of a minuscule 26¢—were excluded from newspaper composites because of the lack of prior-year data.

Advertising continues to be heavily consumer-oriented. From a list of the top five advertisers identified by each publisher, airlines were named 22 times, electronics/photographic equipment 13 and automobiles and financial institutions 11 each.

AT&T was the most frequently mentioned global advertiser. It was named by five publications as one of their top five advertisers. Lufthansa German Airlines ranked second with four mentions.

The impact of *glasnost* also has affected the global media market. *World-Paper*, produced from editorial offices in Boston, picked up 270,000 new subscribers in the U.S.S.R. for its monthly insertion in *Novoe Vremija (New Times)*, a leading business magazine. □

Unilever ranked No. 1 in non-U.S. advertising

Rank	Advertiser	Headquarters	Primary business	Countries in which spending was reported for 1988	Non-U.S. spending ($000)	'86-'87 % chg	U.S. spending ($000)	W'wide spending ($000)	Non-U.S. as % of w'wide
1	**Unilever NV/PLC**	Rotterdam/London	Soaps	Argentina, Australia, Austria, Bahrain, Belgium, Brazil, Britain, Canada, Chile, France, Germany (West), India, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Puerto Rico, Qatar, South Africa, Spain, Switzerland, Thailand	$1,287,589	42.6%	$607,500	$1,815,009	66.5%
2	**Procter & Gamble Co.**	Cincinnati	Soaps	Australia, Austria, Bahrain, Belgium, Britain, Canada, France, Germany (West), Italy, Japan, Mexico, Netherlands, New Zealand, Oman, Philippines, Puerto Rico, Qatar, Saudi Arabia, United Arab Emirates	932,724	39.3%	1,506,900	2,439,624	38.2%
3	**Nestle SA**	Vevey, Switzerland	Food	Argentina, Australia, Austria, Belgium, Brazil, Britain, Canada, Chile, France, Germany (West), Japan, Jordan, Mexico, Netherlands, New Zealand, Philippines, Spain, Taiwan, Thailand	600,586	35.6%	573,800	1,174,386	51.1%
4	**Renault SA**	Paris	Automotive	Argentina, Austria, Belgium, Britain, France, Germany (West), Italy, Netherlands, Spain, Thailand	370,056	30.7%	NA	370,056	100.0%
5	**Matsushita Electric Industrial Co.**	Osaka, Japan	Electronics	Britain, Hong Kong, Japan, Taiwan, Thailand	385,252	53.6%	81,754	427,007	85.5%
6	**Fiat SpA**	Turin, Italy	Automotive	Belgium, Britain, France, Germany (West), Italy, Netherlands, Spain	354,568	35.6%	458*	355,026	99.9%
7	**Mars Inc.**	McLean, Va.	Food	Australia, Austria, Belgium, Britain, Canada, France, Germany (West), Japan, Netherlands, New Zealand	362,983	45.1%	339,700	692,683	51.0%
8	**Kao Corp.**	Tokyo	Soaps	Japan, Taiwan, Thailand	344,233	19.2%	12,022*	356,255	96.6%
9	**Nissan Motor Co.**	Tokyo	Automotive	Australia, Britain, Canada, Germany (West), Japan, Mexico, Netherlands, New Zealand, Thailand	333,215	17.9%	224,900	558,115	59.7%
10	**Toyota Motor Co.**	Toyota City, Japan	Automotive	Australia, Belgium, Canada, Germany (West), Japan, Netherlands, New Zealand, Norway, Oman, Saudi Arabia, Switzerland, Thailand, United Arab Emirates	322,598	16.5%	272,900	595,498	54.2%
11	**Henkel**	Duesseldorf	Soaps	Austria, Belgium, France, Germany (West), Italy, Netherlands, Spain	318,647	35.6%	NA	318,647	100.0%
12	**Philip Morris Cos.**	New York	Food	Argentina, Australia, Bahrain, Britain, Canada, France, Germany (West), Hong Kong, Italy, Japan, Kuwait, Malaysia, Mexico, Nethurlands, Oman, Qatar, Saudi Arabia, Switzerland, Thailand, United Arab Emirates	318,065	32.1%	2,058,200	2,376,265	13.4%
13	**Peugeot SA**	Paris	Automotive	Austria, Belgium, Britain, France, Germany (West), Netherlands, Spain, Thailand	292,341	41.1%	24,342*	316,683	92.3%
14	**General Motors Corp.**	Detroit	Automotive	Austria, Belgium, Brazil, Britain, Canada, France, Germany (West), Mexico, Netherlands, New Zealand, Norway, Switzerland, Thailand	274,061	41.5%	1,294,000	1,568,061	17.5%
15	**Honda Motor Co.**	Tokyo	Automotive	Australia, Canada, Germany (West), Japan, Mexico, New Zealand, Thailand	272,599	NA	243,300	515,899	52.8%
16	**Mitsubishi Motors Corp.**	Tokyo	Automotive	Australia, Japan, New Zealand	266,256	NA	68,931	335,187	79.4%
17	**Hitachi Ltd.**	Tokyo	Electronics	Japan, Thailand	257,620	52.0%	14,069*	271,689	94.8%
18	**Colgate-Palmolive Co.**	New York	Soaps	Australia, France, Germany (West), India, Italy, Malaysia, Mexico, Netherlands, New Zealand, Philippines, Puerto Rico, South Africa, Thailand	253,532	10.2%	306,600	560,132	45.3%
19	**Coca-Cola Co.**	Atlanta	Food	Argentina, Australia, Austria, Brazil, Britain, Canada, Chile, France, Germany (West), Israel, Japan, Mexico, Netherlands, New Zealand, Philippines, Thailand	238,603	21.3%	385,100	623,703	38.1%
20	**Ford Motor Co.**	Dearborn, Mich.	Automotive	Argentina, Australia, Austria, Belgium, Brazil, Britain, Canada, France, Germany (West), Mexico, Netherlands, New Zealand, Norway, Switzerland, Thailand	234,914	7.0%	569,800	804,714	29.2%
21	**NEC Corp.**	Tokyo	Electronics	Japan, Mexico, New Zealand, Thailand	232,735	25.2%	10,886*	243,620	95.5%
22	**Volkswagen AG**	Wolfsburg, W. Germany	Automotive	Argentina, Belgium, Brazil, France, Germany (West), Mexico, Norway, South Africa, Spain, Sweden, Thailand	238,313	27.0%	140,300	370,613	62.1%
23	**Suntory**	Tokyo	Beer	Japan	210,584	11.7%	2,236*	212,806	98.9%
24	**Toshiba Corp.**	Tokyo	Electronics	Japan, Thailand	199,829	37.2%	19,210*	219,039	91.2%
25	**Asahi Breweries**	Tokyo	Beer	Japan	197,456	55.9%	130*	197,592	99.9%
26	**Ferrero SpA**	Perugia, Italy	Food	Italy, Germany (West)	191,420	86.4%	5,521*	196,942	97.2%
27	**Philips NV**	Eindhoven, Netherlands	Electronics	Argentina, Austria, Brazil, Chile, France, Germany (West), India, Italy, Japan, Mexico, Netherlands, New Zealand, Thailand	187,468	30.2%	144,311	331,809	56.5%
28	**Kirin Brewery Co.**	Tokyo	Beer	Japan, Thailand	186,992	51.9%	1,080*	188,072	99.4%
29	**Daiei**	Kobe, Japan	Retail	Japan	181,023	28.5%	NA	181,023	100.0%
30	**Kellogg Co.**	Battle Creek, Mich.	Food	Argentina, Australia, Britain, Canada, France, Germany (West), Japan, Mexico, New Zealand	179,831	25.7%	683,100	862,931	20.8%
31	**Lion Corp.**	Tokyo	Soaps	Japan	177,993	6.4%	NA	177,993	100.0%
32	**Nippon Telephone & Telegraph**	Tokyo	Telecommunications	Japan	177,039	36.4%	NA	177,039	100.0%
33	**Sapporo Beer**	Tokyo	Beer	Japan	173,079	71.0%	NA	173,079	100.0%
34	**Fujitsu Ltd.**	Tokyo	Computers	Japan, Thailand	155,976	58.4%	30*	156,005	100.0%
35	**Sharp Corp.**	Osaka, Japan	Electronics	Japan, Thailand	153,617	44.2%	12,140*	165,757	92.7%
36	**Takashimaya**	Osaka, Japan	Retail	Japan	153,208	32.8%	NA	153,208	100.0%
37	**Fuji Photo Film Co.**	Tokyo	Photography	Japan, Mexico, Thailand	152,891	31.3%	11,735*	164,626	92.9%
38	**C&A NV**	Amsterdam	Retail	Austria, Germany (West), Netherlands	145,481	6.6%	NA	145,481	100.0%
39	**PepsiCo**	Purchase, N.Y.	Food	Argentina, Australia, Britain, Canada, Japan, Mexico, Netherlands, New Zealand, Puerto Rico, Qatar, Saudi Arabia, Singapore	138,911	45.8%	712,300	851,211	16.3%
40	**British Government**	London	NA	Britain	134,887	-2.9%	48,063	182,950	73.7%
41	**BMW AG**	Munich, West Germany	Automotive	Britain, France, Germany (West), Japan, Netherlands	109,879	27.3%	91,000	200,980	54.7%
42	**Barilla SpA**	Parma, Italy	Food	Italy	106,260	40.3%	NA	106,260	100.0%
43	**McDonald's Corp.**	Oak Brook, Ill.	Food	Australia, Canada, Hong Kong, Japan, Mexico, Netherlands, New Zealand, Singapore	98,781	33.0%	729,300	828,081	12.0%
44	**Gervais Danone**	Levallois-Perret, France	Food	Belgium, France, Italy, Japan	96,857	14.7%	NA	96,857	100.0%
45	**ILM Holdings**	New York	Food	Canada, France, Hong Kong, Japan, Malaysia, New Zealand	96,758	60.5%	814,500	911,258	10.6%
46	**Jacobs Suchard**	Zurich	Food	Argentina, Austria, Germany (West)	90,196	6.8%	4,254*	94,450	95.5%
47	**WH Industries**	London	Retail	Argentina, Brazil, Hong Kong, Japan, Malaysia, Netherlands, South Africa	89,489	70.9%	184,100	273,589	32.7%
48	**British Telecom**	London	Telecommunications	Britain	82,659	74.9%	786*	83,445	99.1%
49	**A. Wellcome**	London	Retail	Britain	82,425	37.5%	NA	82,425	100.0%
50	**Colv Myer**	Sydney	Retail	Australia	80,187	15.6%	NA	80,107	100.0%

Notes and sources: Advertising expenditures are in thousands of U.S. dollars for year-end 1988. In many countries, ad spending figures are estimates and/or gross figures. * indicates that U.S. spending figures include measured media only as reported by LNA/Arbitron Multi-Media reports. All other U.S. spending figures include estimated unmeasured expenditures, from AA's 100 Leading National Advertisers, Sept. 27, 1989. Non-US ad spending includes only countries in the column headed "Countries in which spending was reported." See also "How to read this ranking," Page S-14. Peugeot SA includes spending for Citroen and Talbot.

AA chart: Bob Carmak and Kevin Brown

Advertising Age's 1989 global media lineup

	Title/ publisher/ headquarters	Paid North American circulation/ % chg	Paid foreign circulation by region/ % chg	Worldwide circulation/ % chg	b&w pg cost/ % chg/ 4/c pg cost in 1989	b&w pg cost/ 4/c pg cost projected for 1990	Global spot b&w pg in 1989/ % chg	Top worldwide advertisers in 1989
DAILIES	***Financial Times of London*** Financial Times Ltd. London	26,700 10.8	Europe: 287,122 (1.1) Middle East/Africa: 3,300 (1.9) Asia/Pacific: 3,900 (0.4) Latin America: 302 49.5 Caribbean: 418 (43.5)	365,779 (0.3)	$34,940 1.3 $66,180	NA NA	$122.20 1.7	British Airways British Gas Toshiba Daimler-Benz Xerox[1]
DAILIES	***International Herald Tribune*** New York Times & Washington Post Neuilly, France	4,754 16.7	Europe: 133,343 0.1[1] Mid East/Africa: 6,809 (16.5)[1] Asia/Pacific: 34,953 10.0[1] Latin America: 2,334 13.3[1]	182,193[1] 3.0	39,432 5.1 74,920	$41,160 $78,204	216.43 3.4	Republic Bank of N.Y. Lufthansa Airlines Thai Airlines AT&T Co. Carrera
DAILIES	***People's Daily*** Gao Di Beijing	52,000 NA	Europe: 15,000 NA Middle East/Africa: 7,000 NA Asia/Pacific: 63,000 NA Latin America: 13,000 NA Other: 3,000,000 NA	4,000,000 NA	100 NA NA	NA NA	0.20 NA	Panasonic Sharp Electronics Sanyo Boeing Co. Toyota
DAILIES	***USA Today*** Gannett Co. Arlington, Va.	1,755,000 6.4	Europe: 40,100 17.7[2] Asia/Pacific: 13,000 8.2[2]	1,808,100 6.6	52,113[3] 4.5 69,083[3]	NA NA	28.82[3] 8.5	AT&T Co. TWA Stouffer Hotels Thai Airlines American Airlines
DAILIES	***Wall Street Journal*** Dow Jones & Co. New York	1,826,712[4] (1.8)	Europe: 44,783 3.7 Asia/Pacific: 37,860 4.2	1,617,554 (1.6)	117,994 7.4 NA	123,841 NA	91.22 9.2	American Express IBM Corp. Merrill Lynch AT&T Co. General Motors Corp.
WEEKLIES	***Business Week*** McGraw Hill New York	908,989 1.0	Europe: 46,331 5.8 Mid East/Africa: 7,470 15.3 Asia/Pacific: 28,527 12.2 Latin America: 21,410 7.3	1,004,727 1.7	41,895 9.3 63,680	45,295 68,715	41.70 7.5	AT&T Co. General Motors Corp. IBM Corp. Digital Canon
WEEKLIES	***The Economist*** The Economist Newspaper London	161,166 13.0	Europe: 158,716 7.1 Middle East/Africa: 13,582 (1.4) Asia/Pacific: 41,956 7.6 Latin America: 6,494 3.4	288,324 9.1	9,680 11.8 22,000	16,800 22,000	23.83 2.5	Singapore Airlines Lufthansa Airlines Bank of America Rynex Morgan Guaranty Trust
WEEKLIES	***Guardian Weekly*** Guardian Publications Manchester, England	25,260[5] (1.3)	Europe: 19,182 5.8 Mid East/Africa: 5,701 (1.4) Asia/Pacific: 14,084 2.3 Latin America: 1,584 10.9 West Indies: 397 (10.2)	66,128 1.6	2,369[6] (12.2) NA	NA NA	35.82 (13.6)	Abbey National Standard Chartered Bank Halifax Hill Samuel Nat. Westminster Bank
WEEKLIES	***Newsweek*** Newsweek Ltd. New York	3,288,453 (0.8)	Atlantic: 310,285 2.8 Asia: 288,432 0.8 Latin America: 58,471 2.3 Australia: 169,298 0.1[7]	3,972,949 (0.4)	85,015 4.7 198,100	NA NA	24.87 5.1	Singapore Airlines Rothmans International Rolex Thai Airlines KLM
WEEKLIES	***Paris Match International*** Publications Filipacchi Paris	35,045 (11.6)	Europe: 136,506 (3.0) Middle East/Africa: 34,022 (9.1) Asia/Pacific: 1,979 3.6 Latin America: 3,434 (20.6) Other: 25,182 29.5	236,167[11] 0.0	8,561 6.0 12,532	8,989 13,158	36.25 6.0	Philip Morris Cos. B.A.T. Tobacco S.M.H. Group watches Peugeot Citroen
WEEKLIES	***Time*** Time Inc. New York	4,745,417 (6.7)	Europe: 441,147 6.7 Middle East/Africa: 72,397 (6.4) Asia/Pacific: 422,000 6.8 Latin America: 98,000 0.0	5,785,961 (5.2)	144,761 6.7 225,000	NA NA	25.00 10.0	Singapore Airlines Rothmans International Philip Morris Cos. Daimler-Benz IBM Corp.
MONTHLIES	***National Geographic*** National Geographic Society Washington	9,456,510 1.7	Europe: 723,356 11.1 Middle East/Africa: 67,776 6.4 Pacific: 382,357 8.1 Latin America: 98,515 3.9	10,728,514 2.6	136,725 7.1 180,480	143,505 186,555	12.74 4.3	Canon Inc. Iberia Airlines Spanish Tourist Board Olympus Optical Co. Mazda Corp.
MONTHLIES	***Reader's Digest*** Reader's Digest Assn. Pleasantville, N.Y.	18,230,479 (1.5)	Atlantic: 7,709,342 (0.3) Asia/Pacific: 1,725,955 5.7 Latin America: 1,293,570 2.1	23,402,377 (0.7)	294,179 5.7 348,270	298,129 353,670	9.12 5.4	Franklin Mint Nestle SA Unilever NV NV Philips Kraft Gn.
MONTHLIES	***Scientific American*** Scientific American Inc. New York	531,634 0.9	Europe: 75,118 6.5 Middle East/Africa: 3,789 16.1 Asia/Pacific: 21,855 3.7 Latin America: 5,840 7.0	638,216 1.8	20,400 6.9 30,600	20,400[8] 30,600[8]	31.96 5.1	General Motors Corp. Hughes Aircraft Questar McDonnell-Douglas Amoco
MONTHLIES	***Shell*** South Publications London	5,129 (17.8)	Europe: 6,723 (24.5) Middle East/Africa: 20,986 (7.3) Asia/Pacific: 24,588 25.7 Latin America: 11,569 (11.8)	78,798 (3.3)	4,232 5.0 8,946	4,897 7,187	90.97 8.6	NV Philips Boeing Co. Lufthansa Airlines Airbus Rothmans International
OTHER	***WorldPaper***[9] World Times Boston	3,000 (87.5)	Middle East/Africa: 29,000 (58.3) Asia/Pacific: 236,500 (21.9) Latin America: 568,000 136.7 Iceland: 10,000 NA Soviet Union: 270,000 NA	1,116,500 75.4	38,090 22.4 NA	NA NA	34.12 (30.2)	AT&T Co. Lufthansa Airlines Hertz Sheaffer Eaton Federal Express
OTHER	***Parade*** Time Inc. New York	672,134[10] 2.4	Europe: 51,167 2.6 Middle East/Africa: 7,998 (17.1) Asia/Pacific: 48,146 2.5 Latin America: 11,000 (7.1)	792,306 2.6	53,200 6.5 80,000	NA NA	48.87 8.5	Boeing Corp. Samsung Group ICEX Daimler-Benz J.P. Morgan & Co.

Notes: [1] Average daily circulation, audited by OJD, Paris. [2] Second half '89 projection. [3] Figures given are for Monday-Thursday. Friday rate differential effective in '89 due to ABC measured circulation bonus in weekend edition. [4] Sept. 30, 1989 ABC figure. [5] Feb. '89 figure. [6] Full page b&w figure of £1,900 is converted to dollars using Nov. '89 exchange rate of 1.570. [7] Oct. '88-March '89. [8] No change in b&w and 4/c page cost anticipated through Sept. '90. [9] Distributed as a newspaper/magazine supplement. [10] North America-national equivalent pages. All other regions actual pages. [11] Calendar year 1989 and 1988. Figures do not include circulation in France, which in 1989 came to 775,758. Source: AA survey. See Page S-14 for more information.

Compiled by: Ilse Cermak

Media explorers hunt for profits

An Advertising Age roundup

"We've improved the bottom line. We hope to become profitable in a relatively short time."
David Mazzarella
USA Today International

"[Although we'll] never beat the *FT* on their own turf, we're not conceding the continent."
William A. Cummings
Wall Street Journal Europe

"A key element is that we've taken a product from the U.S. and molded it to the local market."
Mike Wilson
Asian Wall Street Journal

The pioneering publications with U.S. roots that marched overseas earlier in the 1980s are still struggling for profitability—but getting closer.

For most early entrants—*USA Today International* and *The Wall Street Journal's* regional editions—finding the right niche has been tough.

Since entering Europe in 1986, *USA Today International* has seen steady gains in both circulation and ad pages but still hasn't turned a profit. *USA Today International* President David Mazzarella wouldn't name profitability target dates or say if the initial goal of 1991 is achievable.

"We've improved the bottom line from one year to the next. We hope to become profitable in a relatively short time," he said.

A readership survey taken this year shows *USA Today International's* readers have an average household income of $119,084. About 87% are employed, 33% in top management, and 83% are involved in making business purchasing decisions. They're well-educated, with 77% holding college degrees.

Worldwide circulation will rise an estimated 6.6% to 1.81 million this year, led by a 13.5% increase in Europe to 40,100 and an 8.2% jump in Asia to 13,000.

Mr. Mazzarella maintains there's no direct competitor for readers because the majority of *USA Today International's* audience is American. Americans constitute more than 50% of the European edition's readers and more than 75% of the Asian edition's readers.

Another pioneer, *The Wall Street Journal Europe*, publishing since 1982, marked a milestone last April with its first monthly operating profit. Although the paper slid back into the red over the summer, it was in the black again in September.

William A. Cummings, *WSJ/Europe* publisher since last July, said he isn't aware of any target date for a break-even point or return on investment. Ad revenues in October were up 22% over the same month in 1988 and are expected to be up 5% for the entire year, he said.

WSJ/Europe competes directly against the *Financial Times* and, to a lesser extent, the *International Herald Tribune*.

Although Mr. Cummings conceded *WSJ/Europe* will "never beat the *Financial Times* on their own turf" in the U.K., he said, "We're not conceding the continent to anybody, the *FT* included."

One obstacle for *WSJ/Europe* is its fixed rate card. By contrast, many European publishers traditionally cut special deals off the rate card, but Mr. Cummings insisted *The Journal's* worldwide policy against rate-cutting won't change.

Dow Jones hopes persistence in Europe will pay off as it has in Asia. Almost 14 years after *The Asian Wall Street Journal* hit the newsstands, it boasts the largest share of the regional advertising market of any business publication.

The Rome Report, a research report that tracks international ad linage, showed that *The Asian Wall Street Journal* took a 13.5% slice of the roughly $111 million market in 1988, with slightly more than $15 million in revenues. That share placed it in the top position among business publications and third among all titles in the region. Only *Time's* and *Newsweek's* entries in the region had larger shares.

Rome Report figures for the first half of 1989 show *The Asian Wall Street Journal* maintaining its No. 3 spot overall, with a marginally increased 13.9% share of $55 million in ad spending in Asiawide publications for the first six months.

The falloff in the 1989 market, around 8% to 10% if increases in rate cards are taken into account, was due in part to the post-Olympic year, with spending levels down markedly, said *AWSJ* Publisher Mike Wilson, based in Hong Kong.

The Asian Wall Street Journal first turned a profit in 1982, said Karen Elliott House, Dow Jones VP-international. When the newspaper started printing in Tokyo in 1987, "costs were considerably higher" and the paper fell back into the red. "We're almost in the black now," she said.

Circulation hit 38,000 in late 1989, up 5% over 1988. The largest circulation growth has occurred in Hong Kong, Japan and South Korea. Hong Kong holds the lion's share with 27%, followed closely by Japan.

"A key element is that we have taken a product from the U.S. and molded it to the local market," Mr. Wilson said.

That's not the philosophy behind the *Herald Tribune*, said Publisher Lee Huebner. The newspaper, operating under its current name since 1967, is owned by the *New York Times* and *The Washington Post* and Whitney Communications.

"We seem to have held onto our readership in the face of [*The Wall Street Journal/Europe*, U.K.-based *Financial Times*] and *USA Today*," he said.

Even though a *Herald Tribune* study shows 40% of its own readers are Americans, its mission is different than the *WSJ/Europe* and *USA Today*.

Mr. Huebner believes the *Herald Tribune's* success is due in part to a generation of Europeans growing up speaking English and reading international publications.

He said the newspaper hopes to end the year with its best ad revenues ever, though he declined to give figures. For the first half of 1989, ad pages totaled 644, up 14.2% from the same period a year earlier.

Although not as financially focused, the *Herald Tribune* competes for some of the same ad dollars as *The WSJ/Europe*.

In Asia, it also competes with the *Journal*, but as an "imported"—not local—paper. However, competition could heat up if the *Financial Times*, *WSJ's* direct competitor in Europe, proceeds with a planned start-up in Tokyo next June.

The competition in both Europe and Asia is expected to intensify.

Keeping in mind a single European market in 1992, many U.S.-based publications in the past year have entered or announced plans to publish European editions.

In September, Meredith Corp. announced a joint venture with the U.K.'s Associated Newspapers to launch a U.K. edition of *Metropolitan Home*. Last month, *Life* made known its plans to test local editions with local joint-venture partners in three European countries.

In September, Hearst Corp. created a new international unit, Hearst Magazines International, to expand the company's publishing business outside the U.S. Hearst President Frank A. Bennack Jr. at the time said globalization and 1992 would have a dramatic effect on the commuications industry and especially on magazine publishing.

Forbes is taking its long-running battle with *Fortune* overseas (AA, Oct. 16) and Reader's Digest Association is looking at overseas editions of special-interest titles through an expanded international group. □

This story was reported and written by Nancy Giges in New York with reports from Peter S. Green in Paris and Charles Goddard in Hong Kong.

New magazines seek Japanese women

By David Kilburn

Social trends and a booming ad market are turning magazines that target women into a hot medium in Japan.

"The market has changed dramatically," said Yukinori Ohta, publisher of *Media Info*, a Japanese-language trade magazine.

A host of new titles are geared toward the relatively new phenomenon in Japan of working women who are loaded with disposable income.

"The mass market splintered into a host of smaller markets. Publishers have found they can be very successful with magazines with circulations of about 300,000," Mr. Ohta said.

About $2.1 billion was spent on advertising in Japan's 2,181 magazines in 1988, Dentsu reported. This represents a 14.9% jump from 1987, a gain that was 2.9 percentage points ahead of the increase in total ad spending.

That same year, magazines grabbed a 6.7% share of advertising in Japan, up from 6.5% in 1987, the report stated.

Also, 79 magazines ceased publication in 1988, the lowest number of closures this decade, while 131 titles were launched.

New approaches to women's magazines have been major successes. There are magazines launched within the past few years for the career woman, such as Nihon Keizai Shimbun's *Nikkei Woman*; for the woman-as-housewife, including Kadokawa's *Peach*; and for the mother-to-be, such as the aptly named *Balloon* from Shufunomoto. Last year, about 24 million magazines a month were sold to women.

Circulation of these women's magazines ranges from 100,000 to 1.5 million. Ad rates run $2,800 to $17,600 for a color page.

Even retailers are publishing to women, trying to woo female customers while promoting goods and services. These magazines—filled with copy about family, money, travel and cooking—are successful because they're produced as professional magazines and not as store hand-outs.

The Daiei, a leading supermarket chain, sells *Orange Page*, while leading department store Seibu publishes *Lettuce Club*.

Both magazines, available on newsstands only, are published twice monthly. *Orange Page* has average circulation of more than 1 million, and *Lettuce Club* claims 800,000. Top advertisers in both include such big names as Kao Corp. and Lion Corp. A color page ad in *Orange Page* costs $16,200 and $13,400 in *Lettuce Club*.

Balloon and other Japanese magazines for women are riding high.

Like most successful media in Japan—where self-imposed ad limits make demand outstrip supply—"it's hard to get advertising space in either," said Yoshitomo Maeda, media director at J. Walter Thompson Co.

Another magazine, *Hanako*, published by Magazine House, attracts affluent, cosmopolitan female readers. *Hanako*, launched last year, is the first regional weekly for women. Aimed at women in their 20s working in metropolitan Tokyo, its 350,000 circulation is restricted to that area. A color page ad costs $8,400. Major advertisers include Toyota Motor and Japan Airlines.

Hanako is a refinement of the targeting idea, said Ron Sternberg, an editor at *Tarzan*, a sister publication.

"By targeting Tokyo readers, we gained a much sharper identity and exclusivity for the magazine than we could have otherwise. This helps advertisers find their targets," he said.

Many of *Hanako's* readers have considerable spending power. Almost all their earnings can go for discretionary purchases. Often these women are living in their family homes rent-free. On dates, men pay. When they go to work, the company pays, even for commuting and clothing.

Readers of *Hanako*, called the *Hanako-zoku* (meaning *Hanako* tribe) are considered a valuable market by advertisers, and the term *Hanako-zoku* has entered the language.

"Targeting is the key. There will continue to be a lot of new activity [in specialized magazines] for at least another three years or so," Mr. Ohta said.

Mr. Maeda added: "Advertisers want to segment their targets much more narrowly. Many of these [new specialty magazines] are aimed at narrow segments of consumers that can be reached with less waste." □

David Kilburn is an Ad Age correspondent based in Tokyo.

Top 10 advertisers by country

AFRICA

South Africa

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	18,750	15,376
OK Bazaars	14,973	12,998
Pick 'n Pay	13,425	10,066
Checkers	11,332	10,042
SA Breweries	8,783	7,582
Toyota SA*	7,782	9,407
BAT Industries	5,825	5,690
Volkswagen AG	5,643	4,583
Nissan SA*	5,643	5,016
SmithKline Beecham	4,733	3,702

Notes: Dollars are in thousands converted at 0.45510 U.S. dollars to the rand in 1988 and 0.48140 U.S. dollars to the rand in 1987. * Indicates locally owned companies (foreign parent divested holdings). Spending for these companies IS NOT included in parent company worldwide totals in the top 50 ranking. **Source**: Market Research Africa.

ASIA/PACIFIC

Australia

Advertiser	Ad spending 1988	1987
Cole Myer	80,107	69,295
Unilever NV/PLC	41,592	32,756
Amatil Ltd	24,915	20,160
Mars Inc	23,833	21,143
Australian Government	21,937	22,579
Nestle SA	18,365	17,379
PepsiCo	17,825	13,720
News Corp	17,739	16,577
Bond Corp. Holdings	17,229	15,402
Cadbury Schweppes	16,959	15,112

Notes: Dollars are in thousands converted at 0.75470 U.S. dollars to the Australian dollar 1988 and 0.69490 U.S. dollars to the Australian dollar in 1987. **Source**: Tart Research.

Hong Kong

Advertiser	Ad spending 1988	1987
Philip Morris Cos	13,974	11,992
BAT Industries	8,024	8,433
RJR Nabisco	6,205	4,636
Matsushita Electric Industrial Co	5,316	4,119
Hutchinson Whampoa	5,205	5,699
Hong Tai Travel	5,123	4,886
Japan Tobacco Intl	4,967	4,520
McDonald's Corp	4,871	3,331
Sunflower Travel	4,822	2,808
Hattori Corp	4,344	3,670

Notes: Dollars are in thousands converted at 0.128 U.S. dollars to the HK dollar, and include all media, based on top 100 brands. **Source**: AGB McNair, Hong Kong Adex.

Japan

Advertiser	Ad spending 1988	1987
Kao Corp	338	281
Matsushita Electric Industrial Co	334	214
Hitachi Ltd	257	169
Mitsubishi Motors Corp.	249	81
Nissan Motor Co	248	207
NEC Corp	231	184
Honda Motor Co	229	77
Toyota Motor Co	220	178
Suntory	211	188
Toshiba Corp	199	145

Notes: Dollars are in millions converted at 0.00769 U.S. dollars to the yen in 1988 and 0.00670 U.S. dollars to the yen in 1987. **Source**: AA bureau reports.

Malaysia

Advertiser	Ad spending 1988	1987
BAT Industries	12,321	7,720
Rothmans International	11,402	7,639
Nupro	7,722	7,117
RJR Nabisco	6,091	3,632
Unilever NV/PLC	5,063	5,850
Colgate-Palmolive Co	4,587	4,034
Malaysian Breweries/F&N	1,871	1,741
Philip Morris Cos	1,859	2,703
Royal Dutch Shell	1,667	1,348
Peter Stuyvesant	1,531	1,468

Notes: Dollars are in thousands converted at 0.38085 U.S. dollars to the Malaysian dollar in 1988 and 0.40330 U.S. dollars to the Malaysian dollar in 1987. **Source**: Survey Research Malaysia.

New Zealand

Advertiser	Ad spending 1988	1987
Lion Nathan Group	15,249	14,493
Unilever NV/PLC	9,267	4,379
Foodstuffs Co-op	8,666	5,991
FTC Farmers	8,666	6,736
Goodman Fielder Wattie	8,658	9,739
Fletcher Challenge	6,739	8,270
Cadbury Schweppes	6,486	3,811
RJR Nabisco	6,055	3,996
Nissan Motor Co	5,008	2,703
Colgate-Palmolive Co	4,983	2,873

Notes: Dollars are in thousands converted at 0.65480 U.S. dollars to the N.Z. dollar in 1988 and 0.57600 U.S. dollars to the N.Z. dollar in 1987, and include TV, magazine and print. **Source**: AGB McNair.

Philippines

Advertiser	Ad spending 1988	1987
San Miguel Corp	9,255	8,838
Nestle SA	8,913	6,629
Philippine Refining Co	6,582	7,365
Colgate-Palmolive Co	5,144	6,138
Procter & Gamble Co	4,418	4,297
United Laboratories	4,093	NA
Coca-Cola Co	3,745	982
Fortune Tobacco Corp	3,393	NA
LaSuerte Cigar & Cigarette	2,943	NA
Asia Brewery	2,582	NA

Notes: Dollars are in thousands converted at 0.04770 U.S. dollars to the peso in 1988 and 0.04910 U.S. dollars to the peso in 1987. **Source**: Philippine Monitoring Service.

Singapore

Advertiser	Ad spending 1988	1987
McDonald's Corp	2,078	1,672
Yaohan	2,068	1,789
PepsiCo	1,604	1,273
Singapore Airlines	1,209	1,132
American Express Co	1,190	996
Metro	1,101	916
Tiger Beer	1,091	686
Courts Furniture	1,002	939
Family Life campaign	992	NA
NTUC Fairprice	908	690

Notes: Dollars are in thousands converted at 0.49360 U.S. dollars to the Singapore dollar in 1988 and 0.46960 U.S. dollars to the Singapore dollar in 1987. **Source**: SRS as reported by Asian Advertising & Marketing.

South Korea

Advertiser	Ad spending 1988	1987
Pacific Chemical	29,346	19,456
Lucky	28,408	20,657
Samsung Electronics	25,728	17,895

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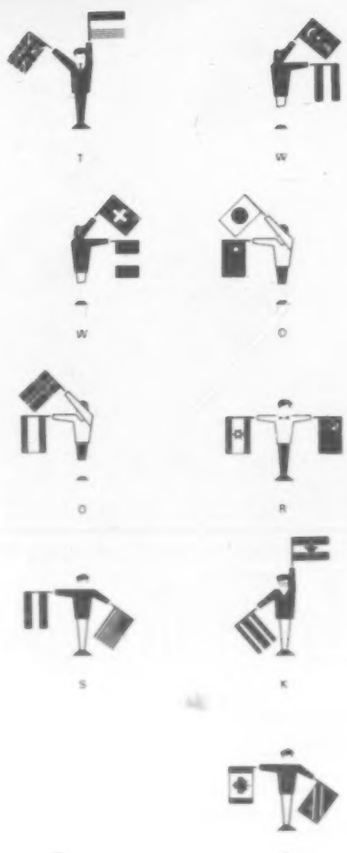

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Advertiser	Ad spending 1988	1987
Goldstar Electronics	24,924	18,736
Cheil Sugar	16,616	13,691
Lotte Confectionary	14,338	10,209
Daewong Pharmaceutical	13,802	9,248
Nhongshim	13,668	10,449
HaiTai Confectionary	12,998	9,608
Dongguh Foods	12,998	8,647

Notes: Dollars are in thousands converted at 0.00134 U.S. dollars to the won in 1988 and 0.00120 U.S. dollars to the won in 1987. **Source**: AA bureau reports.

Taiwan

Advertiser	Ad spending 1988	1987
President Food Co	10,831	15,110
Nestle SA	7,818	7,280
Matsushita Electric Industrial Co	6,826	8,540
Ta Tung Electric	6,605	5,090
Kuo Lien Chemical Industry	5,744	NA
Wei Chuan Food Co	5,497	8,680
Sampo Electric	5,453	NA
Ko Lin Electric	4,939	NA
Sam Shin Trading	4,591	NA
Kao Corp	4,451	5,810

Notes: Dollars are in thousands converted at 0.03480 U.S. dollars to the Taiwan dollar in 1988 and 0.03040 U.S. dollars to the Taiwan dollars in 1987. **Source**: McCann-Erickson.

Thailand

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	12,369	NA
Colgate-Palmolive Co	8,844	NA
Osothsapha Co	7,766	4,250
Saha Pathanapibul Co	5,249	4,459
Nestle SA	4,447	NA
T.C. Pharmaceutical Industrial Co	3,858	2,606
Matsushita Electric Industrial Co	2,883	NA
Toyota Motor Co	2,642	NA
Boon Rawd Brewery	2,451	2,543
Nissan Motor Co	2,365	NA

Notes: Dollars are in thousands converted at 0.04174 U.S. dollars to the baht in 1988 and 0.04280 U.S. dollars to the baht in 1987. **Source**: Media Focus.

EUROPE

Austria

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	33,118	28,374
Billa Konzern	12,183	10,687
Henkel	11,107	10,618
Procter & Gambie Co	10,716	4,950
Mars Inc	10,537	6,870
Raiffeisenverband	10,423	7,635
Konsum Oesterreich	9,958	10,687
Jacobs Suchard	8,426	6,954
Spar Warenhandels AG	8,418	6,066
Porsche	8,304	7,115

Notes: Dollars are in thousands converted at 0.08149 U.S. dollars to the schilling in 1988 and 0.07650 U.S. dollars to the schilling in 1987. **Source**: Nielsen.

Belgium/Luxembourg

Advertiser	Ad spending 1988	1987
Procter & Gamble Co	14,295	12,922
GIB	13,882	10,738
Mars Inc	13,195	10,478
L'Oreal SA	12,920	6,396
Henkel	12,371	9,984
Gervais Danone	12,371	11,076
Belgian Government	12,096	5,200
Nestle SA	11,583	10,270
Ford Motor Co	10,996	7,644
Tabacofina	10,996	5,460

Notes: Dollars are in thousands converted at 0.02749 U.S. dollars to the Belgian franc in 1988 and 0.02500 U.S. dollars to the Belgian francin 1987, and include print, broadcast and outdoor for Belgium and Luxembourg. **Source**: AA bureau reports.

Britain

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	209	164
Procter & Gamble Co	137	901
British Government	135	139
Mars Inc	130	83
Nestle SA	127	64
British Telecom	83	47
Kingfisher	82	60
Electricity Council	76	59
Kellogg Co	73	60
General Motors Corp	59	31

Notes: Dollars are in millions converted at 1.7717 U.S. dollars to the pound in 1988 and 1.5764 U.S. dollars to the pound in 1987, and include TV, print and radio. **Source**: Campaign.

France

Advertiser	Ad spending 1988	1987
Renault SA	128	106
Peugeot SA	107	92
Nestle SA	82	68
Henkel	67	55
Procter & Gamble Co	62	64
France Loto	59	48
Fiat SpA	45	35
Colgate-Palmolive Co	45	48
Ford Motor Co	44	43
Volkswagen AG	40	30

Notes: Dollars are in millions converted at 0.16910 U.S. dollars to the franc in 1988 and 0.16220 U.S. dollars to the franc in 1987, and include TV, radio, print, outdoor and cinema. **Source**: Decisions Medias.

Italy

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	373	164
Procter & Gamble Co	293	201
Ferrero SpA	133	58
Fiat SpA	121	132
Barilla SpA	106	76
Colgate-Palmolive Co	95	73
Henkel	85	39
Philips NV	83	48
Renault SA	79	63
Saipo	79	NA

Notes: Dollars are in millions converted at 0.00077 U.S. dollars to the lira in 1988 and 0.00076 U.S. dollars to the lira in 1987. **Source**: A.C. Nielsen.

Netherlands

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	15,354	16,490
Procter & Gamble Co	11,030	8,584
Mars Inc	10,414	10,903
Rijksvoorlichtings	10,190	9,963
PTT	10,114	6,460
Heineken Netherlands	8,891	5,845
Philips NV	8,333	8,811
Sara Lee Corp	7,921	6,644
Postbank	6,500	6,865
Nestle SA	6,461	6,306

Notes: Dollars are in thousands converted at 0.51120 U.S. dollars to the guilder in 1988 and 0.47860 U.S. dollars to the guilder in 1987, and include magazine, TV and newspaper. **Source**: Adformatie.

Norway

Advertiser	Ad spending 1988	1987
Norwegian Dairy Assn	5,852	5,484
Toyota Motor Co	5,713	7,047
Denofa & Lilleborg Fabr	5,436	4,167
State information Service	5,267	4,196
General Motors Corp	5,005	4,399
Volkswagen AG	4,805	4,732
Ford Motor Co	4,789	5,339
Mitsubishi	3,742	4,312
Ernst G. Mortensens Forlag AS	3,711	1,997
TBK AS	3,496	NA

Notes: Dollars are in thousands converted at 0.15400 U.S. dollars to the kroner in 1988 and 0.14470 U.S. dollars to the kroner in 1987, and include newspapers, magazines, film and outdoor. **Source**: Norwegian Advertising Statistics A/S.

Spain

Advertiser	Ad spending 1988	1987
Peugeot SA	87,157	55,606
Renault SA	73,111	41,616

BusinessWeek
INTERNATIONAL HIGH TECH
Feb. 26, 1990
Closing Jan. 22, 1990

BusinessWeek
WORLDWIDE AUTOMOTIVE INDUSTRY
Apr. 9, 1990
Closing Mar. 5, 1990

BusinessWeek
INTERNATIONAL HOT GROWTH COMPANIES
May 21, 1990
Closing Apr. 16, 1990

BusinessWeek
INTERNATIONAL BANKING
July 2, 1990
Closing May 28, 1990

BusinessWeek
GLOBAL 1000
July 16, 1990
Closing June 11, 1990

BusinessWeek
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Oct. 1, 1990
Closing Aug. 27, 1990

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Advertiser	Ad spending 1988	1987
El Corte Ingles	57,839	44,153
Volkswagen AG	57,479	37,406
Unilever NV/PLC	47,846	34,114
Spanish Ministry of Economy	47,435	29,825
Nestle SA	43,356	34,680
Grupo Repsol	39,859	NA
Fiat SpA	34,726	13,581
Henkel	31,649	23,321

Notes: Dollars are in thousands converted at 0.00857 U.S. dollars to the peseta in 1988 and 0.00785 U.S. dollars to the peseta in 1987. **Source:** AA bureau reports.

Advertising Age is seeking entries for its International Agency of the Year award. Agencies must submit ads that broke during 1989 by Jan. 15. Send ¾-inch Umatic videocassette tape with no more than 12 spots, to Julie Skur Hill, Advertising Age, 740 N. Rush St., Chicago, Ill. 60611.

Sweden

Advertiser	Ad spending 1988	1987
Kooperativa Forbundet	76,983	67,517
ICA AB	75,343	60,872
Ahlens AB	22,496	25,490
State Telephone Co.	12,753	2,663
Hennes & Mauritz AB	12,654	11,253
Volvo AB	12,642	10,176
Government Information Service	10,683	10,064
Philipson Bil AB	10,523	5,168
B&W Sormarknad AB	10,209	11,746
Volkswagen AG	9,614	6,540

Notes: Dollars are in thousands converted at 0.16300 U.S. dollars to the kroner in 1988 and 0.15400 U.S. dollars to the kroner in 1987. **Source:** Swedish Advertising Statistics AB.

Switzerland

Advertiser	Ad spending 1988	1987
Migros	46,440	45,402
Co-op	39,519	32,430
Denner	17,233	12,972
Toyota Motor Co	16,403	12,972
General Motors Corp.	15,988	12,323
Ringier/Buick	14,742	NA
Unilever NV/PLC	14,603	NA
Amag (VW & BMW)	12,319	9,080
Ford Motor Co	9,897	9,729
Maus Brothers	9,551	9,080

Notes: Dollars are in thousands converted at 0.69210 U.S. dollars to the Swiss franc in 1988 and 0.64360 U.S. dollars to the Swiss franc in 1987. **Source:** AA bureau reports.

West Germany

Advertiser	Ad spending 1988	1987
Procter & Gamble Co.	172	116
Unilever NV/PLC	151	130
C&A NV	137	128
Nestle SA	107	82
Henkel	105	90
Mars Inc.	91	59
Volkswagen AG	84	74
General Motors Corp.	78	58
Jacobs Suchard	77	72
Bundesministerium fuer Post	76	64

Notes: Dollars are in millions converted at 0.57220 U.S. dollars to the mark in 1988 and 0.53970 U.S. dollars to the mark in 1987. **Source:** Schmidt & Pohlman, a Nielsen subsidiary.

LATIN AMERICA

Argentina

Advertiser	Ad spending 1988	1987
Philip Morris Cos.	25,091	12,248
Aurora SAICIF	17,423	11,313
BAT Industries	16,420	11,609
Mastellone Hermanos	14,302	4,915
Unilever NV/PLC	12,092	6,793
Sancor Coop.	10,046	4,086
Bagley & Cia.	7,900	10,382
Renault SA	7,208	10,110
S.C. Johnson & Son	7,091	6,501
Molinos Rio de la Plata	7,006	3,339

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Argentine Advertisers Assn. and Fuentes SA.

Brazil

Advertiser	Ad spending 1988	1987
Nestle SA	29,013	12,584
Unilever NV/PLC	27,622	13,369
Grupo Fenicia	18,396	10,261
Pao de Acucar	17,406	15,534
Cx. Economica Federal	15,672	NA
Manufatura Brinquedo Estrela	14,990	9,302
Philips NV	14,504	9,048
Whirlpool	13,085	NA
Sao Paulo Alpargatas	12,973	NA
Mappin-Casa Anglo Br.	12,473	10,502

Notes: Dollars are in thousands and include TV, radio, outdoor and print. **Source:** Nielsen Servicos de Midia.

Chile

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	13,382	12,861
Nestle SA	8,790	7,697
Cervezarias de Chile Unidas	5,834	4,580
Coca-Cola Co.	4,801	3,264
Corona	3,608	2,864
Sociedad Productora de Leche	3,190	2,490
Campania Manufacturera de Papeles	3,132	NA
Campania de Tabacos Chilenos	2,870	NA
Reckitt & Colman PLC	2,718	NA
Philips NV	2,079	2,305
Royal Dutch Shell	1,968	NA

Notes: Dollars are in thousands converted at 0.00410 pesos to the U.S. dollar in 1988 and 0.00430 pesos to the U.S. dollar in 1987. **Source:** AA bureau reports.

Mexico

Advertiser	Ad spending 1988	1987
Direccion Corporativa Impulsora	35,819	21,495
Procter & Gamble Co.	33,863	34,211
Industrias Vitivinicolas Domecq	28,144	17,560
PepsiCo	25,736	16,349
Colgate-Palmolive Co.	22,876	23,917
Unilever NV/PLC	21,973	10,596
Bacardi Corp.	21,672	15,138
Kimberly-Clark Corp.	18,211	16,349
Nestle SA	17,910	13,927
Kellogg Co.	13,696	9,385

Notes: Dollars are in thousands converted at 0.00043 U.S. dollars to the peso in 1988 and 0.00087 U.S. dollars to the peso in 1987. **Source:** A.C. Nielsen Co. and AA estimates. Due to Mexican discounting policies and on advice from Nielsen, figures represent only 35% of Nielsen monitored investments.

Puerto Rico

Advertiser	Ad spending 1988	1987
Procter & Gamble Co.	19,700	9,600
Unilever NV/PLC	14,700	9,300
Sears, Roebuck & Co.	8,200	NA
Colgate-Palmolive Co.	7,000	10,400
PepsiCo	6,000	5,600
American Home Products Corp.	5,900	5,600
J.C. Penney Co.	4,400	4,500
AT&T Co.	4,200	NA
Banco de Ponce	3,800	NA
Food & Spirits	1,000	6,200

Notes: Dollars are in thousands and include TV and print. **Source:** Publish Records Service.

MIDDLE EAST

Bahrain

Advertiser	Ad spending 1988	1987
Philip Morris Cos.	201	75
Gulf Air	173	125
Procter & Gamble Co.	147	NA
Bank of Bahrain & Kuwait	94	NA

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SOURCE: *MMR 1989, †1989 Readership Survey by Marketing Projects Group.

Advertiser	Ad spending 1988	1987
Rothmans International	81	77
Anchor Powder Milk	75	NA
Gulf Hotel	74	NA
Unilever NV/PLC	73	76

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research.

Israel

Advertiser	Ad spending 1988	1987
Bank Leumi	4,100	3,100
Bank Hapoalim	3,600	2,800
Mifal Hapayis	3,100	2,100
Osem Foods	3,000	2,200
Elite	2,900	2,200
Israel Discount Bank	2,600	2,200
Hamashbir	2,500	1,900
First International Bank	2,400	1,900
Tnuva Dairy	2,200	1,300
Coca-Cola Co	2,000	1,300

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Advertisers Association of Israel.

Jordan

Advertiser	Ad spending 1988	1987
Royal Jordanian Air	320	222
Rifco	116	153
Arab Bank	115	50
Plaza Hotel	104	NA
Bahrain Housing Bank	95	66
Nestle SA	63	70
Regency Palace	54	NA
Nido	52	60
CPC International	51	NA
Fine Tissues	48	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research.

Kuwait

Advertiser	Ad spending 1988	1987
Philip Morris Cos	1,935	1,184
NBK	714	741
CBK	712	582
Rothmans International	584	576
Gulf Bank	465	NA
Superlights	412	NA
Mild Seven	367	NA
Goldstar Electronics	351	NA
BKME	350	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research.

Oman

Advertiser	Ad spending 1988	1987
Gulf Air	230	151
Philip Morris Cos	177	NA
Procter & Gamble Co	111	NA
Falaj Hotel	92	NA
Toyota Motor Co	89	NA
Daimler-Benz AG	83	NA
British Airways	81	NA
Nido	74	NA
Rothmans International	73	53

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research.

Qatar

Advertiser	Ad spending 1988	1987
Procter & Gamble Co	196	NA
Rainbow Evaporated Milk	129	NA
Gulf Air	118	62
PepsiCo	67	54
Unilever NV/PLC	65	76
Philip Morris Cos	51	NA
Rothmans International	47	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research.

Saudi Arabia

Advertiser	Ad spending 1988	1987
Philip Morris Cos	1,239	1,171
Saudia	1,126	1,023
Procter & Gamble Co	996	767
PepsiCo	817	1,077
Toyota Motor Co	761	NA
Afia	668	716
CPC International	633	NA
Arrajol	601	NA
Nido	559	678
Sony Corp	552	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research.

United Arab Emirates

Advertiser	Ad spending 1988	1987
Emirates General Petroleum	438	NA
Masafi Mineral Water	381	205
Goldstar Electronics	338	NA
Philip Morris Cos	306	NA
Adnoc Special	304	NA
Gulf Air	302	NA
Casio Computer Co	257	NA
Procter & Gamble Co	246	152
Toyota Motor Co	232	248
Inter-Continental	224	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research.

U.S./CANADA

Canada

Advertiser	Ad spending 1988	1987
Government of Canada	73,009	49,444
Procter & Gamble Co	46,533	39,724
General Motors Corp	41,720	29,705
Gulf & Western	35,301	NA
John Labatt	33,697	26,937
RJR Nabisco	33,697	21,701
Molson Cos	32,894	21,522
Thomson Group	32,092	28,617
Philip Morris Cos	32,092	30,415
Cineplex	30,487	NA

Notes: Dollars are in thousands converted at 0.80230 U.S. dollars to the Canadian dollar in 1988 and 0.74750 U.S. dollars to the Canadian dollar in 1987, and include print and broadcast. **Source:** Media Measurement Services.

U.S.

Advertiser	Ad spending 1988	1987
Philip Morris Cos	2,058	1,920
Procter & Gamble Co	1,507	1,466
General Motors Corp	1,294	966
Sears, Roebuck & Co	1,045	1,001
RJR Nabisco	815	843
Grand Metropolitan PLC	774	790
Eastman Kodak Co	736	678
McDonald's Corp	728	658
PepsiCo	712	703
Kellogg Co	683	561

Notes: Dollars are in millions. **Source:** Figures are AA estimates taken from AA's 100 Leading National Advertisers, Sept. 27, 1989. See "How to read this ranking," Page S-14.

Coordinating this report were Kevin Brown, Ilse Cermak, R Craig Endicott, Nancy Giges and Julie Skur Hill.

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Media target Soviet visitors

By John Iams

As the Soviet Union comes of age in the international business community, the 2 million people who visit the country each year are an untapped market.

So says Victor Bondarenko, a former construction engineer who emigrated from the Soviet Union to the U.S. in 1978. Now a VP at Zig-Zag International, a New York agency, Mr. Bondarenko's ambitions include launching several new vehicles targeting these visitors.

Zig-Zag has formed a joint venture called Intoureklama with state-run tourist agency Intourist. Intoureklama plans to launch an 80-page glossy travel magazine, *Passport to the U.S.S.R.*, by next summer.

The every-other-monthly will carry up to 30 pages of advertising and about 50 pages of editorial. Mr. Bondarenko said he will solicit advertising from Soviet and Western marketers but wouldn't disclose names of companies he's targeting.

The magazines will be placed in rooms of Intourist hotels catering to international travelers and through major travel companies such as American Express Co.

"Our primary goal is to target all foreigners coming here from the U.S., Japan, Britain and Europe," Mr. Bondarenko said.

"We are going to publish a guide about the Soviet Union, what's happening in Moscow, including entertainment and cultural events," he said.

Visitors here have little to inform them of what's going on, except for official tourist guides.

Initial plans call for a pressrun of 200,000 copies of *Passport to the U.S.S.R.*, he said.

A color page will cost $5,000, according to Mr. Bondarenko.

After getting the magazine off the ground, Mr. Bondarenko hopes to follow with a cable TV service for hotels catering to foreigners.

"We are planning to install [closed circuit] cable TV systems in every state-run Intourist hotel, using modern equipment," he said.

Some hotels now have in-house cable, but they don't offer the kind of programming Mr. Bondarenko plans, such as up-to-date information on current events, entertainment or even a guide on where to get a good meal.

Advertising will include a guide to restaurants such as the Japanese, French, Indian, Italian and U.S. restaurants that have opened in the Soviet capital. Ad rates haven't been set. □

John Iams is an Ad Age *correspondent based in Moscow.*

How to read rankings, media chart

Advertising Age's third annual ranking of major advertisers outside the U.S. and fifth annual Global Media lineup contain data from every continent except Antarctica.

Global marketers

The advertiser ranking on Page S-2 includes spending figures from 38 countries. *Ad Age* correspondents compiled the data. Depending on availability of reliable spending data, country lists ran from as many as 100 advertisers to only the top 10 spenders.

Research companies, media tracking services, marketing publications and ad agencies were various sources for the data. In some countries, ad spending is reported according to rate cards. When necessary, gross rates were discounted by AA editors to better reflect spending in the market. There is no standard procedure for monitoring ad spending worldwide, so advertising data may be accumulated by brands, subsidiary or parent company.

Wherever possible, spending reported by brand or subsidiary was assigned to the parent, whose names have been "Americanized" in this ranking.

Sources are listed beneath the tables titled "Top 10 advertisers by country" starting on Page S-8. All figures are given in U.S. dollars. Source lines include currency conversion rates for both 1988 and 1987 unless research companies provided the figures in U.S. dollars.

Global media

Circulation data collected from publishers in this report were for June 1989 compared with June 1988. Ad rates were those in effect at the same mid-year period.

Criteria for a publication's inclusion in the chart on Page S-4 are:

- Substantial mass circulation on at least three continents.
- Worldwide circulation of at least 50,000 and circulation of international editions equal to at least 10% of the domestic circulation.
- Editorial content global in scope.
- Advertising in all editions purchased through a central office.

Trade publications aren't mass-circulation publications and are excluded from this listing.

Licensed publications are also excluded, because they lack central control on the advertising side. □

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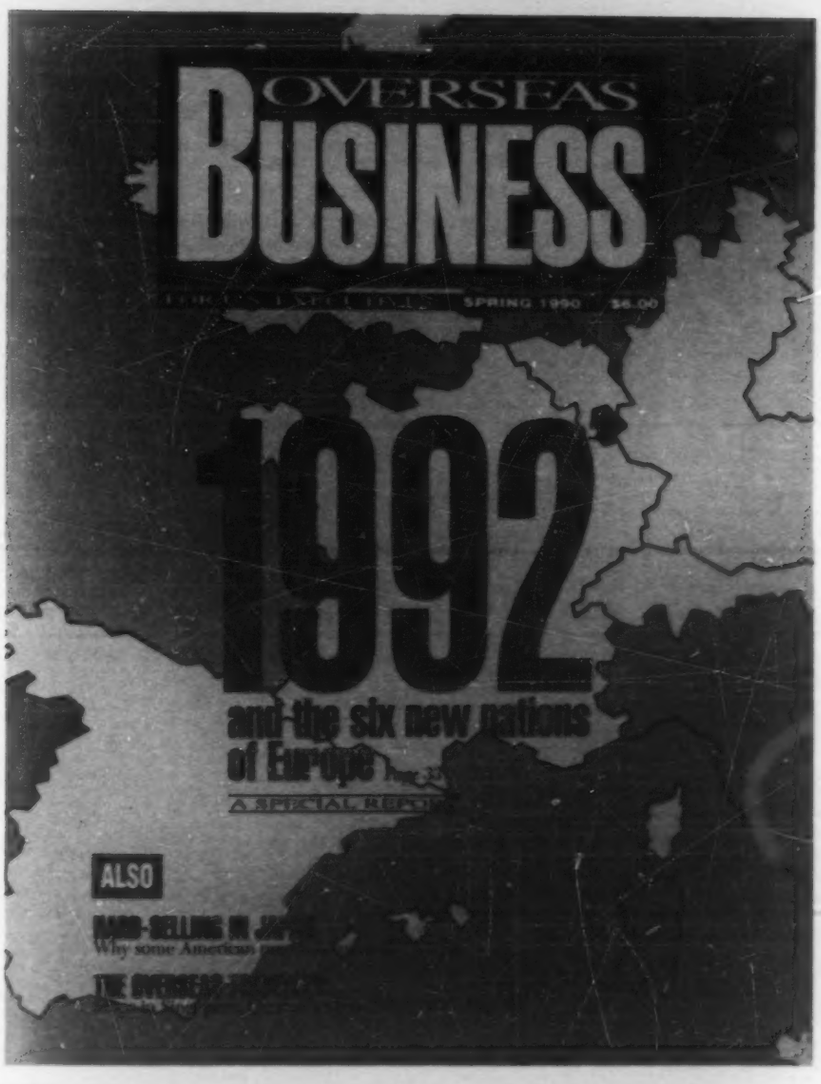

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CARA COMMUNICATIONS LIMITED

RECEIVED AT PRESSTIME

India

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	27,681	24,078
Ciba Geigy	18,150	14,896
Reliance Group of Cos.	17,421	6,369
Colgate-Palmolive Co.	7,971	5,890
Escorts Ltd.	6,660	4,996
Grasim Industries	6,285	5,852
Food Specialities Ltd.	6,006	7,001
Philips NV	4,666	4,441
Mahindra & Mahindra	4,534	3,994
Tata Oil Mills Co.	4,519	4,341

Notes: Dollars are in thousands converted at 0.07360 U.S. dollars to the rupee in 1988 and 0.07710 U.S. dollars to the rupee in 1987 and include print, newspaper, TV. Figures from India were received at press time ARE included in the ranking on Page S-2. **Source:** AA bureau reports.

Company sales and market shares

Estimated full-year comparisons.

Company	Units 1988	Units 1989	Units % chg	Market shares 1988	Market shares 1989	Market shares % chg
Philip Morris	219.30	220.04	0.3	39.3%	41.9%	2.6
RJR Nabisco	177.21	150.14	(15.3)	31.8	28.6	(3.2)
Brown & Williamson	61.09	60.06	(1.7)	10.9	11.5	0.6
Lorillard	46.06	42.20	(8.4)	8.2	8.0	(0.2)
American Brands	38.80	36.20	(6.7)	7.0	6.9	(0.1)
Liggett	15.33	15.96	4.2	2.8	3.1	0.3
Total	**557.79**	**524.62**	**(6.0)**	**100.0%**	**100.0%**	—

Units are in billions. Source: Estimates by John C. Maxwell Jr.

Cigarette skid continues

Though industry could gain slightly in 1990

By John C. Maxwell Jr.

Cigarette volume is expected to drop 6% to almost 525 billion units for 1989.

But the drop isn't as severe in real terms because anticipated cutbacks were made in trade inventories.

R.J. Reynolds Tobacco Co. aggressively tried to eliminate excessive trade inventories by discontinuing its end-of-quarter promotional programs effective with the third quarter.

Lorillard also didn't have any promotional programs starting with the third quarter.

These actions dramatically lowered shipments to the trade, distorting year-to-year comparisons.

Had RJR and Lorillard maintained their historical promotional strategies, it's estimated industry volume would be down about 3% or more.

The fact that 15 states raised excise taxes during the year, compared with only four in 1988, also contributed to the volume drop.

If retail consumption drops around 2.5% in 1990 (assuming no further aggressive state tax hikes), the industry total would be flat or slightly up from 1989's inventory-reduced 524.62 billion units.

So, market share numbers will be volatile and possibly somewhat deceptive in the near term.

It appears Philip Morris Cos.' unit volume advanced slightly in 1989, with market share reaching almost 42%, well ahead of 1988's 39.3% share.

The Philip Morris flagship brand, Marlboro, gained nearly 2 share points. Virginia Slims achieved a slight share increase, aided by the Superslims line extension launched in October.

There was no significant change in the ranking from last year of the top 10 brands, which represent more than 70% of the cigarettes sold. □

Mr. Maxwell is with Wheat, First Securities, Richmond, Va.

The top 10 brands

Estimated full-year unit volume comparisons.

Brand	1988 Units	1988 Share	1989 Units	1989 Share	% chg
Marlboro (PM)	138.82	24.9%	138.87	26.5%	0.0
Winston (RJR)	60.01	10.7	47.98	9.1	(20.0)
Salem (RJR)	40.53	7.3	32.34	6.2	(20.2)
Kool (B&W)*	33.58	6.0	31.43	6.0	(6.4)
Newport (Lorillard)	24.80	4.4	25.02	4.8	0.9
Camel (RJR)*	24.20	4.3	20.37	3.9	(15.8)
Benson & Hedges (PM)	22.15	4.0	19.84	3.8	(10.4)
Merit (PM)	21.38	3.8	20.08	3.8	(6.1)
Doral (RJR)	18.70	3.4	19.16	3.6	2.5
Virginia Slims (PM)	16.85	3.0	16.57	3.2	(1.7)
Total top 10	**401.02**	**71.8**	**371.66**	**70.9**	**(7.3)**

*Includes filter and non-filter. Units are in billions. Source: Estimates by John C. Maxwell Jr.

USE A PHONE, GET A LAUGH.
213/**969-9494**
Sarley, Bigg & Bedder's Award-Winning Radio Spot-of-the-Month

Computer helps smokers sign off

By Patricia Winters

Now there's a computer that can help you stop smoking.

Health Innovations is rolling national with LifeSign, a system that features a hand-held computer to help smokers kick the habit.

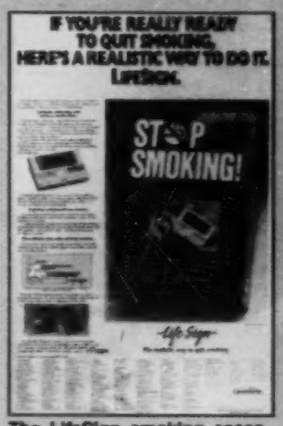
The patented system retails for $79.95 and in November was named as one of *Popular Science's* 100 "Best of What's New."

The smoker starts the LifeSign program by pressing the computer's smoke button each time he has a cigarette. After a week, the smoker can only light up when the computer tells him. Gradually, the computer lengthens the intervals between cigarettes until the smoker isn't allowed any.

The withdrawal process takes from 14 to 28 days.

Invented five years ago, LifeSign was previously sold only to employee health benefits programs and by direct mail to the public. Advertising was limited to direct sales on cable TV and small print ads.

The company began testing sales of the system in retail outlets in July; it's now available in more than 200 markets in the Northeast, mid-Atlantic, parts of the West Coast and in Arizona.



The LifeSign smoking cessation system is getting print support as it expands.

Health Innovations is running a heavy schedule of spot TV and cable advertising, as well as a 30-minute cable "infomercial," and print ads in *USA Today, The New Yorker, Time* and other major publications.

Hawthorne Communications, Fairfield, Iowa, created the 30-minute infomercial, while Media Basics, New York, handles other broadcast advertising. Novus Marketing, Minneapolis, does print.

LifeSign was invented by psychologist Lee Fredrickson and computer specialists Don Link and Al Behar. Messrs. Fredrickson and Behar both quit smoking through the program, said Betsy Lingel, Health Innovations marketing director.

Ms. Lingel said sales of LifeSign are skyrocketing, although she didn't disclose revenues.

The program includes a 48-page guide on long-term techniques to stay off cigarettes. Systems sold at retail include a promotional videotape on kicking tobacco. The program also offers an 800 phone number with trained staff to answer questions and lend support.

Health Innovations said its success rate is 18% to 27% one year after using the product—a rate it claims is more effective than other self-help methods. □

"You mean you tried to cover Orange County with a Los Angeles newspaper?!!"

The Orange County Register has 93% more Daily and 76% more Sunday circulation in Orange County than the largest Los Angeles newspaper. (Source: ABC Fas-Fax 3/31/89)

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Study boosts men's buying role

By Scott Donaton

Most men today don't bring home the bacon until they've checked the label first, a new survey on men's food shopping habits shows.

The study, conducted in September for Rodale Press' *Men's Health*, revealed that men make more than half of their family's brand purchase decisions in such categories as soups, cereals, soft drinks and snack foods.

The study also showed that 43% of men who are married or living with someone either shop with their significant others or do a large portion of the grocery shopping themselves.

Although the study isn't the first to chart the increase of male participation in traditionally female chores, *Men's Health* Executive Editor Michael Lafavore said it's one of the first to show that men today are as brand-conscious as women.

"The stereotype of the American male as someone who is oblivious to one brand of soap or cereal and another, who never buys anything but beer, razor blades and motor oil . . . just isn't true anymore," he said. Reasons for the perceived shift in men's attitudes include the increase in dual-income households and the rising divorce rate, the survey indicates.

Among men who are married or living with someone, the study found, 53% usually choose their family's brand of breakfast cereal, 51% choose the soup, 61% select the snack foods and 63% make most of the soft-drink buying decisions.

Areas in which men still defer to women include baby products (53% of those surveyed said the male never or almost never makes decisions on these products), spices and seasonings (66%) and cleaning products (69%).

Strictly defined "gender roles and responsibilities are blurring," said Michael Rooney, publisher of *Men's Health*. Yet, men are still largely ignored by food marketers, he said.

The study found that men's brand choices are influenced heavily by the traditional factors of price (72%) and experience in using the product (82%).

The telephone poll of a total of 993 men and women was conducted by Opinion Research Corp. during the week of Sept. 8. The margin of error is plus or minus 3%. □

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Gen'l Mills/Nestle joint venture

(Continued from Page 1)

tures with U.S. companies would include Paris-based BSN Group and its Gervais Dannon unit, as well as the U.K.'s United Biscuits.

U.S. companies that could benefit include Campbell Soup Co. and Quaker Oats Co., this source said.

"The criterion would be any company that is already present but doesn't have sufficient clout in its own right with the trade," he said.

Allan McCusker, a principal of the Caanan Parrish Group, a consultancy, called the General Mills/Nestle agreement "a marriage made in heaven."

He said cereal is a perfect fit since consumption in many European markets, including France, Italy and Spain, is extremely low.

Credit Suisse First Boston's Mr. Facon said he views the General Mills/Nestle deal as an unusual situation: a rapidly growing business (cereals in Europe) with a well-entrenched leader (Kellogg Co.), an eager competitor (General Mills) and a powerful local marketer (Nestle).

"I don't think there are too many situations like this that can be replicated," Mr. Facon said.

Charles Gaillard, who served as general manager of General Mills' Big G (cereal) Division for 10 years, will be ceo of the new company. His current title is senior VP-international foods for General Mills.

"Some of the brands marketed in Europe will be brands marketed here [in the U.S.]," said Craig Shulstad, General Mills' director of media and financial relations. Likely suspects would be Cheerios and Wheaties.

Each will carry the Nestle corporate name, and at least initially, will be manufactured in Nestle's three European cereal plants.

The companies also have committed to an agreement providing that neither will seek control of the other.

Although observers didn't dismiss the notion that Nestle might be interested in acquiring General Mills, "I think Nestle is happy with where they are in the U.S.," Mr. Facon said.

"They wanted a critical mass in the U.S., and they now have $7 billion in sales there," he said. "Now I think they will let margins go up; I don't expect them to make any major moves for the near term."

For General Mills, second in the $6 billion U.S. cereal market but a negligible player overseas, the joint venture offers a way to challenge Kellogg in Europe while avoiding a long learning curve.

"General Mills would not have been able to make much progress on its own. But this combines great products with great distribution and marketing strength," said Timothy Ramey, County NatWest Securities analyst.

"Kellogg had operations in Europe before we started selling cereal," Mr. Shulstad said. "We approached Nestle; we think a joint venture is the most efficient way to become a major competitive force in the European cereal market and expand into other areas."

Only about 10% of General Mills' $6 billion in total sales comes from foreign operations—and most of that from Red Lobster restaurants and Canadian food operations.

General Mills estimates total European cereal sales at $1.6 billion, or about one-fourth that of the U.S.

But the company said it predicts a quadrupling of sales in the next 10 years—or a 15% compounded annual growth rate.

"What's attracted consumers in this country to cereals is beginning to attract European consumers as well—healthfulness and convenience," Mr. Shulstad said.

Some, however, said General Mills' growth estimates are optimistic.

"The market for ready-meal breakfasts is going to expand very rapidly. But I'm not confident it will be just cereals, but yogurts and other products, too," Mr. Facon said.

Although growing, the cereal business in most countries outside the U.S. still is small. Per capita consumption in such developed markets as West Germany and France is less than 2 pounds, compared with more than 10 pounds in the U.S. and about 12.8 in England, 12.3 in Australia, 8.5 in Canada and 4.6 in Denmark.

The most rapid growth is in France and Italy, growing at more than 20% a year for cereal consumption, and West Germany, at 8% to 10% a year, according to U.K. research company Euromonitor.

Kellogg, which started its overseas business in the U.K. in 1922, dominates the cereal business outside North America. The company has a 51.8% dollar share of the overseas cereal market, compared with 41.5% in the U.S.

Chairman-CEO William LaMothe has said he expects 50% of Kellogg's sales to come from overseas markets by the end of the century (compared with about 36% now).

"Kellogg has had a great time in part because none of the big three European food companies—BSN Groupe, Unilever or Nestle—has been able to figure out the cereal business," Mr. Facon said.

Quaker Oats is the only other of the six U.S. cereal marketers to have a solid presence in Europe *(see chart)*.

Kraft General Foods Group distributes its Post cereals only in South Korea. Ralston Purina Co. is just beginning to distribute its human food products in Europe. And Nabisco Brands is only a small player in limited markets.

"We're used to competing in a very competitive U.S. market where Kellogg has a dominant share," General Mills' Mr. Shulstad said. "We think there's room for more than one company in this business."

The deal gives Nestle, already challenging or overtaking Quaker for second place in the markets where they compete, the power to take on Kellogg directly.

"I wouldn't say we'd beat Kellogg," said Michel Reinarz, Nestle's director of visual communications. "Kellogg is a formidable competitor and they know their business, but at last we're hoping to give them a good challenge."

Nestle entered the French ready-to-eat cereal market in 1984 and has already captured a 12% share, rapidly narrowing the gap with second-place Quaker, whose share declined to 16% of the market in 1988 from 20% when Nestle launched, Euromonitor reported.

Nestle is second behind Kellogg in the Spanish cereal market with a 15% share, and ahead of Kellogg in Portugal with a 15% share. The marketer also is testing its cereals in West Germany.

And Nestle already has discovered that Kellogg isn't untouchable overseas.

County NatWest Securities' Mr. Ramey said Nestle recently introduced two new cereals in Japan, where Kellogg held a 77.5% share. After three months of distribution, that figure dropped to 62.3%.

Publicis in France and McCann-Erickson in Spain, Portugal and West Germany launched the Nestle cereals and are Nestle's preferred cereal agencies. That designation means they keep that category free for Nestle and are recommended to local Nestle subsidiaries (AA, Sept. 18).

General Mills agencies Saatchi & Saatchi Advertising, which also works for Nestle in France, Germany and Canada, and DDB Needham Worldwide also could be in the running for assignments from the joint venture company.

"I would say that we have in our alignment agencies that are free to handle cereals," Mr. Reinarz said. "If they want no problems and to know the agencies are free and committed to cereal development, I'd recommend they choose among them. If they say, hey guys, we have long-term relationships [with another agency] and they know the cereal business, I'm not going to stand in the way. It's up to the joint venture to decide."

An international McCann source said, "Are we making calls on this right now? Yes, of course."

Joseph Mack, chairman of Saatchi & Saatchi, New York, General Mills' lead cereal agency, said he hopes Saatchi can become agency for the joint venture.

"We do have Nestle as a client in some markets, but they [Nestle and General Mills] haven't had those discussions yet," he said.

Mr. Mack called the idea of a joint venture to break into the European market a sound one.

"They're putting together an extraordinarily powerful sales and distribution and manufacturing potential of one company with brilliant R&D, technology and marketing brand experience with another company," he said, "and it's just a wonderful fit." □

Written by Julie Liesse Erickson in Chicago, with reports from Laurel Wentz in London; Judann Dagnoli, Jon Lafayette and Gary Levin in New York; Laurie Freeman in Washington; and Julie Skur Hill and Scott Hume in Chicago.

Who's on top of European cereal market

Kellogg Co. has a stronger market share overseas than in the U.S. (51.8 % compared to 41.5% at the beginning of 1988). U.S. cereal powers General Foods, General Mills and Ralston Purina have a negligible presence overseas.

Marketer	U.K.	France	W. Germany	Italy
Kellogg	42%	54%	42%	42%
Quaker	7	16	–	18
Nabisco	8	–	–	4
Nestle	–	12	–	–
Weetabix	14	–	–	6
Bananla	–	9	–	–
CPC	–	–	8	–

Source: Euromonitor Market Research

John Hall

BK

(Continued from Page 1)

rather than the natural chicken breast fillet used for the fried chicken sandwiches at McDonald's and Wendy's International and the grilled chicken sandwich at Hardee's Food Systems.

But Burger King can play off the consumer perception that broiled foods have less cholesterol, fewer calories and are more healthful than fried foods.

The BK Broiler is 379 calories topped with Ranch Sauce, 289 calories without the sauce. That compares with more than 600 calories for the Chicken Specialty sandwich now on Burger King's menu nationally.

The BK Broiler is most similar to the 330-calorie Grilled Chicken Breast Sandwich (served on a natural-grain bun) introduced earlier this year by Hardee's. That sandwich was one of the last projects Gary Langstaff worked on at Hardee's before moving to head Burger King's marketing department.

Kentucky Fried Chicken Corp., the No. 1 chicken chain, isn't taking all this action sitting down. It's testing charbroiled chicken in Las Vegas, Nev.

But Burger King will have an added—and so far exclusive—health positioning by serving its sandwich on an oat bran bun.

The new Kids Club program for children is even more ambitious than the chain's menu moves.

Like competitors' meals for children, Burger King's are anchored by a succession of premiums, most of which are tied to popular toys or cartoon characters.

The program starts in January with miniature, mobile toys shaped like menu items (such as a bag of fries or soft drink).

In February and March, badges tied to the popular "Teenage Mutant Ninja Turtles" characters will be offered. In April and May, the premiums will be figurines of characters in ABC-TV's animated "Beetlejuice" series.

Planned for June and July are vehicles and characters created to represent members of the Kids Club.

In August and September, Kids Club meals will include miniature versions of Hasbro's Record Breakers cars.

But Burger King plans its Kids Club to be more comprehensive than competitors' programs. Children will be invited to join the club, which offers members a personalized membership card, stickers and a poster featuring Kids Club characters.

Also, a four-page newspaper, to be published five times a year, will be distributed in-store. It will include everything from film and video reviews to previews of upcoming premiums. Members also can buy a Kids Club clubhouse they can play in at home.

Ericson Freeman, Paramus, N.J., and August, Bishop & Meier, Chicago, handle promotional marketing for Burger King.

The Kids Club program means Burger King once again will begin network TV advertising on Saturday mornings, a media buy it has shunned for nearly a decade. Six flights on Saturdays are planned through September.

The chain also will advertise the Kids Club on Nickelodeon and other cable TV channels with high viewership among children, as well as with spot buys during syndicated programming on independent TV stations.

Saatchi & Saatchi is believed to be taking the lead in creating media ad support for children's marketing. □

Burger King Kids Club premium schedule

Burger King has planned premiums for its new children's marketing program through the first three quarters of 1990. Several will benefit from additional, outside marketing support as well.

When	Premium	Description	Other marketing support
January	Liberty Splits	Vehicles	None
Feb.-March	Teenage Mutant Ninja Turtles	Badges	Turtles movie opens in March with $8M ad/promo blitz
April-May	Beetlejuice	Figurines	ABC-TV program; Kenner rolls out toy line in Jan.; movie sequel opens in fall
June-July	Kids Club Capers	Vehicles	None
Aug.-Sept.	Mini Record Breakers	Vehicles	Hasbro's $16M ad support

Source: Burger King materials

NEWSPAPER

Advertising Age

December 11, 1989

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AmEx lands Paul Newman

LAST MINUTE NEWS

Mexico taps Bozell

MEXICO CITY—Mexican Tourism Secretariat today will name Bozell, New York, to handle its $15 million-to-$20 million account, sources said. Saatchi & Saatchi Advertising, New York, handled predecessor Mexican National Tourist Council.

Schalk mulls options

NEW YORK—Willi Schalk, who retires as president-chief operating officer of BBDO Worldwide here at yearend, will be named ceo of a group within a major West German publishing company next month, sources said. Mr. Schalk, 49, a West German native, is expected to land at Bertelsmann's Gruner & Jahr unit, possibly heading a newly created unit for foreign ventures, or at Axel Springer Verlag, another major publisher there. He declined to comment on his plans.

AT&T's Armstrong retiring

NEW YORK—Kim Armstrong, 53, will retire as AT&T director of advertising and promotions-consumer services this month. Ms. Armstrong in 1987 became the first woman chairman of the Association of National Advertisers. She opted to take early retirement through a package offered to certain AT&T managers.

Pet to streamline shops

ST. LOUIS—Pet Inc. this week is expected to reorganize its agency relationships, with D'Arcy Masius Benton

(Continued on Page 8)

INSIDE

Joe Blanton

Talking with Ted

The king of cable TV—Ted Turner—speaks candidly about programming legislative issues, the role of the advertiser and his new philosophy of cable's political and environmental responsibilities. Special Report on Cable TV starts after Page 38.

By Judith Graham

American Express Co. has scored a major coup by snaring actor Paul Newman for an upcoming ad campaign.

The company also might be on the verge of signing actress Meryl Streep.

Both superstars are well-known holdouts against endorsement deals with Madison Avenue and have high credibility among consumers. Neither has ever appeared in a national commercial ad campaign.

Mr. Newman's public relations agency, Rogers & Cowan, confirmed the actor is planning to do "an AmEx commercial" but declined to give details.

Ms. Streep's agent, International Creative Management, declined comment, but other industry sources said she's negotiating an agreement with AmEx.

Word of the AmEx deals leaked out soon after rival Visa International announced its high-profile agreement with former Beatle Paul McCartney *(see story on Page 50)*.

Under that arrangement, Visa will sponsor the 1990 leg of the singer's tour and Mr. McCartney will appear in an $8.5 million TV campaign for Visa.

What's not widely known is that AmEx also tried to strike a deal with Mr. McCartney, but those negotiations fell through.

Just what kind of deals Mr. Newman and Ms. Streep have fashioned or are about to fashion with AmEx couldn't be determined. Company officials refused comment.

But sources say the stars are signing with the credit card giant for somewhere between $2 million and $5 million apiece and that both are demanding creative control over any advertising.

Sources including former AmEx marketing executives, ad agency executives specializing in credit card marketing, rival card marketers and top talent executives suggest two possible uses of the stars.

People familiar with Mr. New-

(Continued on Page 52)

Vinnie Zuffante/Starfile — Touchstone Films

Meryl Streep is negotiating and Paul Newman has signed.

WPP struggles with units

By Gary Levin

NEW YORK—WPP Group is developing its own trouble spots.

Although these problems aren't as serious as Saatchi & Saatchi Co.'s current woes, they're cause for concern among WPP watchers, who want to know whether Chief Executive Martin Sorrell can manage people as well as acquisitions.

The Harvard Group, a 7-year-old financial marketing agency here purchased by WPP in 1987, appears to have shut down last month.

The agency's president-ceo, marketing director and creative director have all left WPP, and a woman who answered the phone in its former Madison Avenue office said she believed the company was "out of business." Other WPP executives confirmed the unit had been "dissolved."

■ What can Saatchi & Saatchi do with Carl Spielvogel?—Page 2.

Despite the absence of any clients, operating personnel and current phone listing, WPP maintains the Harvard Group is still operating.

Lewis Trencher, the financial controller for WPP's Rasor Communications U.S. holding company, said he's the "person in charge" of Harvard, which he maintained is now operating from WPP's U.S. headquarters.

"We are pursuing real estate projects similar to the ones Harvard has done, and we're in the process of getting our house in order," Mr. Trencher said. "We're exploring various options that we have in developing new business."

In addition to Harvard, WPP has privately acknowledged to analysts that it's

(Continued on Page 52)

Pepsi ups stakes

Boosts diet TV spending by 50%

By Patricia Winters

Pepsi-Cola Co., in an offensive strike against market leader Coca-Cola Co., will hike first-quarter network TV spending by 50% for reformulated Diet Pepsi and caffeine-free Diet Pepsi.

Pepsi has notified bottlers it will break new TV advertising Jan. 1 to support the reformulation. Commercials carry the new "The right one" theme from BBDO Worldwide, New York.

Breaking the new effort weeks before the Super Bowl, traditionally the showcase for unveiling major campaigns, shows Pepsi is staging an early attack on Coca-Cola.

An industry source said Pepsi implied in a letter to bottlers that first-quarter network spending for Diet Pepsi and its caffeine-free partner will be up 50% from a year ago, making them "the most talked-about soft drinks."

The company's spot TV spending plans are unclear, but one rumor is that Pepsi plans to hike total first-quarter advertising for the two products by as much as 90%.

In the first quarter of 1989, Pepsi spent about $20 million in measured media on Diet Pepsi and caffeine-free Diet Pepsi. About $8 million went to network TV, reported BAR/LNA Multi-Media Service. Diet Coke and caffeine-free Diet Coke got about $27 million in support, with about $15 million going to network TV.

"This is going to be some battle," the industry source said. "[Pepsi] is coming out with its guns blazing, that's for sure."

A Pepsi spokeswoman said the company

(Continued on Page 49)

This TV spot directed by Joe Pytka is introducing Pepsi's "The right one" theme.

Next for Saatchis: Spielvogel face-off?

By Jon Lafayette and Laurel Wentz

With Saatchi & Saatchi Co.'s disastrous 1989 financial results behind him, new Chief Executive Robert Louis-Dreyfus' biggest challenge may now come from Carl Spielvogel.

Mr. Spielvogel, chairman-ceo of Saatchi-owned Backer Spielvogel Bates Worldwide, New York, has irritated Saatchi executives in the past by publicly stating his willingness to buy either his agency or the whole company.

"Every time something goes wrong with the holding company, he makes a deliberate attempt to say, 'Well, of course, if I were running it, it would all be different,' " an annoyed Saatchi executive said. "He's had his wrists pretty firmly slapped, but you don't want to go on slapping his wrist."

Last week, as Saatchi reported a $91.8 million net loss for its fiscal year, Mr. Spielvogel maintained a discreet silence. But among those said to be upset with Mr. Spielvogel for his past remarks are co-founder Charles Saatchi and Mr. Louis-Dreyfus.

Saatchi sources hint Mr. Saatchi and his brother, Maurice, would sooner fire Mr. Spielvogel than sell him the agency. "No one is irreplaceable," another senior Saatchi executive said.

If Mr. Spielvogel continued to needle his London-based managers, Mr. Louis-Dreyfus would most likely terminate him on grounds that "this isn't in the best interests of the company," the executive said, adding, "I think we could all live with that."

For his part, Mr. Spielvogel last week denied he'd been reprimanded by anyone at Saatchi and declined to comment on Saatchi's poor earnings.

But in a memo to the Backer staff, he said, "The financial results at the parent company will not in any way affect our service to clients, our staffing or our ability to continue to provide long-term rewards for our career professionals."

At the same time, Saatchi officials tried to downplay the seriousness of Mr. Spielvogel's takeover ambitions. They claim to have written assurances from Prudential-Bache Securities that the investment banker won't finance an unfriendly bid from a Saatchi employee, such as Mr. Spielvogel.

Mr. Spielvogel previously had said Prudential-Bache, a Backer client, would back him in a friendly bid for Saatchi or his agency.

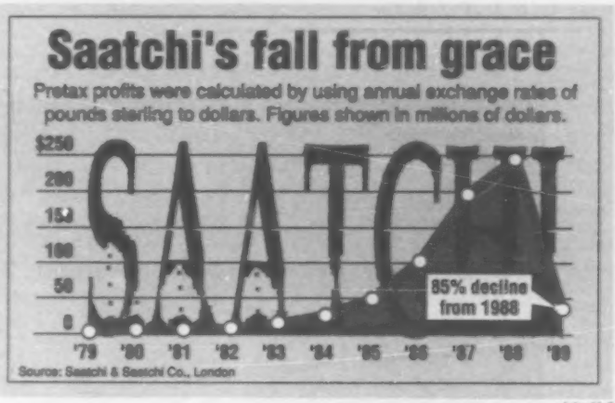
Skepticism has been expressed about the existence of such assurances to the Saatchis from the investment banker, and Mr. Spielvogel wouldn't comment on whether he's still interested in a buyback or takeover bid.

Because of its widely publicized financial troubles, Saatchi has been eyed as a potential takeover target, but there's also speculation the company might try to go private if an acquisition bid surfaces. Others have surmised Mr. Louis-Dreyfus was brought in to rebuild Saatchi's market value so the company could fetch a higher price if the Saatchis ever decide to sell out.

Either way, as the personalities put their spin to this internal jockeying, agency watchers don't expect Mr. Spielvogel to stay quiet for very long.

"If you look back over his rec-

(Continued on Page 52)


Saatchi's fall from grace
Pretax profits were calculated by using annual exchange rates of pounds sterling to dollars. Figures shown in millions of dollars.
$250
200
150
100
50
0
SAATCHI
85% decline from 1988
'79 '80 '81 '82 '83 '84 '85 '86 '87 '88 '89
Source: Saatchi & Saatchi Co., London

John Hall

Chrysler picks media chief

By Raymond Serafin

HIGHLAND PARK, Mich.—Chrysler Motors plans to create a new in-house position to coordinate the media strategies of its three automotive divisions and their agencies.

Sources say the advertising media relations manager post will go to Arthur Kesteloot, a former ad manager and now merchandising manager for Dodge cars. Mr. Kesteloot will report to John Damoose, named to the new position of VP-brand marketing when Chrysler began overhauling its marketing operations last month (AA, Nov. 13). At that time, Chrysler consolidated its three divisional marketing groups into one operation under Mr. Damoose.

Chrysler VP-Consumer Affairs Laurel Cutler said last week the realignment signaled Chrysler's official shift to a "category brand management system." She compared the Chrysler changes with Procter & Gamble Co.'s overhaul of its brand management system in late 1987, when a single general manager was put in charge of all brands and products in a single category.

Mr. Kesteloot's job will be to get Chrysler the most bang for its estimated $400 million media spending budget. In part, he will try to ensure that the company's three divisions don't compete with one another in the marketplace.

Mr. Kesteloot's job will be to get Chrysler the most bang for its estimated $400 million media spending budget.

BBDO Worldwide, Southfield, handles Dodge; Bozell, Birmingham, handles Chrysler-Plymouth; and Campbell-Mithun-Esty, Southfield, handles Jeep/Eagle.

The new Chrysler position isn't expected to initially include the breadth of sweeping powers over media and agency decisions held by Philip Guarascio, executive director of advertising and strategic merchandising at General Motors Corp.

Mr. Guarascio, first brought in as an expert on media, has led GM's recent initiatives into program production and category exclusivity in spot TV commercial pods.

At Chrysler, the decision to create a centralized media coordinator comes as the automaker concentrates on its core business to become more competitive. At the same time, the company is cutting fixed costs by $1 billion.

Chrysler officials and agencies have been discussing for several months how the shops can contribute to the $1 billion savings. The final decision is likely to include tightening up production and other costs, combined with a possible reduction in agency commission rates, sources say.

Further streamlining of marketing operations is expected within the three divisions, each of which now has two ad and two merchandising managers. □

COMING NEXT WEEK: Advertising Age picks the Sales Promotion Agency of the Year.

IN THIS ISSUE

Video days: Home video marketers try to turn the seasonal industry into a year-round business. 12

Discount news: Newspapers are experimenting with ad packages and discounts. 20

British touch: Small shops incorporate British-style account planning to study consumer attitudes. 26

Unrestful times: Hotel incentive programs run up big bills in the battle for frequent lodgers. 30

Rock deals: Top rock stars are ready to negotiate high-profile corporate sponsorship deals. 50

Ads up: *The New Yorker's* changing readership brings in improved ad performance. 51

VIEWPOINT

Considerations 31
Editorials 31
Forum 34
Brady's Bunch 34
Letters 35
James Brady 38
Rance Crain 38
The Next Trend 38

Cable TV
Peter Barton, senior VP-programming for cable powerhouse Tele-Communications Inc., speaks candidly about programming, potential new channels and Time-Warner's indy TV clone.

Global Gallery 39

PEOPLE

Photo Review 42
PeopleWorks 43
People Moving 43

MEDIA

MediaWorks 44

Renuzit's new Freshell deodorizer "Fish Family" commercial may be effective, but dressing actors in silly blue fish suits leaves a lingering odor that really stinks.

U.S. NewsWatch 10
Corrections & Clarifications 35
Classified 45
Calendar 48
For the Record 49
Index to Advertisers 54

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SPECIAL REPORT

Cable TV

Edited by Anita M. Busch

Cable clone under fire S-2
Heavy hitters in broadcasting mass to unplug 'station.'

Cavett caveat S-10
Talk show host Dick Cavett speaks candidly on the differences between network and cable TV.

Channeling the future S-14
TCI programming executive Peter Barton fine-tunes system of the 1990s.

Cable special doesn't toy around. S-16
HBO special alleges some toy advertising is "misleading."

Ted Turner hones his Midas touch

Cable's one-time maverick presides over solidified empire and takes a thoughtful look at cable's true mission

Ted Turner is setting his sights on a true global news network, world peace and an improved environment in the next decade.

His seemingly seat-of-the-pants gambles since he inherited his father's failing outdoor advertising company in 1963 have helped shape what has become the fragmented media world of today.

Whatever the 1990s might bring, Mr. Turner and his Turner Broadcasting System expect to be a part of it. But at age 50, the once-flamboyant "mouth of the South" seems to have mellowed.

His media empire, once seemingly destined to drown in its own red ink, has never been stronger. Advertising Age *reporter Wayne Walley caught up with Mr. Turner in Atlanta.*

AA: *What will we see from Ted Turner in the 1990s?*

Mr. Turner: The vast bulk of our efforts are centered on cable growth and the growth of our services within the cable universe. I still believe the 1990s will be the cable decade even more so than the 1980s.

Cable began the decade in 20% of U.S. households, roughly, and will leave the decade in 60% of U.S. households. That's a very, very significant change.

In the next three or four years, 70% penetration will be achieved. There's no question in my mind that by the end of the 1990s, 75% of U.S. households will be cable or direct broadcast satellite subscribers.

AA: *How will advertisers fit into cable's growth in the 1990s?*

Mr. Turner: Cable networks have passed the critical point and are now considered mainstream by almost all agencies and advertisers.

Cable's audience is growing rapidly. The audience for the three broadcast networks and the independent stations are all shrinking. As the audience flows more and more to cable, the advertising dollars are going to flow there as well, probably even more rapidly because cable is selling premium demographics.

AA: *Program content became a big issue this year. Did what happened with the Big 3 networks, Fox Broadcasting and syndication shed a bad light on all television?*

Mr. Turner: Not all television, broadcast television . . . Listen to this [referring to a story clip]. Networks prepare for sweeps battle. ABC is pinning some of its sweeps hopes on the two-part miniseries, "Small Sacrifices," about a woman convicted of shooting her three small children.

NBC's sweeps programming—they are the worst ones—consists of four specials that are the most bizarre type of murders, killings and rape and sodomy and the worst things possible. Disgusting.

They are going sleazier than ever. Shooting her three small children. That's just wonderful. Something the whole family should watch together, right? One [program] on NBC is about murder on New Year's eve. What a way to ring in the new year. If I was an advertiser, I wouldn't want to be on any of those shows.

Then look at what we're doing on TNT. The "Butter Battle Book," a Gary Cooper retrospective and "Cold Sassy Tree." "Nightbreaker" is about nuclear war and nuclear testing. We've done exactly what we've said we're going to do: we have taken the high road and . . . we are going to stay that way.

AA: *Do you see cable eventually superceding the Big 3 as the dominant source for*

(Continued on Page S-16)

Joe Benton

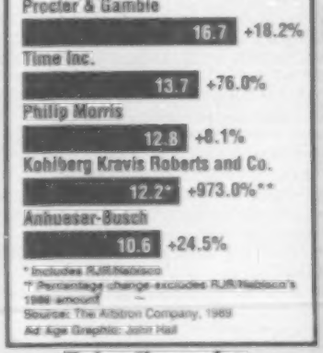
"The 1990s will be the cable decade even more so than the 1980s," say Ted Turner.

BAROMETER

Take a number

Cable's Big Spenders

The top 5 advertisers on six major cable networks for the first half of 1989. Shown in millions of dollars and percent change from 1988.



* Includes RJR/Nabisco
** Percentage change excludes RJR/Nabisco's 1988 amount
Source: The Allston Company, 1989
Ad Age Graphic: John Hall

Take the pulse

Laugh all you want, but the new comedy networks are helping crowd what some say is an already jammed channel selector. Barometer evaluates some new entries' chances:

The Cowboy Channel . . . It'll probably rope 'em in in Austin, but we reckon it won't find enough homes on the range.

Mizlou Sports News Network . . . Faces stiff competition from regional sports channels and ESPN, but programming promises to be different. Will be a tough call.

CNBC . . . It's crying out for an identity and a bigger allowance from its parent. Will probably end up orphaned.

The Sci-Fi Channel . . . To boldly where no network has gone before should help launch this off-beat concept.

The Comedy Channel . . . Got a jump on HA! but programming will determine who has last laugh.

HA! TV Comedy Network . . . Won't know until April who's the fool, but MTV's winning track record probably says it all.

Sports channel glut

Observers worry fans may have gotten their fill

By David J. Wallace

Mizlou Sports News Network should bear in mind what happened to the World Football League.

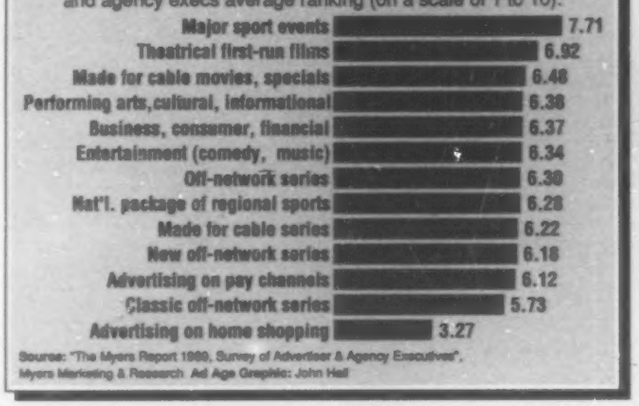
The WFL struggled along for a few years before it was squashed by the National Football League and sports fans' lack of interest.

SNN will enter a similar scenario in February when the Mizlou Communications Co. property will make its debut. Cable sports, dominated by ESPN on the national level and several regional networks, may be on the verge of saturation, observers say.

"There are more teams, more sports and more [viewing] choices. But the sports fan's total viewing audience has remained relatively flat," says Robert Gold, VP-PR for Prime Ticket Network, Los Angeles. "There are fewer pairs of eyeballs watching the games. So advertisers are paying more and getting less."

Sports Programming Scores Big

Where will future cable ad revenue growth come from? Advertiser and agency execs average ranking (on a scale of 1 to 10).


Major sport events 7.71
Theatrical first-run films 6.92
Made for cable movies, specials 6.48
Performing arts, cultural, informational 6.38
Business, consumer, financial 6.37
Entertainment (comedy, music) 6.34
Off-network series 6.30
Nat'l. package of regional sports 6.28
Made for cable series 6.22
New off-network series 6.18
Advertising on pay channels 6.12
Classic off-network series 5.73
Advertising on home shopping 3.27

Source: "The Myers Report 1989, Survey of Advertiser & Agency Executives", Myers Marketing & Research. Ad Age Graphic: John Hall

The majority of the continental U.S. is served by two major regional cable sports providers.

The triumverate of Daniels & Associates Chairman Bill Daniels, Tele-Communications Inc. and entrepreneur and co-owner of the Houston Astros John McMullen created Prime Sports Network last June.

PSN claims to be carried in 9.2 million cable households, primarily in 18 states in the West and Southwest.

The other major player is Rainbow Program Enterprises, an NBC-Cablevision Systems Corp. partnership. Its SportsChannel America serves 6.3 million subscribers and covers such markets as Chicago, New York, New England and Florida.

After an industry shakeout in 1984 and 1985 for the entire cable industry, regional sports channels and networks are in a fairly solid position, according to Dontia Gould, editor of *Cable Television Sports*, an industry newsletter.

> "The sports fan's viewing audience has remained relatively flat."

But the easy pickings are over. All but two of the major U.S. sports centers are taken, she says.

"With the exception of Detroit and Washington, D.C., Rainbow/NBC or Daniels/TCI control the entire market," Ms. Gould says. "You don't see entrepreneurs going into secondary markets. And some networks that are outside the Top 10 markets may have a hard time with advertising."

Not everyone agrees sports TV is tapped out. John Mansell, senior analyst at Paul Kagan Associates, says the market is growing to accommodate new players, particularly those who bring something different to sports fans.

"Sports news is something people want at their fingertips," says SNN Exec VP Jon Steinlauf. "We're not going into this to pick out a niche, but to take sports out of simply live game coverage. I don't see too many other concepts out there that are going to affect programming."

SNN is being programmed as a 24-hour sports news network and will offer features, interviews and other sports news.

ESPN also feels sports cable is still developing, and that the addition of new choices benefits the existing networks and viewers.

"Competition can only benefit the viewer. We're trying to improve what people see and how much they see," says Chris LaPlaca, ESPN's director of communications. "You haven't seen the end of what's happening with sports."

ESPN research shows its viewers who subscribe to regional sports networks find ESPN more valuable than its viewers who do not pick up regional networks. He likens it to the strategic decisions in other media to carve out local, regional, national and international expertises.

Steve Sabol, president of NFL Films, says regional sports channels are "still in their formative years . . . But the sports fan is a very sophisticated audience. The fans respond to something different because they're being saturated with [event coverage]."

Donald Heller, VP-general manager of PRISM, a pay cable channel serving the Philadelphia area, says although advertising generates 25% to 30% of regional sports channels' revenue, there is still more to be tapped. He tempered that optimism by adding increased advertising will not be the pot of gold for unprofitable companies who pay astronomical fees for broadcast rights.

"A lot of people think the advertising market out there is unlimited; I don't," Mr. Heller says. "Ad dollars as a panacea is a fallacy because consumers are going to pay for it sooner or later." □

David J. Wallace is an Advertising Age correspondent based in Philadelphia.

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OUT OF LEFT FIELD

Cavett caveat: New set of rules

By Anita M. Busch

Substance over flash.

Dick Cavett, widely regarded as one of the most sophisticated talk-show hosts to grace the airwaves, is back with his own show on NBC cable channel CNBC.

With a TV career spanning more than 20 years, Mr. Cavett offers a unique perspective on the differences between cable and network TV.

"For the performer, there seems to be less of the kind of instant live or die pressure [on cable] that you have on the networks," he says.

But, Mr. Cavett adds, cable does have its problems. "One of the things you have to deal with is explaining to people why they don't get the show when their cousin six blocks away does."

Advertising and promotion of his show is handled differently because of cable's limited reach. "All the time I'm in cable, I think why not advertise and promote [the show]. However, it doesn't necessarily pay to [advertise] in all the Brooklyn papers where they don't have cable."

Now there are so many channels available because of cable, viewers "don't remember what channel they saw you on. It's not the old days when you couldn't forget that Ed Sullivan was on CBS. . . . It was CBS, wasn't it?"

He says he doesn't really watch much TV, cable or network.

"If I want to be amused and am not getting up early, Carson still makes me laugh so hard, so suddenly. And except for Candy Bergen [on "Murphy Brown"] and the "Golden Girls," I doubt if I can tell you what night anything else is on.

"I'm a sucker for any WWII documentary. Every time I switch A&E on and it's in the middle of one being narrated by Olivier or someone, I'm stuck until the end of that show," Mr. Cavett says.

Viewers are realizing that there is some good programming on cable and have read about the networks' fear of the medium, he says.

Getting guests on the CNBC show hasn't been a problem al-

NBC/Al Levine

Dick Cavett: "One of my earliest fears was who's going to come to Fort Lee."

though Mr. Cavett admits, "One of my earliest fears was who's going to come to Fort Lee, New Jersey [where the show is taped]?

"I pictured it somewhere deep in the heart of the state. Ironically, I can get from home to the studio in Fort Lee easier than from my apartment to the theater district."

He says guests like the half-hour format on CNBC because it assures them that more than likely they'll be the only guest on that particular show. "There's certainly no stigma attached to cable [programming] anymore."

When cable programmers ask guests to appear on a show, now they don't receive the response, " 'I'm not going to leave my hotel room for a cable show,' " he says.

"[The medium has] gained status and people have read that almost everybody and everything has been on cable . . . I don't know, is there some historic date you could point to? Perhaps, like when Sinatra did a cable special and suddenly it became respectable?" □

Czech media eye more ad space

By Peter S. Green

PRAGUE—The expected opening of Czechoslovakia to the West may herald changes in media.

TV and radio commercial airtime may be extended and opened to foreign advertisers for the first time, and both magazines and newspapers may increase ad availability, industry insiders say.

"In two or three months' time, I think we will have Western goods on TV ads," said Miroslav Skopic, publicity manager for Rapid, a state-owned agency.

Czechoslovakia has 13 daily newspapers, hundreds of magazines and two TV channels. There's one national radio network and as many as two local stations in each market.

Local coverage of the protests has been closely watched by Czech citizens. Angry crowds gathered outside the government-controlled TV and radio stations to demand unbiased coverage of the movement.

At rallies in Wenceslas Square, opposition leaders addressed the crowd from the headquarters' balcony of *Svobodne Slovo*, the official Socialist Party daily. Thousands of chanting Czechs cheered *Svobodne Slovo* and cursed the main Communist Party paper, *Rude Pravo*.

Daily newspapers, which usually grew old on the newsstands, have been selling out by 7 a.m.

Czech media's growth has been stymied by tight government control, circulation problems and very low-quality printing and paper.

Currently, the ratio of newsprint limits newspaper pressruns, and newspapers carry very few ads, apart from classifieds.

Magazines carry the bulk of Czech advertising. But even the most popular magazines, such as general-interest *Vlasta*, run only a handful of ads.

But a shortage of paper means that a popular magazine such as *Mlady Svet* (*Young World*) has five readers per copy, claiming paid circulation of 475,000. A b&w page ad costs $4,700.

Jiri Cerny, VP-commercial director at Merkur, a full-service agency as well as the advertising arm of both Czech TV channels, predicted each copy of West German fashion magazine *Burda Moden's* Czech edition (AA, Dec. 4) will be read by 20 to 30 people.

"Next year, they will be reading this year's copies and using the dress patterns. Nobody will throw them out," he said.

The slow growth also stems from the lack of advertisers, industry sources say. "The media don't depend on advertising yet. They're sponsored by the state. But the situation is changing," Mr. Cerny said.

Czech TV also suffers from a lack of investment, he added. Manufacturers of Western goods or of quality Czech goods invest little in advertising.

"Whatever they put on sale is sold," he said.

Each national TV channel broadcasts about 8 hours a day and carries a total of 5 to 15 minutes daily of commercials from Czech marketers.

Advertising for foreign products is banned now, but this is expected to change under the new head of Czech TV, Miroslav Pavel, the Communist government's spokesman and a former journalist.

Radio also is opening up. Before the uprising, Merkur earlier this year had reached an agreement with Czech radio to triple the available ad time to 120 hours a year for the main radio station. □

Yugoslavia may follow Hungary to IAA membership

By Julie Skur Hill and Laurel Wentz

The International Advertising Association is developing an Eastern European accent.

At the New York-based organization's 32nd congress in Hamburg next June, Yugoslavia may join Hungary as the second official chapter in Eastern Europe, said IAA World President Clay Timon.

"Several individuals have come up to me at recent meetings from Yugoslavia, asking how they can become a chapter," said Mr. Timon, who's also VP-worldwide advertising at Colgate-Palmolive Co. "They need 15 members. . . . I think they'll get enough people interested."

The IAA also is "trying to encourage" the Soviet advertising association to upgrade its status as associate member to chapter, he said. In September, a group in Hungary became the IAA's first Eastern European chapter.

To teach IAA's Western members how to enter Eastern Europe, Hungarian IAA General Secretary Andras Szedgedi said he's trying to organize a conference next year in Budapest.

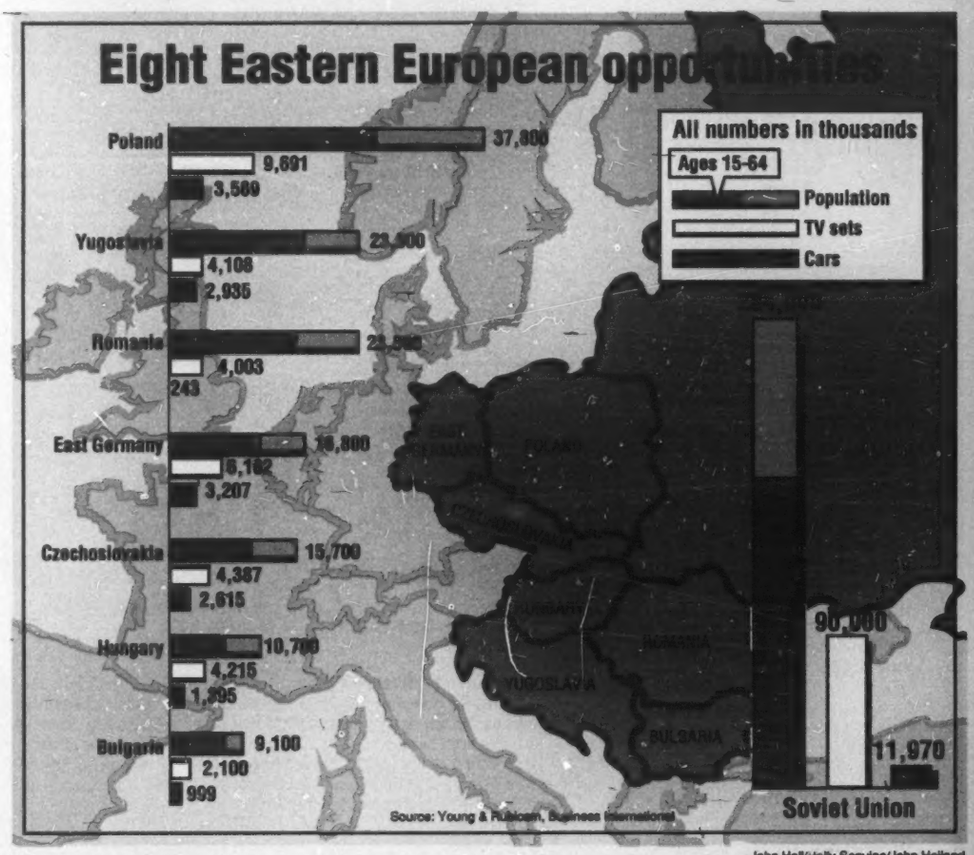
It would cover topics such as how to conquer the Soviet market through Hungary and offer advice from companies already operating in Eastern Europe, such as McDonald's Corp. and Adidas, said Mr. Szedgedi, who's also assistant to the managing director of Young & Rubicam Hungary.

Meanwhile, the IAA is trying to line up the economic ministers of the Soviet Union, Hungary, Yugoslavia, Poland and East Germany to attend the Hamburg congress.

The ministers would hold a group discussion titled "Comecon —a market with unlimited potential? An overview of the business revolution . . . in the Soviet Union and Eastern Europe."

"I think the Hungarian conference might have a problem at-

(Continued on Page 41)



East Germans scout for good buys in West

By Kevin Cote

WEST BERLIN—On the ground floor of the Wertheim department store, three teen-age East German girls sprayed their wrists with Elida Gibbs' Impulse body spray.

"Oh, we've seen this advertised on Western TV," one said. "You can get this, or something like it, in East Germany, but it costs a fortune."

The girls said they recognized many popular western brands, such as Benetton, Adidas and Levi's, but based their buying decisions on price. "We go for the cheapest," one young teen said.

This problem—that many East Germans want to buy brand name products but end up buying at the low end—is undercutting West German retailers' high expectations for the holiday season.

While crowds line up before opening hours to get into Woolworth Corp., where sales reportedly were up 300% soon after the Berlin Wall opened up, "the retail situation is nowhere near as positive as most people would expect," said Klaus Engelen, group sales director of three West Berlin upscale department store chains —Wertheim, Hertie and Bilka.

Overall sales at Wertheim stores are about the same as those during last year's holiday period because brisk sales of low-profit-margin items such as mass-market cosmetics, Unilever's Lux soap, Henkel's FA bath products and Beiersdorf's Nivea lotions, are offsetting losses of up to 20% in high-margin departments such as women's fashions, he said.

Wertheim's experience is typical of many West German department stores. Usual store traffic for Wertheim on the Kurfurstendamm, the tony shopping district here, is about 30,000 shoppers a day, Mr. Engelen said.

Since Nov. 9, the day travel restrictions were lifted, the average has been closer to 100,000.

However, that enormous increase in traffic hasn't automatically added up to profits. "Flat sales, higher costs and theft rates that have gone through the roof. . . . altogether, we're anticipating losses this season," he said.

Personnel costs have soared as stores expanded shopping hours.

Most East Germans are financing their shopping sprees from the $56 "welcome money" given by the West German government.

"But it's not that much money," said a father from Leipzig, guiding his family away from a perfume and digital watch vendor on the Kurfurstendamm.

He said he's saving to buy a decent stop-cock for his toilet back home.

"The one we have breaks down all the time," he said.

While branded jeans such as Levi's and Wrangler weren't moving at the Steg Shop jeans store, the manager reported good sales of no-name dungarees at half the price of branded trousers.

Cosmetics, personal-care items, all types of low-cost audio equipment, including personal stereos, and automotive accessories top East Germans' shopping lists. Other products said to be selling well are radio-controlled and battery-operated toys.

Such buying decisions by East Germany's 16 million consumers are being carefully watched.

A.C. Nielsen Co. is working on a research project to determine the buying patterns of East Germans who've been shopping in towns all along the border between East and West Germany.

"We want to find out how much they are buying, what they are buying and where they are buying it," said Karl-Joerg Kornobis, Nielsen deputy director of customer services.

"A lot of companies are burning for information out of East Germany," he said. □

Agencies cross wall to find comrades

PRAGUE—The leading **Czech ad agencies** are seeking relationships with Western agency groups. Merkur, an agency and the ad arm for both Czechoslovakian TV stations, and Rapid, a state-owned agency connected to the Ministry of Industry, have been in discussions with Western advertisers and agencies for the past year, sources say.

Merkur has met with J. Walter Thompson Co. executives from Vienna and with Young & Rubicam, said Jiri Cerny, Merkur VP-commercial director. However, the agency is more interested in working with European—especially West German—agencies.

Also, several Rapid executives are seeking to establish their own agencies early in 1990 and are starting to look for ties to Western agencies, sources say.

NUREMBERG—GfK, a market research company based here, wants to open an office in East Germany but is having trouble finding the right people to talk to.

"We're in contact with East Berlin, but nothing so far," said GfK Managing Director Hans Juergen Anders. In August, GfK set up a subsidiary in Hungary and will use that as a base to expand into East Germany, he said.

BRIEFS

MOSCOW—A sign of the changing times was posted Nov. 29 when **Coca-Cola Co.** lit a red, 20-by-40-foot neon Coca-Cola sign in Pushkin Square.

The sign features the Coca-Cola trademark in a moving display that includes the time and current temperature.

WEST BERLIN—Flaskamp agency here hopes to establish an office on the other side of the crumbling Wall.

The agency has had discussions with a design company in Dresden for the past three years but is now looking closer to home at an office in East Berlin.

FRANKFURT—Dieter Schweickhardt, managing director of GWA, a West German ad agency association based here, has written East Germany's advertising organization **Interwerbung** in East Berlin in an effort to re-establish ties.

He said in an interview the agencies his association represents are willing to expand offices into the East.

"Only we don't know what form it will take because it still is not clear how businesses will be structured in [East Germany]," he said. "The first step is to say, 'Let's talk.' " □

The perfect gift

A timely U.K. newspaper ad comments on recent events in East Germany. Lego UK's ad shows building-block people passing through Berlin's Brandenburg Gate. WCRS Mathews Marcantonio, London, handled.

IAA

(Continued from Page 40)

tracting the same people," Mr. Timon said. "My point is let the world congress have the general Eastern Europe information, and the Hungarian conference can handle specialized information."

A few hundred people are expected to attend the Hungarian conference while 1,000 to 2,000 are expected at the Hamburg congress themed "Changes," he said.

"The world is changing faster than ever before; environmental protection, megamergers, *glasnost* have influenced the world and the economy," said Joerg A. Breckwoldt, chairman of the congress and managing partner of cosmetics marketer Dralle, Hamburg.

Many of the proposed speakers for the Hamburg congress have accepted. They include Philip H. Geier Jr., chairman-ceo, Interpublic Group of Cos.; Helmut Sihler, ceo, Henkel; Allen Rosenshine, chairman-ceo, BBDO Worldwide; and Michael Conrad, president-director of creative services, Leo Burnett International. *Newsweek* will send journalists from four continents for a discussion on media concentration.

The fee for the three-day congress is $750 for IAA members; non-members pay $900. □

Dagmar Mussey in Duesseldorf contributed to this story.

BusinessWeek
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Closing Jan. 22, 1990

BusinessWeek
WORLDWIDE AUTOMOTIVE INDUSTRY
Apr. 9, 1990
Closing Mar. 5, 1990

BusinessWeek
INTERNATIONAL HOT GROWTH COMPANIES
May 21, 1990
Closing Apr. 16, 1990

BusinessWeek
INTERNATIONAL BANKING
July 2, 1990
Closing May 28, 1990

BusinessWeek
GLOBAL 1000
July 16, 1990
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Chrysler's troubles mount

Mark Anderson

Emilio Azcarraga: The mystery man behind 'National'

'El Tigre' launches sports daily

By Christy Fisher

He could be the new media baron of the 1990s, in the same league as Rupert Murdoch. He's already that in Mexico, where many people believe he's the second most powerful man, next to the president.

Few people know him well, but those who do fear him.

Emilio Azcarraga Milmo—or "El Tigre" (The Tiger) as he is called in Mexico—is about to hit the U.S. in a major way by undertaking the biggest media risk of the new year: the launch of a national U.S. sports daily, *The National*, slated for January.

If successful, the *National* could catapult El Tigre into a prominent position in U.S. print media.

It also would lay the groundwork for other ambitious plans the Mexican has for the U.S. market.

Whatever happens, the U.S. has not seen the likes of this kind of media baron since the eccentricities of William Randolph Hearst. The way Mr. Azcarraga came to finance the *National* illustrates the point.

Shortly after meeting at a New York dinner party, Peter Price, then publisher of the *New York Post*, and Mr. Azcarraga became absorbed in conversation about media and sports.

Mr. Azcarraga wondered why the U.S. didn't have a national sports daily, and he then suggested that he and Mr. Price put one together.

Though interested, Mr. Price said he still had a six-month commitment to the *Post*.

Six months later, Mr. Price received a telephone call from Mr. Azcarraga. "Six months are up, and it's time," he said.

Now the *National*, which will be published Sunday through Friday, has become the most-anticipated new launch since that of *USA Today* (its main competitor, many believe).

The *National* will cost an estimated $100 million to launch. It has an editorial staff of 25, led by Editor Frank Deford, a veteran of *Sports Illustrated*, and will cost 50¢ a copy.

Initially, the paper will be in New York, Chicago and Los Angeles. The plan is for it to spread to one market a month and in five years to be in more than 100 markets with a 1 million circulation.

As for the man behind it, few people know anything about him.

In Mexico, many believe Mr. Azcarraga's secrecy is based on fears of terrorists and kidnappers. He declined to be interviewed for

(Continued on Page 44)

By Raymond Serafin

A crisis mentality is back at Chrysler Corp., and that state of mind may carry both perils and opportunities for the company's ad agencies.

The No. 3 automaker on Friday announced a major new consumer incentives program that includes for the first time its popular minivans, a line critical to Chrysler's profitability.

Slumping sales and bleak forecasts drove the move to offer cash-back incentives of $1,000 to $2,000 on every Chrysler vehicle. There also is an innovative guarantee that buyers can get cash back if incentives are sweetened after this program expires Jan. 31.

Chairman Lee Iacocca explained the program in a highly unusual state-of-the-company address carried via closed circuit TV to dealers across the country.

Mr. Iacocca also gave the dealers reassurance that Chrysler is committed to the North American car business, and said the company is keeping its future product plans on schedule despite the tough times.

On the agency side, no one has suggested Mr.

Chrysler is demanding more from agencies, and strategic assignments are taking new turns.

Iacocca is considering the type of dramatic action he took 10 years ago, when Chrysler faced even deeper financial problems than it does now.

At that time, he fired all Chrysler's agencies and hired Kenyon & Eckhardt (now Bozell) away from Ford Motor Co.

But a sense of urgency about reviving the company's fortunes is unmistakable. As Chrysler struggles, the company is demanding more from agencies, and strategic assignments are taking new turns.

Last week Chrysler called in three of its agencies—Bozell, BBDO Worldwide and Campbell-Mithun-Esty—to present ideas for the incentives campaign, an assignment that in the past would have automatically gone to corporate agency Bozell.

In the end, Chrysler assigned the new campaign to Bozell, but the work is based on "ideas from all three agencies," said A.C. "Bud" Liebler, Chrysler executive director-corporate communications and marketing services. That lends support to the view that the estimated $20 million corporate account is in play (AA, Nov. 13).

"I wouldn't be surprised if there were more creative jump balls," said one Chrysler agency source.

Radio spots for the new incentive campaign

(Continued on Page 44)

LAST MINUTE NEWS

Stroh mulls cuts as Coors deal dies

DETROIT—Major ad cutbacks could be in store for Stroh Brewery in the wake of last week's failure to complete a deal with Adolph Coors Co.

Coors backed out of the $425 million deal Dec. 15, saying it couldn't resolve "significant issues" and anti-trust concerns in a timely manner.

Brewing division President Peter Coors said negotiations would continue, but Stroh has the option of looking for other buyers. Among other brewers mentioned as possible buyers are Guinness PLC, a Belgian brewer and S&P Corp., marketer of Pabst and Pearl beers.

Sources said if the deal can't be resuscitated or another suitor found quickly, Stroh might have to think about cutting back Stroh's and Stroh's Light from national to regional support or major across-the-board cutbacks in its onetime $40 million advertising account. Hal Riney & Partners, San Francisco, handles Stroh's and Stroh's Light. Grey Advertising, New York, handles Old Milwaukee.

"We would expect to continue to support Schlitz Malt Liquor and Old Milwaukee at historic levels," said Christopher Sortwell, Stroh VP-corporate planning and development. "The ques-

(Continued on Page 8)

INSIDE

New niche ..... P. 4
R.J. Reynolds targets black smokers with a new cigarette.

Top honor ..... P. 30
Frankel & Co. wins *Ad Age's* Sales Promotion Agency of the Year award.

Meter madness ..... P. 45
TV networks question measurement techniques used with people meters.

Cabinet execs back limits on alcohol ads

By Steven W. Colford

WASHINGTON—In what may be an omen for alcoholic-beverage marketers, two members of President Bush's Cabinet last week said alcohol advertising and promotional practices should be more closely regulated or banned by the federal government.

The controversial statements by Transportation Secretary Samuel Skinner and Health & Human Services Secretary Louis Sullivan were sandwiched around a 10-minute speech by President Bush before about 180 representatives of anti-alcohol and drunken driving groups.

Stephen Hart, White House deputy assistant press secretary, said the two Cabinet officers were expressing their own views and not those of President Bush. There was no discussion within the White House to review alcoholic beverage advertising, but the subject could easily be brought to the president's attention by the department heads, Mr. Hart said.

"Both Skinner and Sullivan could bring this to the Domestic Policy Council, and that appears to be under consideration at both these agencies," Mr. Hart said. "It's an obvious concern of two key cabinet heads."

The issue arose when Mr. Skinner, after dismissing a suggestion of raising alcohol excise taxes, agreed stricter regulation of alcohol advertising might be needed.

"This whole issue of regulated advertising is something the federal government has traditionally looked at and stayed away from," Mr. Skinner said. "I'm not sure that it's not time to revisit those issues."

But it was Mr. Sullivan, following the president's brief appearance, who turned the 90-minute White House meeting into a dialog on alcohol advertising and promotion.

"We should consider some

S. Skinner

L. Sullivan

form of restraint on the advertising of alcoholic beverages," he said. "Radio and TV station managers must give alcohol advertisers less leeway. We can no longer allow impressionable young people to see the use of alcohol promoted as the essential ingredient in every social gathering or to have alcohol affiliated with rock concerts or other events that attract our teen-agers. It's time we have advertising that celebrated sobriety."

And when Ava Troxler, from the Winston-Salem, N.C., chapter of Remove Intoxicated Drivers, said the government could remove alcohol advertising from TV and radio as it did cigarette advertising, Mr. Sullivan enthusiastically agreed.

"We certainly will work to influence that significantly," he said. "The sentiment you express I fully support and will encourage."

The comments represent Mr. Sullivan's personal and departmental views, said Bob Schmermund, HHS deputy assistant secretary for public affairs.

"He has said in the past that we need to look into alcohol advertising," Mr. Schmermund said. "But I know of no specific plans or legislation in that regard."

But it appears quite possible, if not likely, that legislation restricting certain alcohol marketing practices may be forthcoming early in 1990. By Jan. 15, Mr. Sullivan, to comply with federal law, must deliver to Congress a report on alcohol and alcohol abuse, including legislative recommendations.

Based on his remarks at the White House, which reiterated proposals by former Surgeon General C. Everett Koop's drunken driving workshop of a year ago, Mr. Sullivan's report may well propose banning specific alcohol marketing techniques.

Those could include the use of celebrities in alcohol promotions, the sponsoring or promoting of concerts and sporting events where the audience is largely below drinking age, and alcohol ads that portray activities such as race-car driving and other risky pastimes.

Those recommendations, in turn, could find their way into legislation widely anticipated from Sen. John Glenn (D., Ohio), who attended last week's White House session and whose Senate Governmental Affairs Committee earlier this year probed alcohol advertising practices. □

Sears loses Disney, Tiegs

By David Snyder
Crain News Service

CHICAGO—Sears, Roebuck & Co. has lost its grip on one of its most promising promotional opportunities: a comprehensive, 10-year marketing pact with Walt Disney Co., signed with much fanfare in November 1987.

Under terms of the deal, viewed as an in-store marketing bonanza, Sears would have obtained exclusive rights to develop products using characters from classic and upcoming Disney animated films, and the ability to market a line of Disney children's apparel.

But terms of the agreement have been dramatically curtailed, leaving Sears with little more than the rights to sell new Disney merchandise on a case-by-case basis. (Sears maintains exclusive rights until 1991 to more than 250 characters from classic movies, such as "Peter Pan" and "Snow White.")

"We found the terms of the deal restrictive," a Disney spokesman said. "Now Sears has the opportunity to work with other film companies, and we have the right to work with other retailers."

C. Tiegs

Sears said a full-fledged alliance with Disney no longer fits its "power format" strategy.

Observers say the decision to call off the Disney alliance is unfortunate. Disney's powerful draw was seen as an effective way to attract customers.

"Without some promotion, the stores have the excitement of a dial tone," said one former Sears executive.

Sears also said the retailer and model Cheryl Tiegs are going their separate ways after a 10-year relationship.

The company's exclusive endorsement and apparel contract with Ms. Tiegs expires at yearend and won't be renewed.

Both Sears and Ms. Tiegs, 42, said the decision not to continue their affiliation was mutual.

Sears said the move is part of a strategy to shift to more brand-name merchandise in women's apparel. However, where it does market private-label items, Sears wants the label to be its own rather than one piggybacked on the reputation of a celebrity.

Affiliations with golfer Arnold Palmer and actress Stephanie Powers will continue, at least until their contracts expire.

Ms. Tiegs said Sears' marketing support for her sportswear line has declined steadily in recent years, culminating in a decision this year to exclude her from the catalog.

"It's not a positive, beneficial working relationship anymore," Ms. Tiegs said in an interview.

Terms of her contract weren't disclosed, but it's believed she received a fee plus percentage of sales. □

Notice to our readers

Advertising Age will not publish a Dec. 25 issue. Instead, we will publish a special issue on Jan. 1 reviewing the 1980s.

MARKET PROFILE: SOUTH FLORIDA
Special Advertising Supplement starts after Page 28

IN THIS ISSUE

Eastward bound: U.S. agencies look for opportunities in Eastern Europe for themselves and clients. **14**

Snack attack: Frito-Lay delivers a hard hit to snack competitors by increasing ad spending 50%. **18**

True to heart: Mazola corn oil's cholesterol reduction claims are upheld by the Better Business Bureau's National Advertising Division. **39**

JWT gets sauced: J. Walter Thompson lands Unilever's $25 million Ragu spaghetti sauce account. **40**

What's ahead: Robert Louis-Dreyfus discusses his plans for Saatchi & Saatchi at PaineWebber's MediaWeek conference. **41**

VIEWPOINT

Considerations **19**
Editorials **19**
Forum **24**
Brady's Bunch **24**
Letters **25**
James Brady **28**
The Next Trend **28**
Joe Winski **28**

Frankel & Co. has won the title of Sales Promotion Agency of the Year, impressing *Ad Age* judges with its innovative thinking and creative problem-solving.

MEDIA

MediaWorks **32**
Consumer Linage **33**
PeopleWorks **34**
People Moving **34**
Photo Review **35**

The commercials of 1989 contained some blasphemy, theft, quackery, copycatting and even pornography. But in the end, it was a great year in the history of TV advertising.

U.S. NewsWatch **10**
Corrections & Clarifications **25**
Classified **37**
For the Record **41**
Index to Advertisers **46**

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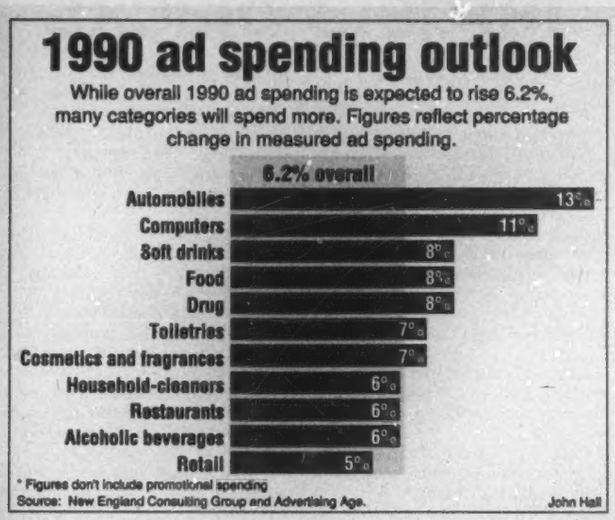
Ad spending to grow 6% to 10%


1990 ad spending outlook
While overall 1990 ad spending is expected to rise 6.2%, many categories will spend more. Figures reflect percentage change in measured ad spending.
6.2% overall
Automobiles 13%
Computers 11%
Soft drinks 8%
Food 8%
Drug 8%
Toiletries 7%
Cosmetics and fragrances 7%
Household-cleaners 6%
Restaurants 6%
Alcoholic beverages 6%
Retail 5%
* Figures don't include promotional spending
Source: New England Consulting Group and Advertising Age.
John Hall

An Advertising Age roundup

U.S. advertisers have made a New Year's resolution to increase ad expenditures as much as 6% to 10% next year, a more bullish outlook than previously indicated.

Although industry guru Robert Coen, a McCann-Erickson Worldwide senior VP, said he believes 1990 will "be a better year than 1989 but certainly not a boom year," an informal *Advertising Age* survey found marketers may be more inclined to loosen their purse strings.

Mr. Coen, whose annual projections are taken as gospel by most advertisers and agencies, last week predicted spending next year will climb a modest 6.2% to $132.6 billion. His forecast came at the annual PaineWebber media outlook conference *(see story on Page 41)*.

Despite fears the U.S. economy may plunge into recession by late 1990, industry executives predict ad spending in the automobile industry, fueled by several car introductions including General Motors Corp.'s Saturn, will increase an average of 13%.

"We're seeing people commit to building brand identities and keeping their budgets up. We're not seeing people jump into short-term measures."

Ad spending behind computers, where competition in the portable computer category remains fierce, will grow 11%, industry executives said.

"There are real wars about to break out in the PC and laptop segments, and I expect to see a number of new-product introductions," said Mark Minkin, director of corporate advertising at Bull, a computer marketer.

In consumer non-durables, such as soft drinks, food and over-the-counter drugs, executives said ad spending will climb about 8%. Spending behind cosmetics and fragrances and toiletries should average 7% growth, while household cleaners may show slightly more than 6% growth.

"We tend to be more bullish than others about the potential for media spending in the U.S.," said Martin Sorrell, chief executive of London-based WPP Group, which owns J. Walter Thompson Co. and Ogilvy & Mather Worldwide.

In his speech at the conference,

(Continued on Page 45)

Hall of Fame lauds industry pioneers

By Steven W. Colford

For Jean Wade Rindlaub, last week's election to the Advertising Hall of Fame represented the capstone to a copywriting career that began when Herbert Hoover was president, TV an experiment and the Saatchi brothers not yet born.

Ms. Rindlaub, 85, who retired as a BBDO VP in 1964, is one of three 1989 electees to the industry pantheon, joining James Burke, former chairman-ceo of Johnson & Johnson, and Raymond Mithun, founder of Campbell-Mithun-Esty.

They will be inducted March 22 in ceremonies at New York's Waldorf-Astoria.

The three survived an original roster of 40 nominees, and will join 109 people already enshrined in the Hall of Fame, administered by the American Advertising Federation.

Mr. Burke, for 12 years the top man at Johnson & Johnson and a moving force behind its growth into a $9 billion global marketer, remains a key industry representative, presently serving as chairman of the Media-Advertising Partnership for a Drug-Free America.

Perhaps Mr. Burke's business acumen and advertising sense were best dis-

(Continued on Page 46)

The Advertising Hall of Fame this year honors (from l.) Jean Wade Rindlaub, James Burke and Raymond Mithun.

Tyson's Looney about kids

New meals stress nutrition, convenience, fun

By Christy Fisher

Tyson Foods is teaming up with Bugs Bunny and the rest of the Looney Tunes gang to introduce a line of microwaveable low-fat frozen meals for children.

Tyson Looney Tunes Meals should be in much of the U.S., excluding the Northeast, by April. Rollout in the Northeast begins in October.

Each item in the eight-entree line features a different character, including Bugs, Daffy Duck, Speedy Gonzales, Road Runner, Sylvester, Tweety, Wile E. Coyote and Yosemite Sam.

A $10 million ad campaign breaks in May, including a 30-second animated network TV spot aimed at kids. Print ads targeted at parents focus on the meals' low-fat content, nutritional value and convenience.

Stern Walters Partners, Chicago, is handling; Saatchi & Saatchi Advertising, New York, remains Tyson's agency of record.

Tyson is the latest player in the emerging children's prepared-meals category, which the company estimates is worth a potential $250 million.

My Own Meals has a shelf-stable line in Midwestern markets, and ConAgra has plans for a national rollout early next year of its Kid Cuisine, a line of eight frozen dinners marketed under the Banquet brand.

Daffy Duck and seven other Looney Tunes characters are featured on Tyson's new line of meals for kids.

Geo. A. Hormel & Co. for the past year has been testing its Kid's Kitchen line of shelf-stable entrees, and Great American Food Co. is said to be testing a line called Kids' Cupboard, to be introduced within the next six months.

Tyson sought the affiliation with Warner Bros.' Looney Tunes characters because it wanted to make the meals fun and appeal to kids, said Jack Dunn, Tyson's VP-retail marketing.

Besides the characters on the box, each meal will be packaged with a Looney Tunes-related premium, he said, such as character collector cards.

Tyson thinks the meals also will have a nostalgic appeal to parents.

"Bugs Bunny is 50 years old," Mr. Dunn said. "You grew up with him. I grew up with him. Bugs Bunny is still the No. 1 character on Saturday morning cartoons." □

Julie Liesse Erickson in Chicago contributed to this story.

Pentagon to cut ad ammunition?

By Janet Meyers

WASHINGTON—The end of the Cold War may also mean the end of "Be all you can be," "Aim high" and "A few good men."

As the White House slashes defense spending with military threats from Eastern Europe waning, military recruitment advertising will likely suffer similar reductions, Pentagon officials predict.

The size of those cuts is still in question. But the Army, which now barely reaches its recruitment goals, fears Pentagon decision-makers will slash advertising so severely the Army won't be able to get its message out to potential recruits.

For 1990, the Defense Department will spend about $185 million on recruitment advertising, a 5% drop from 1989. The cuts in 1991 will be steeper, military officials say.

"Candidly, I wouldn't be surprised" to see a dramatic cut in the 1991 ad budget, said Lt. Col. Dave Fredrikson, assistant director, Defense Office of Accession Policy. He estimated the ad budget cut will equal the percentage reduction in military personnel.

"I would just assume everything in the defense budget would be smaller," said John Glorieux, exec VP-general manager, Young & Rubicam, New York, which handles the Army's $91 million account. The Army "is an account we value," even if its dollar amount drops over the next several years, he said.

Decisions on how advertising will be affected by the major policy shifts now under discussion by the Pentagon and Congre are several months away.

"When you're talking about canceling B-1s, our priority

(Continued on Page 41)

CONSUMER MAGAZINE AD LINAGE

	November 1989	November 1988	Year-to-date 1989	Year-to-date 1988
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	150.6	172.7	1,731.9	1,826.9
Car & Driver	122.8	122.2	1,208.1	1,129.1
Car Collector & Car Classics	18.7	18.8	187.0	188.9
Car Craft	66.1	74.5	848.6	907.6
Circle Track	86.4	75.6	941.2	883.8
Cycle	38.1	35.0	447.0	460.3
Cycle World	40.8	37.1	459.0	507.4
Dirt Rider	29.4	43.8	349.6	415.4
Dune Buggies & Hot VWs	69.6	70.6	758.6	811.1
Family Motor Coaching	168.7	162.9	1,991.1	1,912.0
4 Wheel & Off-Road	96.4	95.9	927.1	975.0
Four Wheeler	94.7	97.0	923.1	991.0
Hot Rod	80.6	85.6	980.5	962.7
Motorcyclist	28.1	25.8	439.4	452.4
Motor Trend	117.8	71.1	942.8	843.7
Motorhome	92.0	91.8	1,023.7	1,024.9
Rider	28.4	30.7	365.8	428.2
Road & Track	149.4	107.1	1,206.8	1,138.0
Trailblazer	41.0	48.5	596.0	632.5
Trailer Life	91.6	102.5	1,014.9	1,085.9
Total Group	**1,611.2**	**1,569.2**	**17,342.3**	**17,576.7**
% change	**2.7%**		**-1.3%**	
■ Boating & yachting				
Boating	120.9	139.0	1,607.7	1,739.6
Chesapeake Bay	38.3	47.3	570.4	573.7
Cruising World	97.3	83.0	1,317.9	1,343.7
Lakeland Boating (11X)	118.0	73.0	991.8	882.9
Motor Boating & Sailing	96.2	138.6	1,499.0	1,695.2
Sail	84.1	106.3	1230.7	1210.2
Trailer Boats (11X)	35.3	35.9	696.2	664.3
Western Boatman (6X)	44.7	42.0	271.8	300.3
Yachting	144.3	135.3	1,539.1	1,585.8
Total Group	**779.1**	**800.3**	**9,724.6**	**9,995.7**
% change	**-2.7%**		**-2.7%**	
■ Civic/fraternal				
Elk (10X)	16.0	16.3	155.4	171.5
Kiwanis	17.1	20.8	144.4	160.1
Lion (10X)	9.5	3.1	70.1	61.2
Rotarian	16.7	15.0	144.0	204.8
V.F.W. (11X)	25.5	27.3	288.3	289.7
Total Group	**84.8**	**82.5**	**802.2**	**887.3**
% change	**2.8%**		**-9.6%**	
■ General				
American Health (10X)	62.8	72.0	679.8	614.5
American Heritage (8X)	81.0	86.8	357.4	316.6
American Legion	34.6	38.5	358.0	402.4
American West (6X)	—	—	149.8	162.0
Art & Antiques (10X)	76.0	68.4	696.5	673.7
ARTnews (10X)	110.8	134.2	1,069.2	1,055.3
The Atlantic A.	85.9	64.0	563.6	462.8
Bon Appetit A.	144.2	141.0	934.8	936.0
Cable Guide	39.1	35.5	410.6	353.0
Changing Times	63.4	75.3	570.5	625.9
Conde Nast's Traveler	119.0	75.9	871.7	571.2
Connoisseur	107.8	147.2	857.0	968.0
Consumers Digest (6X)	33.0	31.1	147.9	145.1
Ebony	112.4	124.1	1,065.4	1,108.1
European Travel & Life	72.7	75.2	515.7	414.2
Food & Wine	76.7	92.8	665.1	606.5
Games (6X)	23.8	9.5	80.0	45.9
Golden Years (6X)	47.7	31.5	267.7	423.1
Gourmet	184.6	159.0	1,159.7	1,139.7
Harper's Magazine A.	31.8	33.7	333.9	354.6
Harrowsmith (6X)	48.3	46.2	342.8	317.2
Islands (6X)	92.0	75.7	399.2	301.0
Lat'l's Live	49.0	53.0	525.0	540.0
Life	58.2	119.4	734.0	662.0
Modern Maturity (6X)	—	—	201.2	182.4
Money	174.7	135.5	1,176.2	1,279.7
Mother Earth News	69.2	70.1	461.3	439.6
National Geographic	30.5	27.1	249.2	245.2
National Geographic Traveler (6X)	44.3	35.9	199.8	154.6
Natural History	46.7	49.4	449.4	425.6
New Choices	45.0	64.8	394.9	379.0
Prevention	50.9	52.7	560.9	600.8
Psychology Today	36.9	32.6	325.4	284.9
Reader's Digest A.	120.7	123.3	1,039.4	1,103.7
Saturday Evening Post (5X)	47.3	35.3	352.6	281.7
Smithsonian	130.3	118.5	968.3	965.4
Town & Country	231.3	229.5	1,498.2	1,512.2
Travel-Holiday	27.5	27.5	443.7	384.0
Travel & Leisure	216.0	179.6	1,424.8	1,275.3
Travelhost	1,157.0	1,188.0	13,990.0	13,527.0
Vanity Fair	190.2	136.7	1,322.1	1,043.7
Yankee	82.7	90.9	708.0	842.0
Total Group	**4,625.5**	**4,552.2**	**41,124.9**	**39,900.2**
% change	**1.6%**		**3.1%**	
■ Home				
Americana (6X)	—	—	91.4	79.9
Architectural Digest A.	263.2	212.3	1,750.5	1,688.2
Better Homes & Gardens	157.9	151.1	1,298.4	1,312.3
Colonial Homes (6X)	61.1	63.2	357.0	367.4
Columbus Monthly-Homes (4X)	—	—	134.1	150.5
Cooking Light	54.9	52.5	312.2	236.3
Country Home (6X)	54.0	70.9	444.3	352.6
Country Living	117.9	119.3	1,029.3	1,032.6
Family Handyman (10X) A.	43.3	54.1	456.9	481.3
Florida Home & Garden	71.3	96.0	880.9	814.2
Flower & Garden (6X)	22.1	41.6	210.6	256.5
Home	46.4	51.9	648.3	686.0
Home Mechanix	95.1	58.1	612.0	584.4
The Homeowner (10X)	26.6	25.9	314.9	309.9
Horticulture	37.5	34.3	415.0	411.2
House Beautiful	89.2	88.5	761.6	802.5
House & Garden	103.7	113.7	908.6	1,026.8
Metropolis	61.0	68.9	669.1	626.0
Metropolitan Home	130.3	127.8	1,133.4	980.6
Midwest Living	58.8	69.6	383.7	327.0
1,001 Home Ideas	71.3	66.3	666.0	639.4
Organic Gardening (11X)	24.9	24.4	386.4	467.6
Phoenix Home/Garden	97.0	106.0	823.8	819.5
Practical Homeowner (9X)	39.2	24.6	312.5	357.2
San Diego Home/Garden	61.8	62.0	786.7	768.5
Southern Accents (6X)	111.3	114.0	673.2	687.8
Southern Living	129.2	160.2	1,269.2	1,368.7
Sunset Magazine A.	137.0	153.7	1,303.9	1,382.5
Workbench (6X)	47.4	44.1	277.9	236.7
Total Group	**2,213.4**	**2,254.9**	**19,312.9**	**19,253.9**
% change	**-1.8%**		**0.3%**	
■ In-flight & other passenger				
Aboard Group (6X)	59.3	50.6	253.1	226.8
Alaska Airlines	88.3	55.4	724.6	610.8
America West Airlines	88.0	80.5	774.3	702.5
American Way (24X)	223.2	198.8	1,767.5	1,664.4
East/West Network:				
Continental Profiles	65.8	79.1	643.8	575.4
Eastern Review	46.2	94.3	468.8	751.2
Pan Am Clipper	74.5	56.9	612.9	499.1
Southwest Spirit	62.5	78.9	698.9	704.2
TWA Ambassador	61.3	79.1	567.3	532.7
Vis 'A Vis	107.1	98.8	973.8	728.8
Halsey Publication: Delta Sky	95.7	89.9	905.0	899.0
Pace Communications: US Air Magazine	71.7	76.7	672.4	682.1
Spirit of Aloha	28.9	24.8	270.2	229.8
Total Group	**1,072.4**	**1,063.8**	**9,332.7**	**8,806.8**
% change	**0.8%**		**6.0%**	
■ Men's				
Esquire A.	168.5	154.8	1,299.8	1,134.2
Firehouse Magazine	43.7	42.8	467.5	503.7
Gentlemen's Quarterly A.	204.2	235.2	2,017.4	1,963.7
M Magazine	74.3	65.3	803.0	849.3
Penthouse A.	55.4	49.4	564.0	477.6
Playboy A.	75.2	64.4	671.1	599.3
Salute (10X)	43.8	35.4	314.3	266.6
Total Group	**665.0**	**647.4**	**6,137.1**	**5,794.4**
% change	**2.7%**		**5.9%**	
■ Metropolitan				
Aloha (6X)	53.2	34.2	276.2	179.4
Atlanta	74.7	87.3	690.6	786.5
Baltimore	87.7	75.7	749.4	754.4
Boston	158.1	202.9	1,517.1	1,763.5
California	74.9	73.7	699.4	726.2
Chicago	158.7	155.5	1,292.8	1,272.0
Chicago's North Shore	117.2	109.2	1,076.7	1,017.4
Cincinnati	47.6	65.1	550.0	557.9
Cleveland	63.0	63.1	607.7	642.9
Columbus Monthly	85.3	69.6	822.1	785.7
Connecticut	100.5	119.3	1,100.4	1,157.7
D/Magazine	81.7	95.1	771.3	893.5
Denver	24.0	39.0	195.0	278.0
Detroit Monthly	80.4	110.6	671.7	950.5
Grand Rapids	50.7	63.7	449.5	458.0
Honolulu	83.4	101.7	609.3	673.3
Houston Metropolitan Magazine	92.9	80.1	711.8	636.9
Inside Chicago (8X)	43.9	56.2	271.3	231.5
Los Angeles	170.0	175.8	1,653.3	1,660.7
Louisiana Life (6X)	35.5	30.5	200.0	203.4
Madison	56.0	48.0	454.0	399.4
Memphis	54.0	84.0	810.3	908.3
Mid Atlantic Country	52.4	35.3	479.2	401.0
Milwaukee	76.3	72.9	618.3	626.7
Minneapolis/St. Paul	152.9	156.3	1,224.3	1,171.4
Minnesota Monthly Magazine	72.6	52.6	597.2	456.9
Nashville	58.0	60.0	626.0	492.0
New England Monthly	44.4	57.7	502.0	530.1
New Jersey Monthly	136.6	109.0	1,078.4	1,141.1
New Mexico	39.8	47.8	436.3	397.0
Ohio	47.6	61.9	588.3	632.3
Orlando	107.0	96.0	1,093.3	961.8
Pacific Northwest	53.8	63.1	537.9	454.9
Palm Beach Life	70.9	80.3	723.4	689.7
Palm Springs Life	113.8	91.9	1,367.1	1,218.7
Philadelphia	164.8	185.5	1,522.3	1,668.8
Phoenix	49.8	54.8	461.2	555.0
Pittsburgh	90.3	82.0	748.0	771.1
Rhode Island Monthly	61.5	58.6	632.8	333.9
Sacramento Magazine	73.0	83.0	622.1	752.0
St. Louis	63.6	40.4	530.0	453.3
San Diego	141.3	146.9	1,448.7	1,654.1
San Francisco Focus	127.1	145.0	1,169.3	1,120.7
Sarasota	76.0	77.0	779.0	696.0
South Florida Magazine	194.0	210.8	1,195.5	1,120.5
Texas Monthly	121.5	109.9	1,086.2	1,089.4
Ultra	58.5	52.3	450.9	301.2
Washington (7X)	45.0	106.0	394.8	461.7
The Washingtonian	196.5	195.5	1,776.5	1,719.2
Total Group	**4,282.2**	**4,452.7**	**38,968.6**	**38,827.7**
% change	**-3.8%**		**0.1%**	
■ Music/entertainment				
Audio	111.6	111.2	1,253.5	1,148.9
Dance Magazine	57.5	51.1	582.1	578.8
Playbill	73.5	71.1	558.0	581.8
Video Magazine	77.4	74.0	719.4	704.0
Total Group	**320.0**	**307.4**	**3,114.0**	**3,013.5**
% change	**4.1%**		**3.3%**	
■ Outdoor & sport				
Alaska	39.8	39.3	420.0	395.0
The American Handgunner (6X)	67.0	57.0	341.0	320.0
American Hunter	40.3	17.5	283.3	274.0
American Rifleman	38.8	26.3	288.0	294.5
Backpacker (6X)	40.2	—	202.9	145.2
Bass Master (10X) A.	56.6	72.3	683.0	699.2
Bicycling (9X)	—	—	1,014.0	1,025.2
Cross Country Skier	87.9	86.6	213.5	222.0
Ducks Unlimited (6X)	51.7	48.1	202.3	200.9
Field & Stream	82.9	80.8	896.1	933.5
Fishing World (6X)	25.0	15.8	204.7	201.0
Florida Sportsman	102.2	85.5	1,335.0	1,339.7
Golf Digest	75.0	80.3	1,291.3	1,151.0
Golf Illustrated	46.0	40.0	530.0	350.2
Golf Magazine	66.0	66.8	1,093.4	987.7
Gun Dog (6X)	35.7	40.8	264.6	193.3
Guns	50.0	52.0	435.0	476.0
Guns & Ammo	47.6	59.9	499.0	583.9
In-Fisherman (7X)	—	—	432.1	372.3
Outdoor Life	67.4	86.3	865.9	868.3
Outside Magazine	78.5	72.3	683.5	621.3
Petersen's Hunting	59.6	71.2	534.6	607.9
Runner's World (12X)	43.7	53.5	428.6	408.7
Salt Water Sportsman	82.3	102.7	1,252.1	1,280.8
Shooting Times	35.7	44.0	357.0	399.0
Sierra (6X)	44.7	43.4	275.0	252.6
Ski (8X) A.	186.3	139.9	878.4	773.8
Skiing (7X) A.	176.3	184.7	746.2	766.8
Skin Diver	99.0	110.3	1,246.3	1,262.2
Southern Outdoors (9X)	46.9	48.1	482.1	562.0
Southern Saltwater (8X)	39.7	47.9	420.4	312.6
Sport Magazine	30.1	32.0	390.5	396.3
Sports Afield	50.6	60.8	696.4	797.7
Surfing	98.0	106.5	743.5	805.4
Tennis	49.1	64.9	719.7	870.4
Waterski (9X)	47.7	48.5	656.1	601.9
Western Outdoors (10X)	26.4	29.1	357.2	408.0
Wildfowl (6X)	36.9	37.8	131.1	132.6
WindRider (8X)	46.8	49.0	396.4	407.7
Wing & Shot (6X)	19.2	23.2	96.6	83.8
World Tennis	30.9	32.2	514.3	605.3
Total Group	**2,348.3**	**2,357.0**	**23,501.0**	**23,389.5**
% change	**-0.4%**		**0.5%**	
■ Photography				
American Photographer	38.8	26.0	347.6	329.2
Petersen's Photographic	44.9	36.7	303.4	300.9
Popular Photography	117.1	97.6	983.2	885.5
Total Group	**200.9**	**160.3**	**1,634.2**	**1,515.6**
% change	**25.3%**		**7.8%**	
■ Science/electronic/mech				
Discover	37.8	46.3	432.0	386.5
Home Office Computing	63.2	55.3	499.3	474.5
Omni	64.2	65.2	646.0	708.3
Popular Mechanics	67.5	89.7	844.3	865.6
Popular Science	83.4	77.2	993.4	747.4
Scientific American	41.5	74.0	453.8	456.4
Spectrum	69.9	60.7	650.0	717.3
Total Group	**427.5**	**468.4**	**4,418.8**	**4,356.0**
% change	**-8.7%**		**1.4%**	
■ Woman/fashion/service				
Beauty Digest (6X)	—	—	120.3	91.8
Bride's Magazine (6X) A.	—	—	2,832.5	2,420.5
Cosmopolitan A.	236.8	233.0	2,182.0	2,212.2
Elle Magazine	244.6	217.8	2,104.0	2,034.9
Essence	73.2	86.4	806.6	866.2
Family Circle (17X) A.	276.1	248.4	1,897.0	1,692.2
Glamour	162.9	171.2	1,821.1	1,899.2
Good Housekeeping A.	210.3	195.2	1,529.9	1,465.6
Harper's Bazaar	122.4	156.7	1,341.5	1,339.4
Health	29.8	31.1	358.9	399.9
Imagen	132.8	145.0	1,024.2	949.3
Ladies' Home Journal	205.4	158.1	1,472.2	1,238.1
Mademoiselle	153.5	152.6	1,530.5	1,661.0
McCall's	107.6	122.7	1,035.3	920.5
Military Lifestyle (10X)	58.0	60.9	530.4	513.1
Modern Bride (6X)	—	—	2,158.8	1,906.9
Ms.	25.8	34.0	338.7	346.1
New Woman	97.9	93.4	936.8	939.0
Parents Magazine A.	167.3	177.5	1,354.2	1,257.5
Redbook	132.1	115.5	1,099.7	1,110.5
Savvy	81.5	81.0	548.5	521.9
Self	153.0	145.3	1,246.4	1,174.1
Seventeen	88.9	94.3	1,262.7	1,331.9
Soap Opera Digest (26X)	42.9	32.2	446.3	299.8
Soap Opera Update	11.0	14.0	114.3	110.5
Teen Magazine	58.3	40.3	554.3	595.3
True Story A.	66.1	60.1	546.5	626.3
Vogue	314.8	328.7	3,066.9	3,089.6
W Magazine	117.8	103.3	1,442.9	1,351.9
Weight Watchers	28.2	34.9	373.9	368.3
Woman (10X)	41.7	43.0	333.3	387.5
Woman's Day (15X) A.	155.9	164.2	1,620.7	1,511.4
Workbasket	26.7	25.4	240.9	253.2
Working Mother	115.3	146.3	830.8	876.1
Working Woman	127.5	132.7	1,089.6	1,086.1
Total Group	**3,868.1**	**3,844.9**	**40,173.5**	**38,797.6**
% change	**0.6%**		**3.5%**	
■ Youth				
Boys' Life	43.1	21.4	232.1	185.6
Campus Life (10X)	54.0	41.5	451.2	411.0
Total Group	**97.2**	**62.9**	**683.3**	**596.6**
% change	**54.5%**		**14.5%**	
■ Business/national				
Barron's	180.2	184.7	1,863.1	2,007.9
Black Enterprise	82.0	81.3	894.7	856.8
Business Month	56.9	66.6	406.6	373.3
Business Week (52X) A.	562.5	476.2	4,490.0	4,143.4
Entrepreneur	148.5	113.0	1,635.6	1,171.7
Financial World (26X)	61.3	88.1	631.8	612.9
Forbes (26X)	440.3	423.4	3,602.7	3,176.8
Fortune (26X)	423.5	333.5	3,466.4	2,929.6
Frequent Flyer	48.0	60.2	479.6	530.0
Futures	47.6	52.1	489.8	606.2
Inc. Magazine	124.4	163.3	1,085.6	1,122.2
Income Opportunities	79.6	80.5	763.3	844.6
Industry Week (23X) A.	106.4	146.4	1,065.5	1,035.5
Nation's Business (12X) A.	42.9	43.9	420.5	401.4
Total Group	**2,384.0**	**2,313.2**	**21,125.1**	**19,814.2**
% change	**3.1%**		**6.6%**	
■ Business/regional				
Advantage-Nashville's Bus. Mo.	74.0	84.0	780.0	729.0
Arizona Bus. Gazette (52X)	49.9	51.1	628.1	789.4
Baltimore Bus. Jrnl.	109.0	111.8	965.0	948.1
Bus. First of Buffalo	82.5	75.1	857.7	775.3
Bus. Jrnl.-Milwaukee	206.5	234.8	1,701.0	1,980.0
Bus. Jrnl.-Sacramento	80.8	90.9	929.2	937.8
Bus. North Carolina	32.7	29.3	453.7	400.7
Capital Dist. Bus. Review (52X)	67.0	104.5	758.8	831.4
Caribbean Business	168.2	128.0	1,422.8	1,239.9
Corporate Rpt. Minnesota	70.0	75.7	734.3	807.0
Crain's Chicago Bus. (52X)	131.1	138.0	1,566.4	1,657.3
Crain's Cleveland Bus. (52X)	72.4	81.4	877.9	818.9
Crain's Detroit Bus. (52X)	85.8	92.4	906.3	893.0
Crain's New York Bus. (52X)	74.0	57.0	680.0	575.0
Florida Trend (13X)	49.6	59.6	579.6	673.6
Georgia Trend	41.7	41.2	524.8	606.1
Grand Rapids Bus. Jrnl.	54.9	59.7	520.4	586.5
Hawaii Business	62.3	62.0	585.4	552.2
Houston Bus. Jrnl. (52X)	83.2	77.7	870.0	742.0
Indianapolis Business Journal (52X)	152.3	163.4	1,808.0	1,732.1
Manhattan Inc.	72.2	81.9	612.5	714.8
New England Bus. (12X) A.	46.0	51.7	424.2	595.8
New Orleans City Bus.	46.8	38.8	478.9	544.0
Pacific Bus. News (52X)	113.2	113.5	1,161.5	1,186.0
Philadelphia Business Journal	159.2	173.0	1,637.2	1,675.6
Pittsburgh Bus.Times (52X)	136.2	96.5	386.7	347.8
Providence Bus. News	84.0	82.1	1,002.2	946.9
Regardie's/Washington	144.0	134.0	1,809.0	1,621.0
St. Louis Bus. Jrnl. (52X)	158.1	115.6	1,177.1	1,262.1
Warfield Monthly Baltimore	60.0	65.0	663.0	737.0
Total Group	**2,767.5**	**2,769.5**	**27,501.7**	**27,905.9**
% change	**-0.1%**		**-1.4%**	
■ National Sunday mags				
Parade (52X)	64.5	59.3	653.4	620.7
USA Weekend (52X)	71.1	46.8	590.1	519.3
Vista Magazine (52X)	26.3	25.9	232.2	209.1
Total Group	**161.9**	**132.0**	**1,475.7**	**1,349.1**
% change	**22.6%**		**9.4%**	
■ Newspaper Sunday magazine				
Boston Globe	212.2	244.6	2,307.0	2,330.0
Chicago Tribune	149.2	140.1	1,356.2	1,210.0
Cleveland Plain Dealer	107.2	99.0	770.7	754.2
The Dallas Morning News	65.5	48.4	708.2	730.7
L.A. Times	109.3	91.6	841.5	839.5
Louisville Courier-Journal	45.0	38.0	362.0	420.0
New York Times Mag.	376.9	391.8	3,683.6	3,776.0
Philadelphia Inquirer	118.8	106.7	974.6	1,067.5
Seattle Times	101.0	94.0	820.0	808.0
St. Louis Post Dispatch	127.0	123.0	941.5	888.1
Toledo Blade Magazine	53.8	29.8	398.1	358.9
Washington Post	153.0	167.5	1,459.7	1,519.6
Total Group	**1,618.9**	**1,574.5**	**14,623.1**	**14,700.5**
% change	**2.8%**		**-0.5%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	121.8	148.0	1,572.6	1,850.5
Army Times Military Group:				
Air Force Times (52X)	169.6	174.9	1,782.3	1,813.0
Army Times (52X)	160.7	170.1	1,723.0	1,737.1
Navy Times (52X)	180.4	185.2	1,958.4	1,974.2
Capper's (26X)	22.2	17.9	337.6	259.5
Commonweal (22X)	7.8	13.4	71.9	74.0
Golf World (40X)	59.1	51.0	1,160.3	1,007.0
Grit (52X) A.	27.2	23.5	385.0	316.0
National Journal (50X)	48.0	76.0	665.9	795.4
National Review (25X)	24.6	43.4	280.1	401.9
New Republic (48X)	83.1	52.5	492.4	469.0
New York Magazine (50X)	319.3	295.2	2,768.1	2,706.4
New Yorker	345.7	309.8	2,124.4	2,046.0
Newsweek (52X) A.	324.4	312.9	2,281.5	2,268.2
People (51X)	365.9	497.7	3,361.0	3,377.9
Rolling Stone (25X)	264.4	181.7	1,815.5	1,650.8
Sporting News (52X)	59.0	60.6	577.3	568.8
Sports Illustrated (52X) A.	338.0	294.4	2,736.9	2,714.8
Time (52X) A.	297.1	313.9	2,491.5	2,290.8
TV Guide (52X) A.	341.9	372.8	3,001.4	3,170.9
US Magazine (26X)	72.9	64.6	898.2	590.5
U.S. News & World Report (50X) A.	245.6	197.1	1,858.5	1,900.0
Total Group	**3,878.7**	**3,856.7**	**34,141.8**	**33,744.9**
% change	**0.6%**		**1.2%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. *Ad Age* makes no attempt to verify them and therefore is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

PERSPECTIVAS

Sustained growth hinging on TV project

By Christy Fisher

Pity the Hispanic media and advertising agencies. Having a decade named after your market segment makes for a tough act to follow.

But advertiser and agency executives predict 1990 will continue the growth pattern established in the 1980s, the so-called "Decade of the Hispanic."

The growth will partly depend on a project in Los Angeles to better measure Hispanic TV audiences. The results of a Univision Network and Telemundo Group-commissioned Nielsen Media Research people-meter test will indicate the near-term validity of the Hispanic media and advertising market.

"It all depends on what happens with the Nielsen research," said Castor Fernandez, chairman-creative director of Castor GS&B Advertising, New York. "If the [audience share] numbers come through, the impact will be significant."

"Now, we get less than 1% of the [advertising] dollars for what we believe is 5% or 6% of [all TV] viewers," said Henry Silverman, president-ceo of Telemundo. "If we confirm those numbers, we'll get a greater share."

The second most significant event to affect the Hispanic market in the next decade will be the 1990 U.S. census.

In 1988, the census reported Hispanics constituted 8.1% of the U.S. population—a figure that is expected to grow to 9% by 1990 and to 11.1% by 2000.

The 1980 census made people sit up and take note of the Hispanic market; the 1990 Census will show companies that the market can't be ignored, said Herney Nisimblat, Colgate-Palmolive's Hispanic marketing director.

P&G: Head & Shoulders above the rest

Top 10 1989 Hispanic market advertisers ($ millions; % change vs. 1988)

1. Procter & Gamble Co.	$29.3	41.1%
2. Philip Morris Cos.	8.6	-34.4
3. Anheuser-Busch Cos.	8.4	-2.3
4. Colgate-Palmolive Co.	7.8	-1.3
5. McDonald's Corp.	6.9	4.5
6. Coca-Cola Co.	6.0	275.0
7. Adolph Coors Co.	5.2	2.0
8. Ford Motor Co.	5.0	35.1
Johnson & Johnson	5.0	22.0
10. Sears, Robuck & Co.	4.6	35.3

Source: Hispanic Business

John Hall

Those population projections, coupled with favorable Nielsen results, could have a tremendous impact on Hispanic TV alone, which makes up about 41% of the $584 million in media advertising now spent on the Hispanic market.

"We could see significant double-digit growth of 20%, 30%, 40% or 50% in 10 years," Mr. Silverman said. "It almost sounds ridiculous. But, by 2000, [overall] projected TV revenues are expected to hit $60 billion. If Hispanics make up 20% of the population and half watch Hispanic TV, we could be looking at $6 billion in revenue, up from $300 million now."

While growth in the 1980s was fueled by new players entering the market, much expansion in the 1990s will come from existing companies that are becoming increasingly sophisticated in their approach to the market, sources said.

Sales promotion will see much growth in the 1990s, advertisers said, as well as direct mail and PR. Also, TV and radio productions are becoming more elaborate.

"The promotion business really flourished in 1989 and that should continue into the 1990s," said Dick Tobin, president-ceo of Strategy Research Corp., Miami.

Some predict a third TV network will emerge and others expect to see growth in print media dollars.

A growing list of media options should stimulate Hispanic ad budgets. "Due to the growth in Hispanic media, we're growing accordingly," said Hernand Gonzalez, national manager-Hispanic marketing, Pepsi-Cola Co. "An advertiser can't get by with just one or two commercials anymore."

A number of events in the next decade also should put the spotlight on Hispanics: the 500th anniversary of Christopher Columbus' voyage; the 1994 Olympics in Barcelona, Spain; and the World Cup, which will be held in the U.S. in 1994.

"These should create a lot of good will toward Hispanics," said Carl Kravetz, president, Ferrer/-Ad America.

Mr. Silverman added one caveat to the bright projections.

"This outlook is tempered with the projection that the economy stays as it is now," he said. "If there is a downturn, ad budgets are the first thing to be cut and the first type of advertising to be cut and the last to be added are efforts geared toward specific market segments." □

Lotto interest: California Lottery Commission expects to announce finalists Jan. 17 and a tentative winner Feb. 2 for its Hispanic ad account, billing about $7 million to $9 million annually over four years (AA, Dec. 4). Attending a mandatory bidders' conference were incumbent Casanova Pendrill Publicidad; Castor GS&B Advertising; Cavazos & Associates; Font & Vaamonde Associates; Hispanic America; Mendoza Dillon & Asociados; Yolanda Mendoza; Sanchez & Levitan. Those attending will not necessarily make a bid. Susan Clark, the lottery's marketing director, said the lottery is "very pleased" with Casanova's performance, but is required by law to put the contract up for bid.

Bermudez clicks: Polaroid Corp. has named Bermudez Associates Hispanic agency for its estimated $1.5 million account. Bermudez also picked up promotional project work from Eveready Battery Co. for the Miami and Los Angeles markets.

Roundup: Nationwide Foods named Valdes Zacky Associates its first Hispanic agency to market traditional Mexican candies in southern California. McDonald's co-ops in Phoenix, Tucson and Yuma/El Centro, Ariz., have named Ferrer/Ad America. Ferrer now handles all co-op advertising in Arizona and California.

Count on it

Census efforts adding up

By Christy Fisher

By the time 1990 census forms are mailed on March 23, Hispanics should be well aware of the importance of standing up and being counted.

A flurry of ad campaigns promoting the census begins next month. A U.S. Census Bureau effort targeting Hispanics will be supplemented by ads from marketers, Hispanic civic and business organizations and the Hispanic media.

The aggressiveness of some campaigns underscores what's at stake: more political power. Hispanic media and agencies are interested in pushing participation to bolster advertiser interest in the market.

The 1990 census is expected to show a 34.5% increase in U.S. Hispanic population vs. 1980 figures. "It is the most important event to impact the Hispanic community well into the next century," said Jose Bermea, deputy chief-Hispanic media at the U.S. Census Bureau promotion office.

The campaign will attempt to correct a problem of undercounting. In 1980, the bureau estimates the undercount was 5% to 7%; others estimate it to be higher.

To get the most accurate count, the Census Bureau will break TV, radio and print promoting the importance of the census. The pro bono effort from the Ad Council and Castor GS&B is themed, *"Esta es la nuestra; participe en el censo"* ("This is our chance; participate in the census").

Three TV spots will be tailored to Mexicans, Puerto Ricans and Cubans. A fourth will be aimed at English-dominant Hispanics, Mr. Bermea said.

Univision urges viewers to make themselves count in spots supporting the upcoming census.

Twenty-five Hispanic organizations have endorsed the census project and many, such as the Mexican-American Legal Defense & Educational Fund, the National Association of Latino Elected Officials and U.S. Hispanic Chamber of Commerce, have created their own census-oriented campaigns.

MALDEF has teamed up with Univision Network for its *"Hagase Contar"* or "Make Yourself Count" campaign. Also the National Association of Latino Elected Officials, in cooperation with Telemundo Network, soon will break a TV campaign featuring Hispanic politicians. □

REACH 38% OF THE NEW YORK CITY PRIMARY HISPANIC MARKET!*

NEWSPAPER	REACH
EL DIARIO / LA PRENSA	283,000 (38%)
N.Y. NEWS	185,000 (27%)
N.Y. POST	56,000 (8%)
N.Y. TIMES	37,000 (5%)
TOTAL ADULTS	892,000 (100%)

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People-meter changes proposed

By Wayne Walley

NEW YORK—The controversy surrounding people meters resurfaced last week, despite nationwide acceptance of the technology by advertisers, agencies and the TV industry.

This time, ABC, CBS, NBC and the National Association of Broadcasters say the issue is Nielsen Media Research's measurement techniques, not the measurement tool itself.

Their assessment, based on a 22-month, 600-page study of people meters released last week, questions the methods of selecting primary and alternate Nielsen families; the fatigue factor associated with punching people-meter buttons for more than a year; the ability of children and visitors to use the system; and the lack of a way to measure viewing outside the household.

"Television circa 1990 is different vs. the late 1940s and early 1950s when the techniques were established," said Alan Wurtzel, ABC's senior VP-marketing and research services. "Measurement must reflect today's viewing patterns within the home and more."

Some observers, including Arbitron Co., believe passive people meters might help solve some of the problems.

Passive meters record a viewer's presence without any effort by the person, unlike people meters in use today that require viewers to push buttons when they enter or leave the room.

Arbitron said last week it would begin installing passive people meters as early as 1991 to help achieve an "ideal" method of research and will buy 40,000 passive meters from French research company Telemetric.

Nielsen Media Research also hopes to have passive people meters in place by 1992 and entered into an agreement with the David Sarnoff Research Center last June to develop the necessary hardware.

But David Poltrack, senior VP-planning and research, CBS Broadcast Group, said passive people meters won't necessarily solve the problems uncovered by the $1 million Statistical Research Inc. report commissioned by the Big 3 networks/NAB Committee On Nationwide Television Audience Measurement.

"We can't clearly say a passive people meter is the ideal today. The issues go beyond that. You don't automatically assume not pushing buttons will increase participation," Mr. Poltrack said.

Among the issues explored by the report:

- Cooperation rate. In recent years, the rate of refusal to participate in all forms of survey research has increased. "Unquestionably, this is the biggest challenge because less than 50% of the [initial] designated sample is participating," Mr. Poltrack said.
- Metering of all sets. Nielsen's policy evolved to exclude certain classes of sets including those smaller than 5 inches, sets in boarder's quarters and those in detached buildings.
- Fatigue. The study showed a decline in reported viewing among those who have been in the panel longer. The committee suggested cutting the two-year turnover period in half.
- Children's and visitor's measurement. The procedure for children and visitors to log in to the people meter should be simplified to assure compliance, the study said.

The report also recommended that Nielsen establish a new group or an ombudsman to be responsible for quality control.

"The objective is to get the measurement right, not to get higher network ratings," said Barry Cook, chairman of the committee and VP-media research at NBC. "The changes needed will capture viewing that is not measured."

Mr. Cook said the introduction of the people meter in 1987 triggered the study, a comprehensive and unprecedented look at Nielsen's measurement techniques.

John Dimling, Nielsen's exec VP-group director of marketing, said Nielsen is already at work implementing some of the report's suggestions. Other recommendations, he said, require a great deal of work and could be scrapped because of cost. □

Ad spending

(Continued from Page 3)

Mr. Sorrell projected 10% "organic" growth from existing accounts, an optimistic outlook that stems from the presence of big-spending package-goods marketers on WPP client rosters.

"Package-goods companies are concentrating on increasing share rather than remaining the low-cost producer as they had been for the last few years," he said.

Bruce Crawford, chairman-ceo of Omnicom Group, said: "We're seeing people commit to building brand identities and keeping their budgets up. We're not seeing people jump into short-term measures."

Now that many companies are competing in mature categories filled with parity products, media ad spending is becoming more important.

"Ad spending in 1990 in our industries will average 5% to 7%" growth, said Clay Timon, VP-worldwide advertising, Colgate-Palmolive Co. "What we'd all like to do is carve back promotional spending and add those additional dollars to consumer media."

Mr. Timon said trade promotions still account for up to 65% of all marketing expenditures, and for "a good deal more" than the $450 million Colgate will spend on advertising in 1990.

Yet Mr. Timon and other industry executives said the tide is turning from heavy promotional spending, and that those dollars are being reinvested in consumer advertising.

"There's a little bit more stability in the advertising business, with not as much money being siphoned off into sales promotion," said Roy Bostock, president of D'Arcy Masius Benton & Bowles, New York. "That trend is abating."

"Our clients on average are increasing ad spending 10% next year," said Gary Stibel, principal of the New England Consulting Group, a package-goods consultancy. "They've found they need to reinvest more significantly in advertising to grow brand share."

Frito-Lay, the PepsiCo snackfoods division, plans to boost ad spending 50% to $90 million *(see story on Page 18)*. Perhaps more significantly, the increase isn't at the expense of the company's promotional budget, which will remain about even with 1989 spending, the company said.

While Frito-Lay, the No. 1 salty-snack marketer, may roll out some new products in 1990, most of the budget will back its five core brands. Main agencies are DDB Needham Worldwide, Chicago, and Tracy-Locke, Dallas.

"There's a little bit more stability in the advertising business, with not as much money being siphoned off into sales promotion."

L.A. Gear plans a 140% increase in ad spending to $60 million next year, primarily to fund its most extensive marketing campaign to date in support of a new line of shoes and apparel designed and endorsed by Michael Jackson.

The campaign, handled in-house, will mark L.A. Gear's first venture into network TV. Vitt Media International, Los Angeles, buys media.

US Sprint, the No. 3 telephone marketer, will spend 15% to 20% more on advertising in 1990, said George Rodriguez, VP-advertising and direct marketing. He estimated Sprint's overall ad budget will total between $140 million and $150 million, with $80 million to be spent on TV and print alone, including Sprint's first ad in several years during the Super Bowl.

J. Walter Thompson USA, San Francisco, handles.

Spending "varies with each category and client, but growth opportunities are spurring our clients to increase budgets," said Norman Brown, chairman-ceo, Foote, Cone & Belding Communications, Chicago. "Marketers can't afford to blow out advertising and still maintain share."

"It looks quite a bit like '89 to me," said Keith Reinhard, chairman-ceo, DDB Needham Worldwide, New York. "Some categories are down and some countries are soft. Overall, we'll see the same kind of increases, slow and steady as we did in '89. In the U.S., [the increase] will be around 7%; it was a little better this year, but we expect international to be better next year."

Increased competitive pressures likely will give another boost to automotive ad spending, which has risen at least 15% annually for each of the last five years (AA, Oct. 30). But if the lackluster market for car and truck sales continues for several more months, it could temper industry executives' predictions.

"There's bound to be talk of cutting back if sales don't pick up," said one GM agency executive. "But I think most people will be reluctant to take the chance on giving up any market share."

The National Restaurant Association predicts a 6.2% sales increase for restaurants.

Ad spending in the fast-food category could be slightly higher; the restaurant association projects a 7.4% increase next year there, compared with a 5.4% gain for full-service restaurants.

However, more fast-food marketing dollars are expected to flow out of media into promotion.

Food marketers in 1990 will watch the bottom line more carefully than in years past. Increasing commodity prices, the end of benefits from tax reform and a slowdown in mergermania have given food companies less leeway to increase prices and more pressure to keep shareholders happy—and consequently less room to spend with abandon.

Average spending increases are expected to hover closer to sales increases than in past years—meaning closer to 8% to 10% than 15% to 20%—as companies like Quaker Oats Co. and Campbell Soup Co. try to keep profit margins up.

As a result, food marketers' spending is likely to be more focused than ever on key brands and categories, and important new products.

ConAgra Consumer Frozen Food Co., with three new brands on its shelf—Healthy Choice, Kid Cuisine and Zap—will continue to "spend aggressively, on new brands in particular in 1990," said Steve Hughes, VP-marketing for new products. "We have some pretty exciting and significant brand equities we're trying to establish, and are working with pretty good momentum."

ConAgra's three new lines face competitive ad activity in emerging categories. ConAgra will continue its $12 million TV and print campaign for Healthy Choice frozen dinners as it adds entrees to the low-fat, low-cholesterol, low-sodium line.

With Stouffer Foods Corp.'s Right Course just completing national distribution with a $10 million ad commitment, and Campbell Soup USA pushing its Le Menu LightStyle, promotional and ad activity should be strong in the growing health-oriented meals segment throughout 1990.

Campbell said it still plans to hike marketing spending 15% in fiscal 1990 ending July 31 despite recent turmoil in the company.

"There's bound to be talk of cutting back if sales don't pick up. But I think most people will be reluctant to take the chance on giving up any market share."

Campbell CEO R. Gordon McGovern left abruptly in November, leaving two company executives jockeying for the top slot.

Much of the spending increase will back Campbell's condensed soups. Rival Pet Inc.'s Progresso plans to double ad spending to $15 million.

Ad spending at Pillsbury Foods should be up about 60% as new owner Grand Metropolitan attacks undersupported brands, said Pillsbury Chief Operating Officer Paul Walsh.

Pillsbury kicked off its big push at the beginning of its fiscal year in October, when it broke a $30 million campaign for refrigerated doughs and dessert mixes. That was followed by new executions of Green Giant's Jolly Green Giant and Sprout campaign.

Ad spending behind OTC pharmaceuticals is likely to increase 8% in 1990, keeping pace with sales growth in the industry.

Although 1989 figures aren't yet available, the industry spent $1.2 billion in 1988 for OTC drug advertising, an increase of 10.6% over 1987 spending, said James Callandrillo, project manager for Kline & Co., a consultancy.

Major spending hikes are anticipated in the early 1990s as more prescription drugs are converted to OTC status. Prescription drugs seeking OTC status cover a myriad of categories, from antacids and smoking cessation to baldness treatments and new cough-cold remedies.

Retail advertising is expected to show the smallest gain, only about 5%.

Davis, Ball & Colombatto, Los Angeles, which specializes in retail accounts, expects spending will rise no more than 8%.

"Generally, they know it's going to be tough to get business in 1990," said President Brad A. Ball.

Joseph Antonini, chairman-ceo of K mart Corp., said that retailer's budget will be "about the same" as 1989, estimated at $605 million. "It could even be a little less," he said. "We're going to take a hard look at all the ways we do things to make our advertising more effective."

Sears, Roebuck & Co., the nation's largest retailer, doesn't plan to raise its ad budget significantly in 1990; instead, Sears will direct more of its ad dollars into TV and less into print, especially run-of-press newspaper ads. □

Written by Laurie Freeman in Washington from bureau and correspondent reports.

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Advertising Age

January 1, 1990

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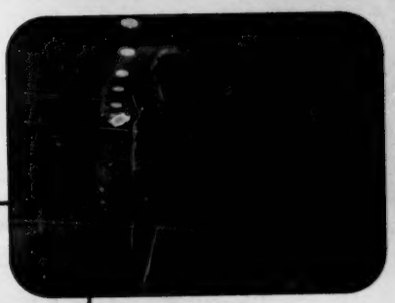
DECADE-IN-REVIEW
SPECIAL ISSUE

THE '80s: WHAT A DECADE!

Adman of the Decade
Fred Turner
Chairman
McDonald's Corp.

TV Commercial of the Decade
"1984"
Apple Macintosh

Agency of the Decade
Chiat/Day/Mojo



Print Campaign of the Decade
"Portraits"
American Express

Brand of the Decade
Diet Coke

FTC investigates degradability claims

By Jennifer Lawrence

The Federal Trade Commission's consumer protection bureau is probing environmental ad claims made by marketers that promote degradability aspects of their products.

An FTC senior staffer confirmed "investigations are under way," but FTC policy prohibits naming the companies.

Advertising Age has learned that among those under scrutiny are First Brands Corp. for Glad trash bags and other plastic products, Mobil Chemical Co. for Hefty photodegradable trash bags, R Med International for TenderCare diapers and American Enviro Products for Bunnies diapers.

These companies and apparently others received a letter from FTC attorney Michael Dershowitz shortly before Christmas. The letter said in part, "The commission's staff is conducting an inquiry regarding your advertising. . . . to determine whether you are or have engaged in unfair or deceptive acts or practices. . . ."

The letter requested copies of all ads and promotional materials for products that use environmental claims, as well as studies used to substantiate the claims.

The FTC's concern about environmental ad claims coincides with a similar probe by seven state attorneys general led by Minnesota Attorney General Hubert H. Humphrey III.

Mr. Humphrey and FTC Chairman Janet Steiger 10 days ago agreed to work "in partnership" to avoid duplication and inconsistencies, said Doug Blanke, Minnesota assistant attorney general.

The multistate task force has told four marketers to submit certain ads for review. Mobil is one; the others couldn't be determined.

"We would be happy to send substantiation for the claims to the states and FTC," said Allen Gray, a Mobil spokesman.

Mr. Gray said the photodegradable claim for Hefty trash bags is made only on packaging, not in ads. Wells, Rich, Greene, New York, is the agency.

Bruce Ipe, First Brands VP-general counsel, said the company was asked to supply the FTC with information on ads concerning the degradability of plastics and the effect of plastics on the environment. The request covered Glad bags and other plastics products.

First Brands didn't get a letter from the multistate task force, Mr. Ipe said.

"We're preparing to submit to the FTC our support and substantiation for the claim, and we're seeking to supply that by the end of January," Mr. Ipe said.

Glad trash bags carry a label promoting its "limited degradability," Mr. Ipe said. The claim is also made in print ads via Leo Burnett USA, Chicago. □

Campbell's ceo decision nears amid internal strife

By Judann Dagnoli

Campbell USA President Herb Baum, a well-known figure in the advertising and marketing worlds, could rejoin the agency ranks if things don't work out for him at Campbell.

Mr. Baum, a former Needham, Harper & Steers executive, has been offered a job with at least one ad agency, sources close to him said, and will consider an agency career depending on developments in Campbell Soup Co.'s search for a new ceo.

Mr. Baum, 53, and Senior VP-Chief Financial Officer Edwin Harper, 47, have been considered top candidates for the ceo post left vacant when President-CEO R. Gordon McGovern, 63, resigned last November.

Campbell is remaining mum on its selection, which may be announced this week. But some observers believe the job will go to an outside executive.

In a statement Dec. 29, the company said the board's "first choice" has accepted the post but that "final board deliberation" will take place this week.

Campbell declined to elaborate.

Chairman Robert Vlasic, who issued the statement, is reported to be at odds with some Dorrance family members of the board. The family together holds 59% of Campbell.

Six Dorrance family members controlling a 17.4% stake in Campbell last week filed notice with the Securities & Exchange Commission that they intend to sell or swap their shares.

In a statement to the press, the group said it will "oppose any attempt by the company to adopt any barriers to impede in any way any proposal" to sell the company.

A major faction, led by John Dorrance III, reportedly wants to keep the company independent.

Mr. Vlasic's Dec. 29 statement tried to deflect sale speculation, saying he "expressed confidence in the continued future independence" of the company.

Observers last week found it hard to narrow the list of possible suitors for such a plum as Campbell but said it could attract such blue-chip names as Philip Morris Cos., Borden, H.J. Heinz Co., Anheuser-Busch, Unilever and Procter & Gamble Co.

Depressed company profits, apparently caused in part by inflated ad and marketing expenditures, are said to have contributed to Campbell's vulnerability.

It delivered an 8.8% return on invested capital in 1989, compared with about 13% for other food companies. The slower growth is attributed to annual ad spending increases of 15% or more and a torrent of new products. □

LAST MINUTE NEWS

Bond trouble brews

LA CROSSE, Wis.—The future of Alan Bond's control of G. Heileman Brewing Co. may be in doubt after an Australian court's decision last week to put some of Mr. Bond's brewing assets in receivership. The National Australian Bank contends Bond Brewing has broken convenants of a loan agreement; the company said it's met payments of principal and interest.

Although the decision doesn't involve Heileman, officials at Bond Corp. Holdings admitted the move endangered Mr. Bond's worldwide empire. Bond officials pledged to try to get it overturned when Australian courts reopened this week.

There was some speculation last week that the move in Australia might prompt U.S. lenders to take similar action for Mr. Bond's U.S. assets. Mr. Bond paid $1.2 billion for Heileman in late 1987; he subsequently sold off about $300 million in assets and those remaining are now worth well under $500 million, brewing industry sources said.

Agencies for Heileman, the nation's fifth-largest brewer, include Young & Rubicam, Chicago; W.B. Doner & Co., Baltimore and Chicago; and Chiat/Day/Mojo, San Francisco.

Cola giants attack

ATLANTA—Coca-Cola Co. is positioning its Diet Sprite lemon-lime soft drink against Diet Pepsi in a TV spot to air Jan. 28 during the Super Bowl. Created by Lowe Marschalk, New York, the spot is now appearing in movie theaters and on the "When Harry Met Sally. . ." film video. Rival Pepsi-Cola Co., meanwhile, on Dec. 31 broke its first-quarter "Right one" campaign for reformulated Diet Pepsi. Spots make a taste superiority claim over Diet Coke,

(Continued on Page 39)

IN THIS ISSUE

ADMAN OF THE DECADE 6

Fred L. Turner has played a pivotal role in solidifying McDonald's Corp.'s position as one of the world's most successful, respected and emulated marketers.

AGENCY OF THE DECADE 10

Chiat/Day/Mojo grew more than tenfold during the 1980s. The agency's secret, says Jay Chiat, is "maintaining an environment where the creative product will shine."

TV COMMERCIAL OF THE DECADE 12

Apple Computer's "1984" spot introducing the Macintosh computer on the Super Bowl combined spectacular creative with "event marketing"—and it sold the product to boot.

PRINT CAMPAIGN OF THE DECADE 12

American Express Co.'s "Portraits" ads, shot by photographer Annie Leibovitz, excel at image-building.

BRAND OF THE DECADE 16

Diet Coke, a world-famous brand name's first-ever line extension, becomes a marketing powerhouse by stressing taste, not calories.

THE DECADE IN REVIEW 18

A whirlwind tour starring Michaels (Jackson and Jordan), megamergers and "Where's the beef?"

AD FOLLIES 37

Despite the tumult, 1989 included a few things to smile about, including car-less car ads, frozen dog treats and the Noid getting held up by a Noid.

■ Notice to our readers

In the center of this issue is "Creativity," *Advertising Age's* magazine of creative ideas. The monthly supplement previously has been distributed on a geographic basis, but now it's available to all readers on a demographic basis at no extra cost. Simply fill out and return the card that's bound around this issue's "Creativity." Readers in the agency and graphic arts categories, as defined by the Audit Bureau of Circulations statement, will continue getting the "Creativity" supplement the first issue of every month with no further action required on their part.

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Ad spending on the tube since 1980

Leading brands in top 15 network TV categories

Rank	Categories by 1989 network TV ad spending	Network TV ad spending 1989	1980	% chg	Top network TV brand in 1989/parent co.	1989 ad spending	Top network TV brand in 1980/parent co.	1980 ad spending
1	**Passenger Cars, Domestic**	$547,584	$274,251	99.7	**Oldsmobile Cutlass**, General Motors Corp.	$42,278	**Ford Fairmont**, Ford Motor Co.	$10,247
2	**Restaurants, Hotel Dining & Night Clubs**	514,835	129,803	296.6	**McDonald's Restaurants**, McDonald's Corp.	245,389	**McDonald's Restaurants**, McDonald's Corp.	53,588
3	**Cereals**	504,322	142,473	254.0	**Kelloggs Nutri-Grain Cereal**, Kellogg Co.	21,992	**Quaker Oats Bran Cereal**, Quaker Oats Co.	7,165
4	**Passenger Cars, Imported**	416,414	102,823	305.0	**Hyundai Excel**, Hyundai Group	32,483	**Mazda Passenger Cars**, Mazda Motor Co.	20,335
5	**Beer**	394,891	183,125	115.6	**Budweiser Beer**, Anheuser-Busch Cos.	66,023	**Miller High Life**, Philip Morris Cos.	29,255
6	**Pain Relievers, Sedatvs & Sleeping Preps**	240,703	119,298	101.8	**Tylenol Pain Reliever**, Johnson & Johnson	34,465	**Extra Strength Tylenol**, Johnson & Johnson	16,650
7	**Telephone Companies, Public & Private** [1]	232,939	NA	NA	**AT&T Co. General Promotion**, AT&T Co.	73,307	**Bell Sys Long Dist Lines**, AT&T Co.	23,016
8	**Cold, Cough & Sinus Remedies**	223,120	111,144	100.7	**Alka Seltzer Plus Cold Tablets**, Bayer AG	15,431	**Contac Cold Capsuls**, SmithKline Beckman	10,770
9	**Candy & Gum**	206,491	129,912	58.9	**Wrigley's Spmnt Gum**, Wm. Wrigley Jr. Co.	19,659	**Wrigley's Gum Gen'l**, Wm. Wrigley Jr. Co.	18,037
10	**Motion Pictures**	184,109	103,349	78.1	**"Bull Durham,"** Orion Pictures Corp.	3,712	**"Seems Like Old Times,"** Columbia Pictures	4,271
11	**Dental Supplies & Mouthwashes**	164,102	148,981	10.2	**Colgate Tartar Control**, Colgate-Palmolive Co.	16,693	**Crest Toothpaste**, Procter & Gamble Co.	12,140
12	**Laundry Cleaning Preparations** [2]	155,743	66,631	133.7	**Downy Fabr Sftr Sheets**, Procter & Gamble Co.	15,354	**Downy Fabr Sftnr**, Procter & Gamble Co.	11,134
13	**Trucks And Vans, Domestic** [3]	150,283	52,683	185.3	**Chevrolet S-10**, General Motors Corp.	31,313	**Chevrolet Trucks**, General Motors Corp.	18,265
14	**Coffee, Tea, Cocoa & Derivatives**	134,109	122,485	9.5	**Maxwell House Reg/Inst**, Philip Morris Cos.	25,749	**Sanka Reg/Inst**, General Foods Corp.	19,954
15	**Computers, Components & Accessories**	129,411	10,268	1,160.3	**IBM Personal System/2**, IBM Corp.	23,452	**IBM Computer Services**, IBM Corp.	6,117

Notes: Dollars are in thousands. [1] Category did not exist in 1980. Brand spending was included in "Communications & Public Utilities." [2] Category was known as "Laundry Preparations" in 1980. [3] Category was known as "Commercial Trucks & Vehicles" and included imports. Source: Leading National Advertisers/Arbitron Multi-Media service. AA chart: Kevin Brown

'Unregulation' ruled

(Continued from Page 3)

up.

Agency merger activity was indeed small change compared with the goings-on among clients.

Reynolds acquired Nabisco, which had acquired Standard Brands; Kohlberg Kravis acquired them all. Philip Morris Cos. bought General Foods Corp. and then Kraft. Kohlberg Kravis earlier had bought Beatrice Cos., which had bought Esmark, which had bought Norton Simon Inc.

Pillsbury Co. went to England's Grand Metropolitan and Carnation Co. to Switzerland's Nestle. Eastman Kodak Co. bought Sterling Drug; P&G bought Richardson-Vicks and Noxell Corp. Chesebrough-Pond's, Faberge and Elizabeth Arden Inc. went to Unilever.

The deal-making has thoroughly reshaped the advertiser landscape. Of the 100 Leading National Advertisers in 1980, as identified by *Advertising Age*, one-third no longer exist as independent companies.

The feverish activity wasn't only tolerated but encouraged by the Reagan administration, which set the tone for the decade by letting the free enterprise marketplace decide what was best. The U.S. Department of Justice and Federal Trade Commission remained on the sidelines and let the players go at it.

Whether that will prove good or bad for the economy over the long haul is a matter of debate, but it was unquestionably good—financially at least—for many of the players, especially deal-makers like Kohlberg Kravis and junk-bond king Michael Milken, as well as top executives of companies involved.

"Golden parachutes" and "greenmail" entered the vernacular; "obscene" was used to describe merger fees and executive salaries.

Client company mergers and takeovers have thoroughly reshaped the advertising landscape.

Perhaps nowhere in Washington was free enterprise more extolled, and with more effect, than at the Federal Communications Commission under Reagan appointee Mark Fowler, who inaugurated what he proudly called the era of "unregulation."

Liberated from such encumbrances as "public interest" requirements and limitations on station ownership, and swept up by technology and the times, broadcasting magnates had a field day.

Midsize companies like Multimedia and Storer Communications first attracted bids, and then came the big one: In March 1985, Capital Cities Communications bought American Broadcasting Cos.

"To paraphrase Pogo," Peter Jennings said on ABC that night, "we have seen the news and it is us."

General Electric Co. soon had RCA Corp.—and NBC—in its tent, and financier Laurence Tisch took charge at CBS.

TV stations, which the FCC ruled no longer had to be held for a minimum period, were bought and sold like hog futures, singly and in groups. By 1988, 11 of the top 20 broadcasting companies had changed owners or merged.

They laughed when Ted Turner started Cable News Network in 1980, but cable TV came of age in the 1980s. Independent stations, some of whose programming was carried afar by cable, grew in popularity. Network TV viewing went into a steady decline that shows no signs of ending.

Australian-born (but now U.S. citizen) Rupert Murdoch emerged as the truly global media baron. He bought *TV Guide* for $3 billion to go with *New York Magazine*, the *Boston Herald*, the *Times* of London and other print media in the News Corp. stable—not to mention 20th Century Fox Film Corp., some top-market independent TV stations and Fox Broadcasting Co.

Cities with competing newspapers continued to dwindle in number, but Allen Neuharth's *USA Today* proved there was a market for a colorful, punchy product. The new Gannett Co. paper soon had newspapers across the country mimicking it.

And at decade's end, Time Inc., which initially planned to merge in a stock swap with Warner Communications, ended up buying Warner to fend off a bid for Time by Paramount Communications.

Without Warner, Time publications ran 22% of U.S. magazine advertising and earned a third of U.S. magazine profits; the company's video operations provided even more revenue than magazines.

The new company, Time Warner, became the world's largest media company (combined revenues: $10.6 billion), albeit one saddled with debt.

The consumers these super entities wanted to sell to were no less voracious than the deal-makers. They were typified by the yuppies, whose media visibility seemed grossly disproportionate to their actual numbers.

But they were "acquisitive, stylish . . . important trend setters and role models" and thus "the marketers' darling," reported Langer Associates, a market research company.

The stereotypical yuppie drove a BMW, ate sushi and drank Per rier. His motto was "Take care o yourself" and he worked out i designer sweats.

In 1986, Grey Advertisin called a news conference to gus over new research heralding "th

Free-wheeling broadcasting magnates had a field day in the new laissez faire atmosphere.

Ultra Consumers," who ha "seemingly unlimited appetite for acquiring premium goods tha ooze with sensational immediac and impact." This was no "trend sliver," Grey added, but a "mas sive" segment that was "here t stay."

In fact, the population wa aging, but outside of *Lear's*, fe seemed to notice. Young yuppie showed up ad nauseam in adver tising, whose creators labore mightily to come up with fres depictions of conspicuous con sumption.

Gimmicks were also in: One o the decade's most heralded com mercials featured dancing Clay mation raisins; another, a gu who talked fast.

Style reigned over substance We had "New Wave" advertisin from the U.K., computer-gen erated images, shaky minicams quick cuts, marvelous special ef fects.

The industry became like " rich kid with too many toys," sai James Jordan, chairman of Jor dan, McGrath, Case & Taylo New York. "He doesn't have to b ingenious, or insightful or inven tive. He can play with one to until he gets bored with it."

We had recycled oldies, misty eyed flag-waving and fake cinem verite. After the market fell, w got bosses who threatened to neu ter errant subordinates ("Yuppie in hell," one copywriter dubbe the genre).

Creativity also yielded to wh could pay the most money to ge the biggest name. So we got Mi chael Jackson, Bruce Willis an Tina Turner. And in the waning days of the '80s, we learned tha American Express Co. was goin to give us Paul Newman, too.

It wasn't a big idea, but it was unquestionably, another bi deal. □

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Schoenfeld, Chapman & Pearl

New Products/Brand Leveraging Consultants

'1984'

(Continued from Page 12)
ended there was stunned silence, followed by a standing ovation that Mr. Murray estimates lasted 15 minutes.

The agency and Apple's marketing staff then addressed the media buy. Originally, Chiat proposed airing the spot New Year's Day during the college football bowl games.

That plan was rejected because of the time lag between the spot and the Macintosh introduction, scheduled for the shareholders meeting Jan. 24.

The idea of airing the spot on the Super Bowl Jan. 22 then emerged. For the same money as the proposed Jan. 1 buy, Apple could purchase 60 seconds of the highest-rated program on TV.

Money was available. Apple had earmarked some $15 million for the Macintosh introduction, about seven times more than any other Apple product debut. Buoyed by the rave review of its sales force, Apple approved purchase of a second one-minute slot.

But after viewing the spot for the first time, the company's cost- and image-conscious board of directors rejected the Super Bowl airing and directed the marketing staff and the agency to begin selling off the 120 seconds it had purchased.

Apple lore holds that the company's other founder, Steve Wozniak, who was then only minimally involved, approached Mr. Jobs, took out his checkbook and said, "I'll pay for half if you pay for the other half."

That option aside, the agency responded to the crisis in two ways, according to Greg Helm, former Chiat senior VP-management supervisor and now president of Stein, Robaire & Helm, Los Angeles.

"There were two different activities going on," he says. "One was genuinely trying to sell the time. The media department and various individuals who had contacts around the country were making calls to try to get the time sold. Simultaneously, the account group and account planning were working hard to make a case for not selling the time and not cancelling the spot."

Chiat managed to sell off 30 seconds each to United Airlines and McDonald's Corp., but couldn't attract any offer even close to the $500,000 it paid for the second 60-second slot.

Two days before the game, Apple still owned the time, and the economics of the situation won out. The board grudingly approved airing "1984."

The unique nature of the commercial—it only ran that once on network TV—became even clearer a year later.

In an attempt to outdo the previous effort, Apple approved the airing of the equally elaborate "Lemmings" commercial the following year. That spot fell flat, although both Messrs. Hayden and Clow keep the commercial on their reels.

Mr. Hayden readily admits the importance "1984" has had on his career, but he also notes the influence of luck in creation of the commercial.

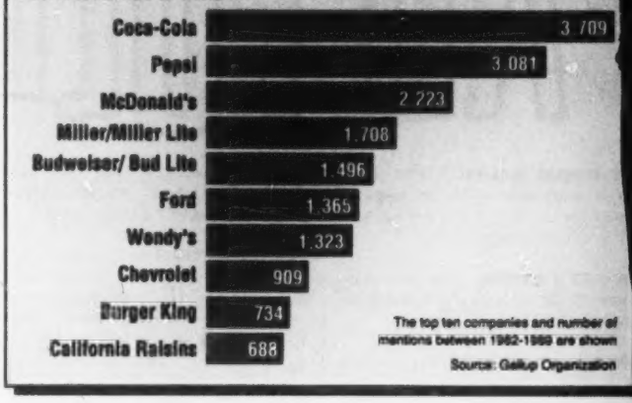
Furthermore, he says "Apple i systemically incapable of doin that spot today," given the mat ration of both the company a the PC industry.

In many ways, those who reca their participation see it as a ki of harmonic convergence.

"It was one of those magic things," Mr. Murray says. "A l of people with unique talents col lided at exactly the right min ute." □

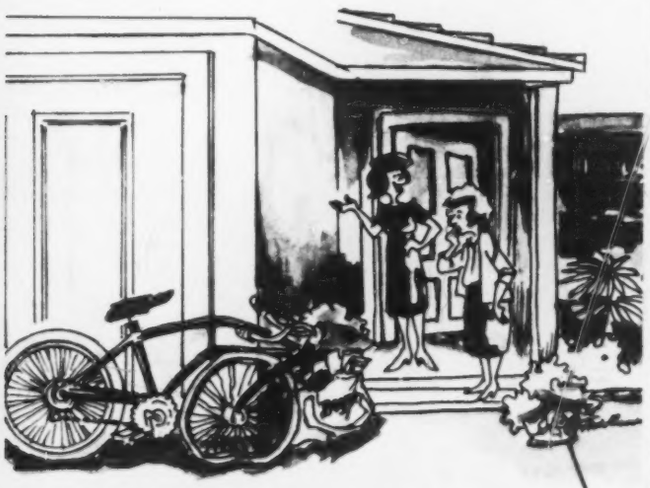
Adwatch: The '80s winners

A random monthly sample of approximately 1,000 consumers over 18 years of age answering the question: "Of all the advertising you have read, seen or heard in the last month, which ad first comes to mind?"



The top ten companies and number of mentions between 1982-1989 are shown

Source: Gallup Organization



"No, the bike is nearly new. Johnny's been using it to deliver his Orange County Register paper route."

Thousands of bicycles in Orange County bear the weight of delivering The Orange County Register, the nation's Number One newspaper in full-run advertising for 1988. (Source: Media Records)

THE ORANGE COUNTY Register METROGROUP

The leading medium in Southern California's richest market. Represented by CWO&O

AmEx

(Continued from Page 12)
nor did he get approval to use her work in the proposal.

But by the agency's and the company's account, when AmEx executives saw the mockup, they decided immediately that she was the photographer they wanted.

Ms. Leibovitz's initial mistrust of Ogilvy's assurances that AmEx wanted her to do her own thing has been well-publicized. But some two and a half years later, she has all the enthusiasm of a true believer.

"I feel like I'm just getting started," she says when asked if the appeal of the campaign has worn thin through repetition. "It's tremendously hard work, but I really am starting to enjoy myself. You know, people are amazingly interesting. And these people are so confident, they give you 100%, and that's exciting.

Asked if her work for the campaign has changed, she replies, "I'm pushing myself, I'm trying to be better. I've become more involved with the editing process recently, and I'm in more touch with the client. In the beginning, I didn't know how much freedom I really had. I was more nervous, and most of all concerned with pleasing Parry. Now I feel more comfortable flying on my own."

Just how long Ms. Leibovitz can keep up with AmEx's grueling demands is an open question, however, especially as the campaign grows internationally.

This year, the campaign will expand to Germany, featuring five prominent people there. Also planned are five new executions for Hong Kong, and discussions with other countries are in the works.

The schedule has forced Mr. Merkley to delegate art direction in some cases to other Ogilvy creative people, but Ms. Leibovitz is considered irreplacable.

"She needs to clone herself. We just go by her schedule and do what we can do. There's only one Annie. So far so good," Mr. Merkley says.

Meanwhile, the beat goes on in the U.S. with the newest set of seven portraits scheduled to appear in *Time's* "Man of the Year" issue.

For the first time, *Time* has sold all the ad space surrounding the "Man of the Year" feature to one marketer, AmEx, which will run 14 pages of ads.

The portraits that will join the AmEx collection: cellist Yo Yo Ma, director Rob Reiner, actress Mary Steenburgen, politician Barbara Jordan, writer Tom Clancy, Sammy Davis Jr. and, in a single photograph, hockey greats Wayne Gretzky and Gordie Howe. □

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January 15, 1990

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Crain's International Newspaper of Marketing · In Two Sections · Section 1 · $2.00 a copy

GM slices $80 million in ads

By Raymond Serafin and Wayne Walley

General Motors Corp. is scaling back its 1990 ad spending plans by an estimated $80 million or more across a wide variety of media, a move that could signal an end to the big automotive spending jumps of recent years.

Sources say GM will inform the TV networks today that it's trimming upfront second-quarter commitments by about 20%, saving an estimated $15 million to $20 million.

Reductions in other media are expected to unfold as GM's individual divisions review their plans.

Agency sources speculated the cuts will largely be at the expense of planned budget increases, leaving GM to spend at approximately 1989 media levels of about $1 billion.

One idea to reduce costly marketing expenditures that's said to be gaining momentum within GM is to eliminate consumer incentives, *Automotive News* reported.

Such a move would cause major ripples in the auto marketplace, where domestic companies and many importers have engaged in furious incentive wars.

The thinking is that industry sales will be poor anyway, so it could be a good time to go cold turkey on incentives. Previously, such action hasn't been taken because of fear other automakers wouldn't follow suit, insiders say.

GM is also re-evaluating future product programs, though product-development sources say 1991 and 1992

(Continued on Page 50)

HOT STUFF

"Wonder Years" star Fred Savage is inspired to write love letters to his sweetheart in a new Pepsi-Cola spot breaking on Super Bowl XXIV Jan. 28. BBDO Worldwide, New York, handles.

Procter & Gamble Co. is breaking a Tide spot featuring actors using "rap" dialogue. Burrell Advertising, Chicago, created the commercial. In it, a teen says: 'I'm know I'm chill. I'm 17. I'm all wrapped up in being clean. 'Cause when I walk through the hud'. I've got to know I'm looking good."

Paul McCartney struts his stuff in Visa International's new $8.5 million campaign. The 30- and 60-second spots, from BBDO Worldwide, New York, will run through the first quarter. Visa is sponsoring the former Beatle's 1990 U.S. tour that starts next month.

Hearst targets Meredith's turf

By Scott Donaton

NEW YORK—Hearst Corp. is taking on home-magazine kingpin Meredith Corp., setting the stage for a share battle in one of the fastest-growing categories in magazine publishing.

Hearst Magazines will launch two home-oriented magazines this year. These will join its four established shelter books in the new Hearst Home Group.

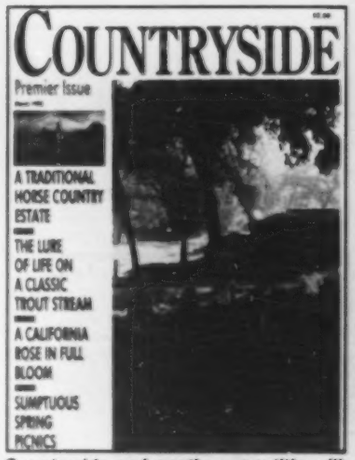
In March, Hearst will publish a test issue of *Countryside*, the brainchild of John Mack Carter, director of magazine development.

A second issue will be published in the fall, when Hearst will also release a second issue of *American Home*, which was tested on newsstands last summer.

The titles will join *House Beautiful*, *Country Living*, *Colonial Homes* and *Victoria* in the Home Group, under the direction of D. Claeys Bahrenburg, exec VP-group publishing director at Hearst Magazines.

"We feel strongly one of the key

(Continued on Page 50)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Premier Issue
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THE LURE OF LIFE ON A CLASSIC TROUT STREAM
A CALIFORNIA ROSE IN FULL BLOOM
SUMPTUOUS SPRING PICNICS

Countryside and another new title will join Hearst's new Home Group.

Nestle, Disney team abroad

By Kevin Cote

Nestle and Walt Disney Co. are linking up in a way that could rock food marketing in Europe.

Under a new licensing agreement, Nestle can create branded food products and promotional packages throughout Europe and in other areas, including the Soviet Union.

Along with becoming a "participant company" at Euro Disneyland, in which Nestle brands will be featured in 11 restaurants and other sites at the Magic Kingdom opening near Paris in 1992, Nestle will participate in joint marketing programs for the park throughout Europe.

"We'll be the only food company . . . with Disney characters," said Michel

■ Disney plans a mass-market consumer magazine for children—Page 2.

Reinarz, Nestle director of visual communications. "A major advantage from a marketing point of view is that we'll be able to create promotions in stores. . . . That's a tremendous argument to show retailers you are in partnership with them and want to build traffic in their stores."

As a hypothetical example, Mr. Reinarz said Nestle subsidiary Maggi could launch "Pluto spaghetti."

Nestle has proof the Disney connection works. Three years ago, Nestle introduced Mickey Mousse, a chocolate-flavor dessert, in West Germany under an earlier, more limited licensing agreement with Disney. The brand's share is now about equal to a mousse brand once dominant in the category, said a product manager at Nestle West Germany.

The new agreement involves West-

(Continued on Page 50)

LAST MINUTE NEWS

'N.Y. Times' mulls weekly

NEW YORK—The New York Times Co. is planning to launch a magazine to compete with such titles as *Spy*, *7 Days* and Forbes Inc.'s soon-to-be hatched *Egg*, sources said. The weekly publication would be inserted into *The New York Times* starting this fall. Nancy Nielsen, the company's director of corporate relations, said only that "it is one of the projects under consideration." Separately, rumors resurfaced that Dow Jones' *The Wall Street Journal* will launch a weekly magazine as early as this year. A spokesman said a magazine is under consideration, but it's hard to say whether the launch would be this year.

Ky. ad tax looms

FRANKFORT, Ky.—Gov. Wallace Wilkinson on Jan. 16 will unveil a tax package that's expected to include a proposal to extend the state's 5% sales tax to advertising and other services. A spokesman for the governor said Gov. Wilkinson was still considering several tax options, including an ad tax, but hadn't made up his mind. But industry representatives said they expect the Democratic governor to propose the tax, then stand back and let the Legislature decide whether to implement it.

Ex-WCRS exec eyes Bozell

LONDON—Roger Neill, 43, former deputy chairman of WCRS World-

(Continued on Page 8)

INSIDE

Computing compensation ..... P. 4
IBM hires consultant Morgan Anderson & Partners to examine agency pay.

More pressure ..... P. 6
At INAME conference, large retailers push newspapers to deliver lower ad rates.

Geraldo's new image S-2
Geraldo Rivera tells *Ad Age* he plans to tone down his TV show.

Disney goes for magazine magic

By Marcy Magiera

Walt Disney Co. is set to extend the boundaries of its already-vast communications kingdom with the fall launch of *Disney Adventure Digest*, its first U.S. mass-market consumer magazine.

A potentially huge player in the lucrative children's magazine market, the ad-supported *Digest* will be "monthly at the very get go," said Michael Lynton, VP-marketing for Walt Disney Publishing. Eventually, he said, it will be published "at least" every other week.

The *Digest* will be sold at 30,000 supermarket checkouts, Disney said. A cover price and ad rates haven't been set.

So far, no advertisers have signed with the magazine, which is designed to appeal to children ages 7 to 11.

The magazine's launch coincides with the fall premiere of the Disney Afternoon, a 2-hour block of syndicated children's TV programming.

Editorially, the *Digest* will feature programming and other information on "Chip 'N Dale Rescue Rangers," "DuckTales," "Tale Spin" and "Disney's Gummi Bears," the shows that make up the Disney Afternoon, as well as offer games, puzzles and comics. The *Digest* will be cross-promoted within the programming block.

Disney's Buena Vista Television plans a $100 million marketing effort starting this spring to promote the fall launch of Disney Afternoon. The effort will include national cross-promotions with McDonald's Corp. and Kellogg Co., both potential advertisers for the *Digest*, and cross-promotions throughout Disney's entertainment network.

Other youth-oriented magazines competing for the *Digest's* target of 7-to-11-year-olds include Time Warner monthly *Sports Illustrated for Kids*; *Boys' Life*, published monthly by the Boy Scouts of America; and Welsh Publishing Group's quarterly *Barbie*.

Disney last year expanded its movie, TV, home video, theme park and consumer products empire to include a third movie label, Hollywood Pictures, and a record label, Hollywood Records.

The company this month in Latin America launched nine new Spanish-language comics, featuring Mickey Mouse and other Disney characters.

It publishes similar comic magazines in Europe through licensing agreements.

In the U.S., Disney publishes two ad-supported consumer magazines, *Mickey Mouse* and *DuckTales*. Both quarterlies are aimed at children under age 7 and are sold primarily by subscription.

Neither carries much paid advertising or has received a big marketing push. □

Nissan taps Europe team

By Laurel Wentz

LONDON—A three-way tussle over Nissan Motor Co.'s $15 million-plus European corporate account is about to end with an announcement later this month of a TBWA-Hakuhodo victory.

The win illustrates a new way that Japanese agencies are increasingly doing business in Europe.

Lacking agency networks in Europe, Japanese agencies are being forced by their clients to team up with European agencies.

Three of Nissan's Japanese agencies sought partners last year to pitch the Nissan business after the marketer stipulated the contenders work with a European shop.

Hakuhodo, Tokyo, picked TBWA. Dentsu paired up with BVH, a Rotterdam, Netherlands-based agency chosen because the account will be run from Nissan's new European headquarters in Amsterdam. Standard Advertising, Japan's No. 21 agency, teamed up with European network GGK plus Chiat/Day/Mojo, New York. Chiat handles Nissan in the U.S.

Sources confirmed the TBWA-Hakuhodo team won the account, but Nissan is trying to keep the decision secret until later this month when a formal announcement will be made.

The TBWA-Hakuhodo duo appeared to be in the strongest position from the start. Hakuhodo in Tokyo for years has been handling a corporate Nissan account, a forerunner to the new European business.

TBWA has valuable experience handling automotive accounts and no conflicts. The agency handled Spanish automaker SEAT throughout Europe until last year, when it lost the business to Paris-based N W Ayer Europe.

Dentsu's partner, BVH, has no experience on automotive accounts.

Standard, the third Japanese contender, opened an Amsterdam agency last fall but doesn't have enough European experience yet, sources said, adding that its partner GGK handles Volkswagen, considered a drawback.

Japanese advertisers are finding a pan-European corporate account gives them an opportunity to use a single agency and create one image across Europe.

The corporate campaign can set

(Continued on Page 49)

Census asks mail favor

By Steven W. Colford

WASHINGTON—The Direct Marketing Association, at the request of the U.S. Census Bureau, is asking members not to issue mailings that would coincide with the March 23 mailing of census forms to 88 million U.S. households.

DMA Senior VP Connie Heatley declined to predict how many association members will comply but said the response from mailers so far had been encouraging.

The census bureau is trying to minimize chances the forms might be discarded as another piece of "junk mail," said Rudolph Brewington, census promotion specialist. The forms are expected to reach households within a day or two of the mailing and are to be returned by April 1, he said.

In 1989, direct-mail volume was about 21 million pieces a day, the DMA said. The census bureau's request for a brief halt of third-class mail around March 23 didn't specify a suggested period of time.

The association has been running a print campaign, handled in-house, in trade magazines and its newsletter to make members aware of the census arrival date.

Gene Del Polito, executive director of the Third Class Mail Association, said he doubted the request would—or could—be honored.

"I don't think mailers will pay any attention to that," he said. "It's impossible to honor a request like that" because mailers can't gauge precisely when their mail will be delivered to households.

However, David Hochberg, VP-public affairs at catalog mailer Lillian Vernon Corp., said complying with the request shouldn't affect operations dramatically.

"We will plan around it if it's just a few days," he said.

Cataloger Hammacher, Schlemmer & Co. changed its schedule so it wouldn't compete with the census forms.

"The competition is just too great. . . . We'd rather mail at another time when consumers can spend more time with our information," said Susan Sanders, public relations manager.

Public service ads to promote public cooperation with the census will be mailed out this week, Mr. Brewington said.

Five agencies are putting together creative for the campaign, coordinated by the Advertising Council. Ogilvy & Mather, New York, handles the umbrella campaign; Mingo Group, New York, targets blacks; Castor GS&B, New York, targets Hispanics; Muse Cordero Chen, Los Angeles, handles the Asian-American campaign; and West Indies & Grey, New York, handles a campaign for Puerto Rico.

The 1990 census' ad and promotion budget is $73 million, more than triple the 1980 budget. □

Alison Fahey in New York and Janet Meyers in Washington contributed to this story.

IN THIS ISSUE

NEWS

AmEx rejiggers: American Express Publishing Corp. reorganizes its magazine group for future growth. **6**

McRussia: McDonald's tries to explain what a Big Mac is in an ad running in the Soviet Union. **12**

Not so chicken: Kentucky Fried Chicken plans to stick with its new hard-hitting ad strategy of poking fun at McDonald's. **16**

Playing games: Nintendo wants to ensure the industry's rebound with $95 million in national and cooperative advertising and promotion. **48**

VIEWPOINT

Considerations **20**
Editorials **20**
Letters **24**
Forum **28**
Brady's Bunch **28**
James Brady **32**
The Next Trend **32**
Joe Winski **32**

TV Syndication Advertisers could revolutionize how shows get syndicated. Also, a look at Geraldo Rivera's changes and the emergence of quality animation.

SALES PROMOTION NEWS **33**

Global Gallery **34**

MEDIA

MediaWorks **38**

PEOPLE

PeopleWorks **39**
People Moving **39**
Photo Review **40**

AD REVIEW

Thompson Medical Co.'s new commercial for Ultra Slim-Fast diet drink really startles TV viewers with a shocking before and after picture of former model Cristina Ferrare

AT A GLANCE

Corrections & Clarifications **24**
Classified **42**
For the Record **47**
Index to Advertisers **52**

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SPECIAL REPORT

TV Syndication

Edited by R. Craig Endicott

A better mix of 'heat, light' S-2
'Once seen as monster from deep,' Geraldo Rivera seeks a balance in his shows.

Under the microscope S-4
Stations, schools and viewers will keep a close eye on changes in "Geraldo."

Playtime's over S-8
Era of 'He-Man' succumbs to greed as quality animation grows in strength.

Searching for sizzle S-10
"How many *(fill in the blank)* shows can you watch?" A poll of industry insiders.

Ken Sax

Advertisers hold the hot hand

P&G's buy into 'Joker's Wild' could revolutionize how shows get syndicated

By Wayne Walley

Syndicators, locked in an increasingly tough battle to sell new shows to TV stations, have found a new potential ally: national advertisers.

A number of syndicators are trying to sell the barter time in new shows *before* pitching the property to local TV stations. Some industry analysts suggest deals such as Procter & Gamble Co.'s sizable "upfront" buy into "The Joker's Wild" will become standard practice in the future.

With a national marketer involved, so the theory goes, more doors at stations and attractive time periods in that station's programming schedule might open.

"If you go in with a project already presold to one group, even if it is the advertiser, it can be effective," says Tim Duncan executive director, Advertiser Syndicated Television Association.

"The problem facing syndicators is finding a place to sell programs and getting the right time periods. Of the 110 syndicated shows on the air this year, only 37 were new. There is more stability in the marketplace and you need an edge," Mr. Duncan says.

The idea of selling barter time before selling the show to enough stations to cover 70% or more of the country is not new. But few advertisers had been willing to take the risk.

"Syndication has become a much more difficult proposition today," says Michael Drexler, exec VP-national media director, Bozell, New York. "So from a syndicator's standpoint, it makes a whole lot of sense to be able to put that kind of money in the bank.

"And the advertiser is saying, 'Make it attractive enough to me and I will share the risk on clearances.' But I think an advertiser also has to have enough confidence in a particular show and the demographics of that program to be willing to do this," Mr. Drexler says.

With today's tight programming market, syndicators also seem more willing to create attractive deals to entice marketers.

For example, P&G bought all the barter time for the first year's run of Orbis Communications' "The Joker's Wild" before the show was sold to any TV station or presented at this week's National Association of Television Program Executives meeting in New Orleans.

P&G bought 520 30-second commercial units valued at around $13 million, which translates into one minute of time per show, five shows a week for 52 weeks.

"We strongly believe that this show has the potential to become a big hit for the 1990s," says Jim Connell, a P&G media manager. "Based upon our experience in syndication, we see 'Joker' as an attractive vehicle to reach our key brand target audiences."

The fact that Mr. Connell used the plural "audiences" is a key element in determining whether an advertiser hooks up with a show, Mr. Drexler says. "You have to have enough products with comparable targets to want to pick up most or all of the national units available. You can't do it if you have one product."

Neither Orbis nor P&G would disclose particulars of what possibly will become a landmark deal, but most industry analysts believe the syndicator gave P&G an attractive price on the ad time in exchange for the early commitment.

Thomas Frank, Orbis VP-programming and the deal's architect, would only say the company is "very, very pleased" with the rates P&G paid and described the arrangement as "the ultimate 'upfront' deal."

"They wanted a long-term franchise po-

(Continued on Page S-2)

BAROMETER

Take a number

Top syndication spenders

Company	1989 Jan.-Oct. (millions)	% chg from '88 period
Philip Morris Cos.	$96.3	25.9*
Procter & Gamble Co.	66.7	36.8
Kellogg Co.	42.2	119.2
Unilever NV	30.8	41.1
Bristol-Myers Squibb	28.8	4.5
Nestle SA	28.6	45.5
H.J. Heinz Co.	23.5	53.6
Mars Inc.	19.8	(10.9)
Warner-Lambert Co.	19.4	19.0
Coca-Cola Co.	18.7	3.8
TOTAL for Top 10	374.9	31.7
TOTAL for all syndication	1,030.5	41.7

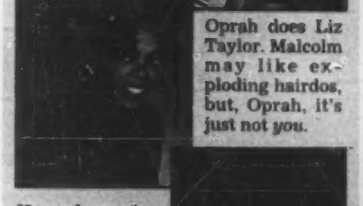
*Percentage taken from '88 sum of $48,368,300 for Philip Morris Cos. and $28,270,400 for Kraft Inc.

SOURCE: TNS Arbitron Ratings Co.

Take the pulse

TV Guide got into some trouble using Ann-Margret's body as a model for a cover illustration of Oprah Winfrey. Barometer is determined not to make the same mistake: We're using the real thing. Here's where Oprah's head is.

Feeling Supreme: Winner of the Diana Ross hairalike contest. A bit too much for the mainstream.



Oprah does Liz Taylor. Malcolm may like exploding hairdos, but, Oprah, it's just not *you*.

How does she do it? Volume! . . . A style anyone from your studio audience might wear. Keep it and watch the ratings soar.

Syndication season searching for sizzle

Kid fare gain, but sameness permeates

By Ken Wylie

The current TV syndication season rates no higher than a C or B-, according to an *Advertising Age* poll of industry experts.

Reasons cited for the lackluster performance generally touch on a glut of programming characterized by a numbing sameness.

"How many talk shows can you watch? How many game shows? And there hasn't been a new hit in game shows for a long time," winces Jon Mandel, senior VP, director-national broadcasting at Grey Advertising, New York.

"Most programs are now underperforming—drastically underperforming," says Dick Hobbs, senior VP, media director at Leo Burnett USA, Chicago.

He credits the problem to a flood of programs in key categories, which Mr. Mandel prefers to call an "embarrassment of riches."

Quality is the primary concern of Dick Kurlander, Petry Television's VP-programming. "You go to NATPE and see 100 syndicated programs previewed; 30 to 40 are OK, and maybe 10 pan out. Of those, five or six will do well. So, if you get five or six in a season, you're doing pretty well. This is syndication, but it's very much like the experience of the networks," he says.

Evidence that TV viewers are more frequently turning off first-run syndicated programming is seen in Nielsen Media Research ratings covering the Sept. 18 to Nov. 12, 1989 period vs. the same period in 1988. Regardless of programming type, each category shows an audience decline.

In the game show category, by far the highest rated of syndication categories, the average 1989 rating (the number of households viewing a show as a percentage of total TV households) for shows that also appeared in 1988 was 6.5, down 13.8% from 1988, based on total "households using television" of 47.9 million. This HUT level was down 14.5%, while total U.S. households increased 1.9% to 92.1 million from 1988 to 1989.

Only "Jeopardy" increased, rising 0.8% to a 12.2 rating. "Win, Lose or Draw" dropped the most dramatically, from 6.8 in 1988 to 1.7 in 1989.

Of the 14 game shows in 1989, six were new and the highest rating mustered by any one of the six was 2.2 by Warner Bros.' "The Fun House." The new shows' poor ratings lowered the average rating composite for all game shows to 4.4, while the eight returning shows had a composite 6.5 rating.

Children's programming was the only category benefitting from strong new shows, as evidenced by the total category rating being higher in 1989 than that of only renewed shows. In fact, those contacted for the poll reacted with a certain euphoria over children's programming.

The average for all children's programs was a 1.9 rating, compared with 1.6 for the holdovers from 1988. "Chip 'n Dale's Rescue Rangers," a 1989 entry and the current ratings' leader among all children's programs at a 4.7 average, was reason enough for the higher category average. The fourth and fifth-rated programs in the category, "Super Mario Bros. Super Show" and "Muppet Babies" with ratings of 2.9 and 2.8, respectively, also were 1989 arrivals.

Among newsmagazine-format shows, two programs were among the few syndicated offerings to register ratings growth. "Current Affair" climbed to an 8.4 rating from 5.8 in 1988, and "Entertainment Tonight" rose to 8.1 from 6.5.

The category also saw two hot new successes: "Inside Edition" with a 4.5 rating, and "Hard Copy" at 4.4. Half of the 30 programs in this broad category were new, lending credence to industry watchers' charges of both glut and sameness.

Only "Donahue," "Live—Regis and Kathy Lee" and "Sally Jesse Raphael" showed year-to-year ratings growth among the 11 talk shows, six of which were new.

But one of the newcomers, "Arsenio Hall Show," while drawing only a 3.2 rating for the three-month average, did it after midnight. The show revived late-night for a lot of independent stations, analysts say.

The fact that new entries—56 out of the 124 total programs monitored by Nielsen in first-run syndication—could seldom match the higher ratings of holdovers with declining ratings supports the bearish outlook for the 1990 syndication market.

"My fear . . . is that [syndication] won't grow and will fade in importance," says Mr. Mandel.

Syndication also risks becoming a commodity property.

"Stations aren't terribly disappointed, because they didn't have terribly high expectations. They bought shows because they had sprocket holes to fill," says Mike Levinton, VP, director-programming, Blair Television, New York.

But there is some hope about the coming season. "A lot of shows look good, such as 'The Joker's Wild' and 'Tic Tac Dough,' " he says, also pointing to some of the magazine shows as being promising. □

Ken Wylie is a frequent contributor to Advertising Age.

Season leading first-run syndication programs (per category)

	1989 Rank*	Syndicated show	Rating** 1989	Rating** 1988	National Households in thousands 1989	National Households in thousands 1988
Game Shows	1	Wheel of Fortune	13.8	14.5	12,670	13,630
	2	Jeopardy	12.2	12.1	11,250	11,370
	9	Wheel of Fortune (Wknd)	7.9	8.6	7,270	9,080
	14	Family Feud	5.2	5.4	4,800	5,000
	16	Star Search	5.0	5.5	4,520	5,170
Talk Shows	5	Oprah Winfrey Show	9.6	9.8	8,820	9,210
	12	Donahue Show	6.3	6.2	5,820	5,630
	13	Geraldo	5.7	6.0	5,230	5,640
	26	Sally Jesse Raphael	4.3	3.5	3,920	3,290
	37	Arsenio Hall Show	3.2	N/A	2,990	N/A
Sitcoms	6	Cosby Show	9.5	11.2	8,790	10,530
	14	Mama's Family	5.2	5.5	4,780	5,170
	22	Charles in Charge	4.6	5.0	4,190	4,700
	35	Out of this World	3.5	4.2	3,180	3,950
	61	Munsters Today	2.2	3.5	2,010	3,290
Information	7	A Current Affair	8.4	5.8	7,710	5,450
	8	Entertainment Tonight	8.1	6.5	7,450	6,110
	11	National Geo on Assignment	6.5	8.2	5,990	7,710
	23	Inside Edition	4.5	N/A	4,170	N/A
	24	Hard Copy	4.4	N/A	4,060	N/A
Children's	19	Chip 'n Dale	4.7	N/A	4,370	N/A
	26	DuckTales	4.3	4.6	3,960	4,320
	40	Teenage Mutant Ninja Turtles	3.0	2.9	2,780	2,730
	45	Super Mario Bros. Super Show	2.9	N/A	2,670	N/A
	47	Muppet Babies	2.8	N/A	2,560	N/A
Drama	4	Star Trek	10.0	7.6	9,190	7,140
	18	People's Court	4.3	5.9	4,370	5,360
	19	Superboy	4.7	5.4	4,280	5,050
	30	War of the Worlds	3.8	N/A	3,520	N/A
	32	New Adventures of Lassie	3.7	N/A	3,400	N/A

* Rank among all first-run syndicated shows ** Season national average for Sept. 18-Nov. 12, 1989 vs. Sept 4-Nov. 13, 1988
Note: An N/A indicates the show did not exist in 1988.
SOURCE: Nielsen Media Research

Buyers sort through the inventory

Last year, advertisers exercised their influence over TV programming as never before. Witness the number of shows that advertisers pulled out of or those programs that suffered a backlash when they delved into sensitive topics, such as "thirtysomething's" portrayal of two men in bed together.

Although syndicated fare may not be as racy, advertisers and media buyers are no less opinionated regarding syndicated programming. *Advertising Age* asked some leading syndication buyers to evaluate current offerings.

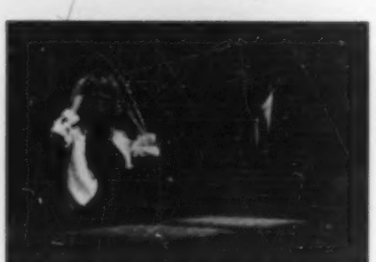
"**DuckTales**," a strip from Buena Vista Television, started the trend toward healthy kid shows, says Dick Kurlander, VP-programming at Petry Television. "Youth programmers are treating kids now as if they had brains."

Hit-status also is ascribed to "**Chip 'n Dale's Rescue Rangers**," "**Super Mario Bros. Super Show**," and "**Teenage Mutant Ninja Turtles**" by John Von Soosten, VP, director-programming, Katz Television.

"Shows that have been difficult to get off the ground this season are '**Inside Edition**' and '**Hard Copy**,' which is not doing as well as the syndicator hoped. Also, '**After Hours**' is not so OK," says Mark Goldstein, senior VP, director-national broadcast media and programming, Lintas:New York.

" 'Inside Edition' has had problems although now it's improving. 'Hard Copy' is still trying to find its position. It's not in the same league with '**A Current Affair**,' " says Mr. Von Soosten.

"['**Crime Watch Tonight**'] was a misguided effort—all crime. It couldn't grow; had very little female audience; and was incredibly graphic in its crime depiction.



While "Hard Copy" has had some rough times, "Arsenio Hall" is reviving late-night viewing.

"On the other hand, another crime-oriented show, '**America's Most Wanted**,' is doing well. It catches crooks," says Petry's Mr. Kurlander.

"**Arsenio Hall**" is really reviving late-night for a lot of independent stations," says Katz' Mr. Von Soosten.

Joel Segal, exec VP, director-national broadcast at McCann-Erickson says, " '**Arsenio**' has lived up to expectations, as promised by the syndicator."

"**Who's the Boss?**" is meeting expectation levels among off-network syndicated properties. "It's marketed on the coattails of '**Cosby**,' so the price is on the high side, but the point is, it is doing what was promised," says Petry's Mr. Kurlander.

"The '**Oprah Winfrey Show**,' '**Jeopardy**' and '**Wheel of Fortune**' performed well for us even though the demographics didn't look ideal at first [for promoting Wrigley's chewing gum to ages 12 to 34]," says Nancy Swiet, VP-associate media director, BBDO, Chicago.

"You have to look at the time a show runs. A 2.5 for '**Byron Allen**' late at night was and is acceptable, but it wouldn't be for '**Wheel of Fortune**' or '**Jeopardy**,' " says Mr. Goldstein of Lintas.

"Nothing is bad this year, but there certainly has been no second-coming. Some new shows haven't really been tremendous, but expectations weren't high that they would be—shows such as '**The Joan Rivers Show**,' " says Mike Levinton, VP, director-programming, Blair Television.

Petry's Mr. Kurlander added an amen to the "**Joan Rivers**" assessment: "I would have expected it to do better. It's no disaster, but a disappointment."

"I continue to be surprised that wrestling does as well as it does. We have a number of advertisers in syndication wrestling," says M-E's Mr. Segal.

—Ken Wylie

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NEWSPAPER

Advertising Age

January 22, 1990

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LAST MINUTE NEWS

Reynolds kills Uptown

WINSTON-SALEM, N.C.—R.J. Reynolds Tobacco said late Friday it's canceling the planned test of controversial Uptown menthol cigarettes, a new brand targeted to black smokers. In a statement, RJR said the test planned for early February in Philadelphia couldn't be accurate because of "the unfair and biased attention the brand had received."

Uptown had been under fire from U.S. Secretary of Health & Human Services Louis Sullivan and several health, black-interest and anti-smoking groups.

"Our intentions in test-marketing Uptown . . . have been misconstrued and misrepresented by the anti-smoking lobby," said Peter Hoult, RJR exec VP-marketing. "Our sole purpose, plainly and simply, was to market a cigarette among smokers who currently buy competitive products. . . .

"We regret that a small coalition of anti-smoking zealots apparently believes that black smokers are somehow different from others who choose to smoke and must not be allowed to exercise the same freedom of choice available to all other smokers. This represents a loss of choice for black smokers and a futher erosion of the free-enterprise system."

FCB/Leber Katz Partners, New York, was handling the brand.

Pepsi scores with Montana

SCOTTSDALE, Ariz.—Pepsi-Cola Co. told bottlers last weekend at their annual convention here that the company has signed San Francisco 49ers quarterback Joe Montana to an expanded contract for Diet Pepsi. The national campaign breaks in the first quarter of Super Bowl XXIV on CBS Jan. 28. Mr. Montana has served as a Diet Pepsi pitchman before, most recently in local spots for Pepsi-Cola West. No creative details were disclosed. Also, Los Angeles Laker Earvin "Magic" Jackson will star in a new network and spot TV effort for Mandarin Orange Slice, themed "The magic is Mandarin." BBDO Worldwide, New York, handles.

FDA proposal is strict

WASHINGTON—The Food & Drug Administration's proposed guidelines for health claims on food labels are far more stringent than the advertising community hoped. The 87-page pro-

(Continued on Page 8)

INSIDE

Ready for Moscow ..... **P. 16**
McDonald's prepares for next week's opening in Moscow.

Travel talks ..... **P. 20**
Travel industry executives discuss market changes at a recent *Ad Age* roundtable.

Life goes on ..... **P. 44**
Fallon McElligott maintains creative drive without founder Tom McElligott.

America's oat bran craze on the wane

Controversial research fuels product fallout

By Julie Liesse and Judann Dagnoli

The controversy over oat bran's power to lower cholesterol levels, triggered by a new scientific study last week, may hasten a shakeout already under way among oat bran products.

"What it did is confirm my suspicions about the oat bran market fading," said a Chicago retailer. "We're in a position to start weeding out some oat brans, and this gives me ammunition."

But the controversy won't have an impact on the general health food craze, and consumers may simply switch from oat bran to other brans, sources say.

Hardest and soonest to be hit will be faddish products such as oat bran beer, industry analysts believe.

But even General Mills and Quaker Oats Co. could feel some sales fallout from the study published in the *New England Journal of Medicine* that triggered the debate last week.

Cereal leader Kellogg Co., which has less of a stake in oat bran products, likely will feel the slightest impact from the study.

The research concluded that oat bran is no more effective in lowering a person's cholesterol level than other fiber foods, including refined wheat flour.

In other words, oat bran's impact on cholesterol levels could be coming from the fact that it's a dietary substitute for high-cholesterol foods, and other substitutes could work equally well, the study indicates.

On Wall Street, both General Mills and Quaker stock dropped immediately after the study's release.

"General Mills is the most exposed" with the oat bran study, said County NatWest Securities analyst Timothy Ramey, because "they have the shakiest claim to volume growth."

Arthur Schulze, General Mills vice chairman, disagreed.

"Sure, oat bran has brought some news to

(Continued on Page 54)

Super Bowl: an ad snore

Coca-Cola Co.'s "Hilltop Reunion" spot is irresistible, especially since it includes children this time.

Clever spots, yes. Spectacular, magical . . . no

By Bob Garfield

Let's hope the game is good.

The hyper-hyped Super Bowl advertising, it turns out, will not meet America's publicity-generated expectations. At $700,000 per 30 seconds—and cumulatively tens of millions of dollars in production costs—you'd have anticipated something magical.

AD REVIEW

But mainly all we'll get is clever, lots of clever and entirely unmagical TV commercials. Last year's 3-D Diet Coke spot and Anheuser-Busch's "Bud Bowl I" took the game to unprecedented heights of marketing spectacle, creating precisely the commercial-break dilemma advertisers sought. A sneak preview at this year's most pre-publicized commercials reveals little to strain your bladder over.

In terms of power and drama, the 1990 crop is the advertising equivalent of a 38-6 Super Blowout: a lot of interesting action but not much to talk about.

The sole exception is Coca-Cola Co.'s "Hilltop Reunion," a smarmy exercise in nostalgia and sentimentality, a mawkish and manipulative *faux* celebration of world brotherhood, a cheap device for stirring viewer emotion.

And a terrific one.

McCann-Erickson Worldwide, New York, begins with the basic, clever Super Bowl idea: revisiting the Italian site of 1971's

(Continued on Page 56)

Michael J. Fox sets out on his latest Diet Pepsi adventure, which this time takes place at the opera.

Ky. governor kindles new ad-tax battle

By Steven W. Colford

Kentucky Gov. Wallace Wilkinson last week formally proposed a 5% sales tax on in-state advertising, a move that immediately sent the ad community into strategy-mapping huddles.

By aiming his tax at in-state advertising only, Gov. Wilkinson opted for a safer route than his friend, Gov. Bob Martinez of Florida, whose 1987 ad tax failed largely because it also included national advertising.

It's likely, but not certain, the Kentucky tax would apply to creative services as well as media, Press Secretary Doug Alexander said.

To promote his image as well as his tax proposals, Gov. Wilkinson is expected to break a TV campaign this week, Mr. Alexander said. The campaign was created by Sawyer/Miller Group, New York, the agency that handled the governor's 1988 election advertising (and also contributed to the unsuccessful 1988 presidential media campaign of Massachusetts Gov. Michael Dukakis).

Gov. Wilkinson—a Democrat, a millionaire and somewhat of a populist—included the ad-tax proposal in his 1990 state budget message that also advocated taxing other professional services.

Pressure for new revenue stems from the sorry state of Kentucky's educational system, which the state Supreme Court last June said was unconstitutional on a number of grounds.

W. Wilkinson

But aiming the 5% tax at the state's rather modest ad industry—total media estimated at $350 million a year—could force clients to migrate to agencies in surrounding states.

"We have a client that we bill about $2 million from, and they could just give that to another agency," said Greg King, VP at Meridian Advertising, Lexington. He was referring to the agency's share of the account of fast-food restaurant holding company Jerrico Inc.

Meridian is the state's third-largest agency, billing about $12 million; Doe-Anderson, Louisville, is the largest, billing about $34 million.

J.T. Whitlock, executive director of the Kentucky Broadcast Association, was optimistic that the Legislature would defeat the ad-tax proposal, but he nevertheless planned an all-out lobbying campaign. By the middle of this week, Mr. Whitlock said, broadcasters planned to meet with the state press association, chamber of commerce, cable industry and others to develop a coordinated response.

The cable industry was particularly upset since the tax proposal specifically included a 5% tax on monthly subscriber bills.

Bill Beam Jr., president of the Lexington Ad Club, said the state's four adclubs already had mailed anti-tax literature to the 138 legislators and said the clubs will consider a media campaign against the plan. □

Apple slump puts brake on ad spending plans

By Bradley Johnson

Apple Computer, slumping after four years of riding high, appears to be ready to cut planned ad spending in 1990.

Last year, Apple spent $45 million to $50 million in media advertising and was expected to spend as much as $55 million this year, a source close to the company said. That compares with Apple's peak of about $100 million in 1984.

But the 1990 spending plan is now in doubt, and Apple may just match '89 spending levels this year.

Apple last week reported an earnings drop of 11% in the first quarter ended Dec. 29, 1989. Mindful of Wall Street's aversion to reduced earnings, Apple Chairman John Sculley is implementing an across-the-board, cost-cutting program.

Apple's No. 2 marketing executive, Bruce Mowery, director of marketing information and communications, said the company hasn't yet decided what would be cut but added that Apple will review its mix of media spending, direct response and promotion.

"We really haven't spent a lot of time talking about" specific changes, he said. But he added, "When times are tough, you look at all the dollars you're spending."

Mr. Mowery said 1990 ad spending "will be in the range of last year."

Given its performance this past Christmas and flagging consumer interest in computers, Apple is re-evaluating its traditional Christmas promotions. Sales of its aging line of low-end consumer products dropped during the holiday period, while sales of its newer, high-end business computers increased "significantly," Mr. Sculley said.

Apple "could very well" decide to scale back its holiday promotion and ad spending, Mr. Mowery said. "It's something that we've got to reassess as we go into 1990."

"What we're seeing [in Apple's results] is first of all an industry-wide phenomenon rather than an Apple phenomenon," said Bruce Lupatkin, an analyst with Hambrecht & Quist.

The maturing $50 billion personal computer market this year will grow only about 9%, half the rate of last year and a fourth what the market was growing at in the mid-1980s, said Timothy Bajarin, exec VP of Creative Strategies Research International.

But whereas Apple emerged from the last industry slump in the mid-'80s with a hot product (the Macintosh), award-winning advertising and record ad spending, none of these components appears to be there now as Apple braces for tougher times.

The planned cost cutting reflects Apple's coming to grips with an industry slowdown.

However, Apple does enjoy a few significant advantages. The Mac has matured into a safe business alternative to IBM and IBM clones, and the existing base of satisfied customers affords a good platform on which to grow.

But as Apple has matured, its advertising may be losing the brashness that earned it so much attention in earlier years (including *Advertising Age's* "TV Com-

(Continued on Page 55)

Univisa returns to broadcast

By Ed Fitch

The godfather of Spanish-language TV is back—and in a big way.

Emilio Azcarraga Milmo, the man behind the upcoming launch of *The National* sports daily, on March 1 will introduce Galavision, a regional Spanish-language U.S. broadcast network. It will compete with Univision Network and Telemundo Group.

Univisa, the company introducing the broadcast network, previously was in the U.S. over-the-air market but sold its Univision network to Hallmark Cards in 1987. Mr. Azcarraga is head of Televisa, Univisa's parent.

Galavision will include Univisa's 2.5 million-subscriber basic cable network of the same name.

Advertisers spent $304.9 million in Spanish-language TV in 1989, up 21% from the previous year, *Hispanic Business* reported.

The new network will offer a 16-hour daily network feed and plans to link broadcast stations in major Mexican/Central/South American markets in California, Texas, Illinois, Arizona and New Mexico.

"I think there's room for more media in certain markets, and there's room for more targeted media," said Fernando Diez Bar-

(Continued on Page 54)

IN THIS ISSUE

Good vibes: Local TV execs focus on "advertiser friendly" programming at the NATPE convention. 4

Heavy load: Ad claim disputes reported to NAD increased slightly in 1989. 41

Name brand: P&G lends the Pringle's name to new snacks and dips. 42

Bloomies ad shines: Bloomingdale's campaign tops the retail merchants association awards. 43

Down and out: Hill, Holliday, Connors, Cosmopulos' public strategy unit disbands as John Sasso leaves to start his own shop. 48

Ad power? Infiniti's low sales and high ad awareness raise debates over the function of auto ads. 49

The rock rolls: Lowe Marschalk wins Prudential Insurance's $70 million ad account. 53

Considerations 24
Editorials 24
Brady's Bunch 26
Forum 26
Letters 28
James Brady 29
Keith Crain 29
The Next Trend 29

Automotive Marketing
Carmakers have learned there's more than TV to reach consumers, using an ever-widening array of devices from upscale parties to stock-car sponsorships to fill showrooms.

Global Gallery 34
These "spokes-animals" for U.K.-based Anchor Foods are mooooooved to be proud about what makes their butter stand out above the rest.

MEDIA
MediaWorks 38

PeopleWorks 36
People Moving 36
Photo Review 37

U.S. NewsWatch 12
Corrections & Clarifications 28
Classified 46
For the Record 51
Index to Advertisers 56

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SPECIAL REPORT

Automotive Marketing

Edited by Pat Sloy Thomas

Fantasy shopping S-2
Annual auto show extravaganzas allow carmakers to gauge reactions, build lists.

Speedy results S-6
Winning on Sunday to sell on Monday is drawing more marketers to motor sports.

Prospecting for a rich vein S-10
Tony events, parties mark lifestyle marketing increases at upscale carmakers.

It's all in how you say it S-14
Is Chevy America's heartbeat or "a declining entry-level brand"? Garfield reviews slogans.

Rob Ponzanski

Blasting through ad clutter

Carmakers finding there's more than TV to draw consumers

By Raymond Serafin

Too many cars, not enough buyers.

The essential problem facing automakers can be reduced to that simple equation. That equation has a corollary: Too many cars, too many ad messages.

The surplus of cars and trucks has created a clutter of automotive advertising, a factor that's rapidly changing the rules for marketers. Messages that don't stand out or lack consistency are lost.

"All media channels are cluttered, but sometimes a whisper of the right phrase at the right time can be convincing," says Brent Bissell, senior VP-manager, McCann-Erickson Direct, Troy, Mich., which handles General Motors Corp.'s Buick division.

Wooing today's customer isn't easy.

"We have the toughest, smartest consumers we've ever had, and they have more choices than at any time in history," says Laurel Cutler, vice-chairman of FCB/Leber Katz Partners, New York, and VP-consumer affairs at Chrysler Corp. There are more than 40 car and light-truck brands, offering by some counts more than 600 models. "Customers are not willing to stay married to a single brand forever," says Ms. Cutler.

Among the trends emerging to meet these changes: risk-taking in creative and media approaches to break through the clutter; increased use of non-traditional tactics such as direct marketing with videos and event sponsorships; and greater coordination between different marketing functions to achieve a consistent look and message.

The so-called "overcapacity" problem has arrived despite the best five-year sales results in the industry's history. Sales of new cars and trucks topped 15 million units a year for four straight years until 1989, when they still reached about 14.7 million (a projection based on sales through Dec. 10), still a far better year than the last recession, which saw sales dip to 10.5 million in 1982.

The situation "is like musical chairs in reverse," says Bob Reuschle, senior VP-director of media for J. Walter Thompson USA, Detroit, which handles Ford Motor Co.'s Ford Division. When the music stops, no marketer wants to be the one hanging on to unsold vehicles.

If a sales slump that began in October continues much longer, overcapacity may worsen.

"We see the sales downturn lasting at least through the middle of the year [calendar 1990]," says Thomas O'Grady, president of Integrated Automotive Resources, a Wayne, Pa., marketing consultancy. National Automobile Dealers Association forecasts a 7% sales decline in 1990, to 13.7 million cars and trucks.

Agencies and media are watching to see if other auto marketers will follow the lead of General Motors Corp., which is responding to declining sales by cutting an estimated $80 million out of its 1990 ad budget.

The economics of the situation demand that automakers spend more to market their vehicles, says Mr. Reuschle; it is far more expensive to shut down a factory.

The experience of the past five years supports that view. New entries such as Acura, Daihatsu, Hyundai, Infiniti, Lexus, Range Rover, Sterling and Yugo have poured out sizable introductory marketing budgets, gained a bigger foothold, and marketing spending for existing models has soared to meet the new competition.

"There's no question spending by all the auto companies is up substantially," says Michael Drexler, exec VP-media at Bozell, New York, agency for Chrysler's corporate advertising and Chrysler/Plymouth divi-

(Continued on Page S-8)

BAROMETER

Take a number

Top auto advertisers

Company	1989 Jan.-Sept. spending	% chg
General Motors Corp.	$823,697.4	–7%
Ford Motor Co.	323,983.3	+12
Chrysler Corp.	297,482.3	+2
Toyota Motor Corp.	177,983.1	+43
Nissan Motor Co.	142,818.8	+37
Honda Motor Co.	137,276.9	+28
Mazda Motor Co.	106,774.4	+47
Hyundai Group	105,778.4	+14
Volkswagen AG	95,388.4	–7
Daimler-Benz AG	89,945.3	+15

Note: Dollars are in thousands. Figures include nine measured media only.
SOURCE: LNA/Arbitron Multi-Media Service

Take the pulse

General Motors probably will stay inside when it replaces the retiring Roger Smith this year, but what if market share dips below 30? 25? 20?!? What if the only solution is to go outside for an heir to the GM throne? Here are some names we'd like to see GM consider:

Bo Schembechler...The former Michigan football coach could have the Detroit Tigers on solid footing for the pennant drive, so why not bring him in and see if Bo knows Firebirds, too?

Michael Moore...The ultimate in turning-the-other-cheek: Hire the director of the wicked "Roger & Me" documentary haunting GM in theaters around the U.S. Then again, maybe not.

Hal Riney...That voice, that voice. If ever there was a calm, settling, convincing front man to run rings around the contenders, Saturn's agency head is it.

Lee Iacocca...Go for the trifecta—he perked up Ford; he's the savior of Chrysler; what better way to wrap it up than re-righting the stumbling giant?

Ralph Nader...Hey, the Corvair controversy is long forgotten and the consumer is always right. Right? Nah.

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NEWSPAPER

Advertising Age

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Continental grounds Ayer

Contenders for $50M account may include JWT, Scali, WRG

By Jennifer Lawrence

HOUSTON—Continental Airlines late last week fired N W Ayer as agency of record on its estimated $50 million account.

James O'Donnell, the airline's senior VP-marketing, confirmed Ayer had been given 90 days' notice. The agency serviced the account from New York and Houston.

The Texas Air Corp. subsidiary this week is expected to invite a handful of agencies to pitch the business, with a selection possibly by March 1, Mr. O'Donnell said.

He declined to reveal the prospective shops, but sources familiar with the company named New York agencies J. Walter Thompson USA; Scali, McCabe, Sloves; and Wells, Rich, Greene as leading contenders. D'Arcy Masius Benton & Bowles also may be involved.

"We concluded that it was time for a change," Mr. O'Donnell responded, when asked why Continental fired the agency.

"The decision to part company with a fine agency like Ayer was extremely difficult," he said. "During our three-year relationship, Ayer did a substantial amount of good work for us. But in the end, we decided that it was not a good fit."

The air carrier's account had been troubled by an ongoing turnover of senior agency executives. Insiders speculated that the ad agency's mistake was failing to put a stable account management team in place—particularly for an airline whose business demands marketing decisions

(Continued on Page 8)

Joe Montana invites Coke's celebrities to take a taste test.

Ad 'hype clutter' crowds out game

By Patricia Winters

Commercial "hype" is beginning to overtake the message.

What some are calling "hype clutter"—the publicity barrage surrounding advertising even before it hits the air—reached its zenith at yesterday's Super Bowl.

No longer just professional football's championship game, the Super Bowl has become a "commercial championship" among advertisers, with an ad buildup resembling that for the game itself.

While the idea of ads generating news isn't entirely new, never before has it reached such a crescendo.

"What's happening is that there are now two Super Bowls: the Super Bowl on the field and the Super Bowl of commercials," said Larry Kurlander, senior VP, American Express Travel Related Services Co.

AmEx departed from its publicity-shy stance this year by pre-announcing the airing of its spot with actor Paul Newman (*see story on Page 2*).

The strategy of leveraging interest in commercials into more airtime is now part of many marketers' game plans, including McDonald's Corp., Anheuser-Busch and Gillette Co., all of which ran spots on the Super Bowl and hyped them beforehand.

■ An *Ad Age* study looks at how many free plugs for products run on network TV in one 24-hour period—Page 6.

Some marketers, such as Pepsi-Cola

(Continued on Page 58)

Obstacles mount for 'healthy foods'

An Advertising Age roundup

There's near chaos in the healthful foods marketplace.

From oat bran to rice bran to health "seals," companies that had counted on this trend carrying them into the 1990s are suddenly finding it extremely rough going. Roadblocks are appearing everywhere.

Just as the American Heart Association and participating food marketers were to kick off the HeartGuide labeling program this week, the Food & Drug Administration warned that participants were "risking regulatory action."

Just as Kellogg Co. disclosed the $30 million-to-$35 million introduction of Kenmei Rice Bran cereal, a Rice Council of America-funded study, expected to show cholesterol-lowering benefits for rice bran, didn't.

Just as that study came out, a second report questioning oat bran—this one co-sponsored by Quaker Oats Co.—was released.

Quaker turned around and produced a page newspaper ad that listed the 27 years' worth of health studies that *did* show cholesterol-lowering benefits for oat bran. It ran Friday in *USA Today*, *The Wall Street Journal* and five other major dailies.

Kellogg's Kenmei cereal will enter the rice bran arena in March.

The most chaotic situation is with the heart association's HeartGuide program, set to be launched today in supermarkets nationwide.

"To make a statement a week before the program is out is grossly unfair on the part of the FDA," said Bob Harris, president of GFA Brands, whose Heart Beat canola oil and Heart Beat margarines will carry the HeartGuide seal.

"The American Heart Association is like

(Continued on Page 58)

LAST MINUTE NEWS

Riney sale rumors fly

SAN FRANCISCO—Hal Riney & Partners' postponement of an annual fiscal meeting for staff has fueled rumors that announcement of a sale or the sale of an equity stake is imminent. One source said Mr. Riney has negotiated a partial buy-in involving a London agency. Mr. Riney repeatedly has denied rumors he's seeking to sell the agency; his office last week said he's out of town. "We're not now in any discussion with anybody for the sale of this company," said Jim Travis, Riney president-chief operating officer, who is based in New York. Asked about a possible minority investment, he said, "we don't need anything like that; there's no reason for it. Things are going too well."

Henkel mulls HDM ties

BARCELONA—West German detergent giant Henkel will decide this week whether to pull its $11 million account from HDM here. Henkel's decision also could affect the marketer's European relationship with the agency. HDM has about a quarter of Henkel's estimated $175 million European account. Henkel's possible move follows turmoil at the agency that led to the departure of three executives here.

Ky. ad tax in trouble

FRANKFORT, Ky.—A source close to Gov. Wallace Wilkinson last week acknowledged legislative support for the

(Continued on Page 8)

INSIDE

Kids are hot ..... P. 3
Magazines rush to copy *Sports Illustrated for Kids*.

Making faces ..... P. 12
New research technique at BBDO explores consumers' emotional feelings about ads.

Wanted: Agencies ..... P. 54
The U.S. Marine Corps is trying to drum up some agency interest in its account review.

Lintas to handle Diet Coke globally

By Patricia Winters and Jon Lafayette

Coca-Cola Co., after using McCann-Erickson Worldwide as its sole international agency network for decades, is establishing Lintas Worldwide as a second global network for the rapidly expanding Diet Coke brand.

Lintas will assume the worldwide creative assignment for Diet Coke, Coca-Cola Co. said. The agency has handled those duties in the U.S. and Canada since the brand's introduction in 1982.

Lintas and McCann are both units of Interpublic Group of Cos.

European Community countries will start switching to local Lintas offices this year, with other international markets switching after 1990.

Diet Coke, known as Coca-Cola Light in some countries, is now marketed in 80 nations. Annual spending outside North America is estimated at $50 million.

The company said the switch

■ Lintas brings its European buying service to Canada—Page 55.

isn't a reflection on McCann's creative abilities, which Coca-Cola Co. called "superlative."

Instead, the move reflects the expansion of Diet Coke, which grew 38% in annual worldwide sales volume over the past three years, the company said. The brand has grown so large it needs an agency dedicated to the brand globally, a Coca-Cola Co. spokesman said.

McCann keeps Coca-Cola Classic, marketed in 160 countries, and also retains the company's international "flavor" business, including Sprite and Fanta.

For now, McCann will keep media buying for Diet Coke outside North America.

"Diet Coke is becoming a major worldwide brand," said Lintas Chairman William Weithas. "The Coca-Cola people, in order to make sure that this potential is realized, want to have a separate system from McCann-Erickson working on it full time."

Lintas has set up an international Diet Coke team in New York headed by Exec VP-Client Services Robert Wadsworth and Executive Creative Director Roger Mosconi, who joined Lintas last September from Pepsi agency BBDO Worldwide. □

AmEx begins TV 'Portraits' with Newman

By Judith Graham

Paul Newman's endorsement career starts with a whimsical spot for American Express.

American Express Co. brought its famous "Portraits" print campaign to TV during the Super Bowl in a humorous new commercial featuring Paul Newman.

A second video portrait featuring actress Meryl Streep is scheduled to run soon, capping AmEx's coup of snaring both Mr. Newman and Ms. Streep. The spots represent their debut appearances in commercial advertising (AA, Dec. 11).

The TV version of "Portraits" will become a new component of AmEx's corporate advertising, along with the continuing print campaign and the ongoing "cardmember stories" TV spots dramatizing the benefits of AmEx's credit cards. Ogilvy & Mather, New York, handles the efforts.

The Newman spot spoofs one of Mr. Newman's favorite hobbies: auto racing.

It opens with the superstar preparing for a race with great seriousness, donning gloves and helmet as the crowning touches to his high-tech outfit.

His vehicle? A miniature motorcycle.

Mr. Newman doesn't say a word in the spot, and there's no product mention until the final b&w frame that reads, "Paul Newman. Cardmember since 1966."

The Paul Newman spot "shows you can use a celebrity in a very artistic but powerful way for a product without a hint of exploitation," said Kenneth Chenault, president of AmEx Travel Related Services Co.'s Consumer Card Group.

Jerimiah Chechik and Lisa Pugliese, both of the Artists Company, were director and producer, respectively; Jan Kiesser, served as director of photography. The creative team at O&M: Gordon Bowen, creative director; Kevin Kelly, writer/producer; Tom Pratt, art director; and Karl Westman, music producer.

Unlike the print campaign, shot exclusively by photographer Annie Leibovitz, the artistic teams behind the video portraits will vary, Mr. Bowen said.

The idea behind the spot was Mr. Newman's own, Mr. Bowen said, inspired by a tiny but surprisingly fast cycle he keeps in his Westport, Conn., garage.

Negotiations for upcoming TV spots are under way with several well-known personalities, but so far Ms. Streep is the only one to have signed. □

Chrysler sets Olympic deal

By Wayne Walley and Raymond Serafin

Chrysler Corp. closed the first Winter Olympics ad deal with CBS last week, agreeing to buy a combined $106 million in commercial time for the 1992 and 1994 Games.

CBS said the agreement gives Chrysler half the time allotted for automotive commercials within the network's Olympic telecasts on a non-exclusive basis, without ratings guarantees.

Exclusivity has become a priority for automakers, particularly General Motors Corp., when making media buys. But the premium price usually associated with Olympics exclusivity might have been too steep for any single automaker to pay.

By agreeing to pick up half the automotive inventory, Chrysler essentially guarantees itself at least equal prominence in the Winter Olympics without paying a premium.

The lack of ratings guarantees could be a gamble for Chrysler, but CBS may have insisted on those terms to avoid the make-good problems previously suffered by both ABC and NBC.

Ratings shortfalls caused both those networks to lose millions in revenue and ultimately lose money on Olympics telecasts in 1988.

Without offering comment on the lack of exclusivity or a ratings guarantee, Chrysler executives praised the deal.

"It was an excellent advertising buy," said Arthur Kesteloot, manager of advertising and media relations. "It made sense to lock in the time and the rate."

Mr. Kesteloot would neither confirm the cost nor discuss specifics of the buy, such as the number of spots per telecast.

The Chrysler buy totals $50 million in time for the 1992 Games in Albertville, France, and $56 million in time for the 1994 Games in Lillehammer, Norway, sources say.

Mr. Kesteloot said Chrysler will use the time to "showcase a wide range of completely new products that will be introduced during that time."

CBS had intended to start

(Continued on Page 58)

IN THIS ISSUE

Mail sport tie-ins: CBS Sports gives advertisers more for their money with a new shopping mall tour. ... 4

Recall winner: Pepsi takes top honors with the best-recalled consumer product advertising for 1989. 12

One-on-one: Reebok's chairman-ceo looks beyond shoes and fashion to leisure products. ... 16

Sights on Europe: Omnicom Group searches for European expansion through acquisition. ... 18

Building relations: Marketers form a new association to work on controversial trade allowances. ... 25

Agency recruit: U.S. Marine Corps looks for a few good agencies to compete for its ad account. ... 54

VIEWPOINT

Considerations ... 32
Editorials ... 32
Brady's Bunch ... 35
Forum ... 35
Letters ... 36
James Brady ... 38
The Next Trend ... 38
Joe Winski ... 38

Retail Marketing
Despite logistical woes, foreign markets are attracting some U.S. retailers. Also, how Dan Mathews is making the fur fly.

Global Gallery ... 43

MEDIA

MediaWorks ... 44
Consumer Linage ... 48

Photo Review ... 48
PeopleWorks ... 50
People Moving ... 50

Gillette's Sensor shaving system makes a forceful intro by relying on the familiarity of the Atra ad imagery and jingle.

U.S. NewsWatch ... 10
Corrections & Clarifications ... 36
Classified ... 51
For the Record ... 55
Index to Advertisers 60

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Free 'plugs' supply ad power

From news shows to soaps, marketers get mentions on TV

By Scott Hume

Film critic Gene Siskel followed his review of "The Little Mermaid" Dec. 19 on the "CBS Morning News" with the observation that his daughter immediately wanted to go to McDonald's and get a "Little Mermaid" Happy Meal.

That was a plug for McDonald's Corp., a free mention for an advertiser that spends $250 million annually on network TV advertising.

TV programming is constantly interrupted by paid ads, but increasingly, the programs themselves are also peppered with what really are unpaid ads: mentions of products by talk show guests, corporate logos superimposed behind newscasters' heads to illustrate a news story, signage or labels visible during dramas.

According to a study commissioned by *Advertising Age*, brand names get a significant amount of visibility free, through regular TV programming, compared with what they get through paid advertising.

To find out how many plugs occur during the average broadcast day, *Ad Age* joined with the Department of Advertising at Northwestern University's Medill School of Journalism.

A complete 24-hour broadcast day for each of the Big 3 TV networks was videotaped, one network a day for three consecutive days.

Those tapes were then viewed by 28 graduate students—with at least two students viewing each tape—who watched for and recorded every plug they believed they heard or saw.

The definition of a plug used was purposely broad and subjective. Basically, any mention of or appearance by a commercial product or company was counted as long as it was not judged to be a paid placement.

The subjectivity was factored in because *Ad Age* wanted to learn how many product names and logos a group of college-age people would spot.

When director Ron Howard mentioned on "The Arsenio Hall Show" that he lives in a Winnebago on the movie set, that counted as a plug for the motor home company.

When an actor on "General Hospital" bought an ice cream cone from a street vendor and the Drumsticks label was clearly visible, that counted. So did the ad for Marlboro 25's visible in the magazine another character on that show leafed through.

If the students thought the watch on a person's wrist clearly looked to be a Rolex, even if the name wasn't visible, or if someone in a program was wearing Levi's jeans, those appearances counted.

Prizes on game shows didn't count. Brand names or products that students differed in identifying also were weeded out.

In a single day of programming on the three major networks, this study found 818 instances of a recognizable product or mention of a brand or corporate name.

News programs No. 1 in plugs

News programs led the pack when it came to including such plugs, accounting for 44% of the brand-name inclusions.

Next were the talk/variety shows (accounting for 14.5% of the total).

For example, comedian Rich Hall's routine on NBC's "Late Night With David Letterman" included mentions of Exxon, Mickey's malt liquor, Milk-Bone dog biscuits, Milk Duds candy, Pop Tarts, Safeway stores and the *Village Voice*, as well as Mr. Hall's series of "Sniglets" books.

All plugs.

But the record was set earlier in the evening by comic Jay Leno, the guest host of NBC's "Tonight Show Starring Johnny Carson." Mr. Leno managed to include in his routine mentions of the "ABC Evening News With Peter Jennings," Adidas aftershave, Cycle 4 pet food, Eastern Airlines, 40-Plus Bran Flakes, the film "Friday the 13th, Part 7," Garfield plush toys, Mary Kay cosmetics, the board game Monopoly, Toyota, *USA Today* and more.

Consumers have been conditioned to recognize corporate and product logos, and most people from 3 to 50 own at least one article of clothing bearing a product name or logo.

So it doesn't take a trained eye to notice that the bad guys are wearing Reebok shoes during CBS' "Jake & the Fatman."

And during a late-night showing of an old episode of "Family Medical Center," most viewers probably noticed the Johnson & Johnson logo on products above the hospital patient's head.

Valuable, free advertising

In a culture and economy where few things are as valued as the brand name, each of those mentions constituted a valuable—and free—piece of advertising.

The argument also could be made that they undercut advertisers by increasing the clutter of brand names on the medium.

Plugs can be negative, too, and these were counted. It happened, for example, that most newscasts on one of the days carried a story about new data gained from the cockpit flight recorder from a Delta Air Lines crash earlier in the year. Each mention of Delta constituted a plug, though not necessarily a positive one.

The broadcasts for the three networks (taped Wednesday through Friday, Aug. 2 to 4, 1989) were regarded, in total, to represent the equivalent of a single network day.

Among the results of the study:

- The networks carried roughly an equal amount of plugs in their programming. The students counted 297 plugs over 24 hours on NBC's WMAQ-TV, 270 on CBS' WBBM-TV and 251 on ABC's WLS-TV. All three Chicago stations are owned and operated by their networks.
- Most free mentions of company and product names come during news programming.

WMAQ's 6 a.m "News at Sunrise" program included stories about possible buyers for Avon Products, trading activity by Drexel Burnham Lambert, the death of a woman when a train collided with the 1985 Mercury she was driving, an emergency landing made by a Piedmont Airlines pilot and a review of the film "Parenthood."

The sports segment on WBBM's 10 p.m. news program included a short item on the Boston Celtics' Larry Bird. The Nike logo was visible on players' shoes and so was the Adidas name on an onlooker's T-shirt.

- News/feature programs such as NBC's "Today" ranked third, with 14.3% of total plugs.

Some of these plugs were for the books or films or TV programs with which guests were associated. But not all. For example, a "Today" feature on Jackson Hole, Wyo., included mention of Miller beer and Calvin Klein jeans.

Brand names visible or mentioned in news stories aired during "CBS This Morning" included Coca-Cola, Corona and Miller beers, Ford, Heinz ketchup and NutraSweet.

- Daytime dramas also had their share of plugs. The Bell symbol was prominent on the phone booths used by characters on ABC's "All My Children" and "General Hospital." A character on CBS' "The Bold & the Beautiful" read *Elle* magazine. To signal the wealth of a character on NBC's "Another World," the camera zoomed in on his Rolex.

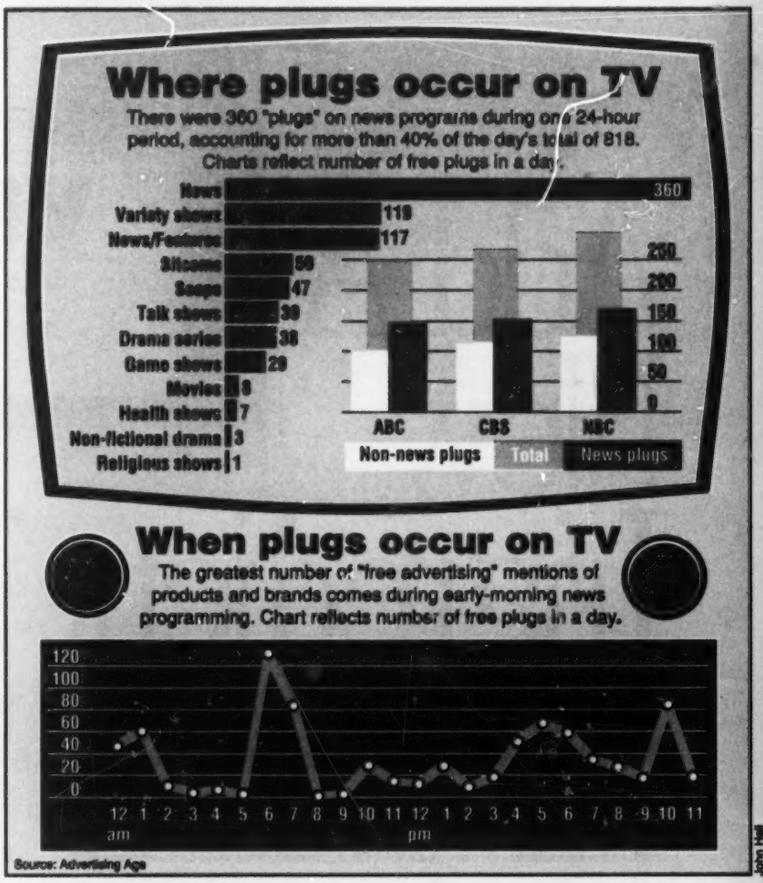
All three networks said their policy is to eliminate or at least minimize the number of plugs in programming.

ABC's policy states that "identification of products [or services] by brand name or the use of brand-name products as props should be kept to a minimum and must be specifically approved in each case by Broadcast Standards & Practices. Approval will be given only when the product reference or prop is important to sustaining the dramatic and production value of the program."

But dozens of plugs still manage to slip through this net, especially on news and variety programs where content can't be prescreened.

If there's a conclusion to be drawn from this study, it's one many of the students noted in their written evaluations: that product names confront us everywhere on TV, in programming perhaps more than through commercials.

Student Karen Davis wrote: "While I had always been aware that there were a good number of products appearing in today's TV programs, I did not realize the extent of the product appearances. . . . There is an almost blatant attempt to display the product names without hesitation." □



Students assist in plug count

CHICAGO—This study of plugs and "free advertising" was conducted with the assistance of Northwestern University's Medill School of Journalism, particularly Dean Don Schultz; Professor Martin Block, director of the graduate advertising division; and Instructor Beth E. Barnes, who shepherded the project to completion and provided an enormous amount of computerized tabulation.

These students in Medill's graduate advertising division monitored the 72 hours of videotape and logged their findings:

Anja Abeles, Tara Afnan, Bradley J. Bonewell, Sheri Brandwein, Rick Cooper, Karen Davis, Amy L. Engstrom, Marla Friedman, Saudia Gajadhar, Moshe Gaon, Brian Hutton, Junguk Hwang, Karen Koehn, Andy Larsen, Younghee Lee, Barry Levine, Carmen M. Lozada, Linda Neville, Pam Noe, Kimberly Oster, Puneet Pabi, Angela Pasqualucci, Kathy Rappel, Robert R. Sullivan, Carl Thompson, Donna Urbanowicz and Jeff Wasden.

The students were invited to record their observations about the project. Among them were the following:

"It seemed as if the producers and participants in 'USA Today on TV' went out of their way to name and show products. (Which makes sense, I guess. Heck, the entire 'USA Today' show can be considered a plug for that newspaper.)"—Andy Larsen.

"Many products get a free plug solely by conveying a stereotypical image of the user. Evian mineral water portrays 'yuppiedom' for example."—Barry Levine.

"I feel that having a character on a show use a product while 'in character' may be even more persuasive than a testimonial [ad]. I find it normal, and it appeals to me on a common-man level, that [the character] Michael on 'thirtysomething' would drink a certain beer. But I don't want to see a full-frame closeup on the can in his hand."—Amy L. Engstrom.

"Watching 'Young Wives Tale' (a 1951 film that aired late at night) and comparing it with current TV movies, the '50s sets were stark. The only visible product (in 'Young Wives Tale') was Lux detergent sitting next to the washer. Current sets have so many products, especially in the kitchen scenes."—Sandra Beck.

"I really do not believe that with the programs I saw there was enough blatant plugging of products going on to consider this to be an epidemic. I believe that shows on TV have a right to use any product in order to set up a more realistic situation."—Rick Cooper. □

Emotion guides BBDO's ad tests

By Gary Levin

NEW YORK—BBDO Worldwide has found emotions speak louder than words when it comes to measuring the effectiveness of advertising.

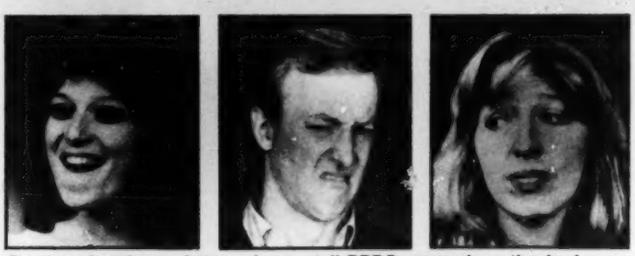
The agency has begun using the Emotional Measurement System, a proprietary device that uses photographs of actors' faces to help consumers choose their reactions to commercials.

The system has been three years in development. Under the leadership of Karen Olshan, senior VP-director of research services, BBDO has used the copy-testing system to measure the impact of commercials for Gillette Co.'s Atra Plus razors; Pepsi-Cola; Polaroid Corp.; and Wm. Wrigley Jr. Co.

BBDO said the process virtually eliminates the inherent bias in traditional copy testing. Under the traditional system, consumers often underestimate their emotional responses because they feel "silly" putting them into words, and words are subject to varied interpretations, the agency said.

"Traditional copy tests have failed to adequately measure emotional response," Ms. Olshan said. The techniques tend to measure thoughts rather than feelings. Other techniques that try to measure emotional response through physiological reactions, such as eye movements, also have met with little success, she said.

Rather than ask consumers to choose from a simple list or write in their own words, the agency devised a deck of 53 photos—narrowed from 1,800—representing what BBDO calls the universe of emotions. Each features one of six actors with different expressions ranging from happy/playful to disgusted/revolted. There are a total of 26 categories of emotions expressed.



By choosing these photos, viewers tell BBDO researchers they're happy, disgusted or unexcited about test commercials.

(BBDO's Photosort system, introduced in 1971, uses photos representing all types of people—rather than emotions—to help identify a brand's "user imagery.")

Here's how the system works: As with most copy testing, consumers are shown a single commercial or group of spots and are then given a questionnaire to test whether brand names and copy points are remembered. Researchers using the emotional measurement, inserted at any point during this process, provide the participant with the photos.

Each person is asked not to write or speak about the spot, but to quickly sort through the photos, setting aside any or all that reflect how he feels after viewing the commercial.

A researcher takes the selected cards and tabulates how often a particular photo is chosen by the 150 to 600 consumers who participate.

In the system, the expressions are plotted on a "perceptual map" to determine whether the response is positive or negative, active or passive. Agency researchers can then compare a spot's effect on, say, teens vs. adults or women vs. men.

"It doesn't tell whether [consumers will] buy one brand or another, but it can say whether it has generated the emotion you want it to," Ms. Olshan said.

BBDO tested the system on an Atra Plus razor campaign that began running in early 1989 with the theme, "The best a man can get." The agency wanted to see whether the male-targeted campaign would alienate women, but it found otherwise. Men were more likely than women to feel "proud and confident" after watching the spot, but more women than men felt "happy and joyful."

"Obviously, we would not air creative that would alienate women, but this actually showed strength among women greater than the strength [research had previously] shown," said Sharon Keith, VP-marketing research for Gillette's North Atlantic shaving and personal-care group.

Although the system wasn't used for Sensor ad development because of the "product-driven" nature of that campaign, it has influenced media selection, Ms. Keith said. Gillette will use more prime-time advertising and rely less heavily on male-skewed sports programming.

Gillette also expects to use the system on advertising for new men's toiletries products under development.

BBDO's creative department has given EMS a welcome reception.

"This stuff gets closer to the way advertising works," said Ted Sann, exec VP-executive creative director. He noted that its main advantage is to validate creative approaches and ensure that "we're pushing the right buttons."

The system can be used to show which age or demographic groups are more responsive to a spot and can thus help select media placement, but the findings won't lead to a decision to drop a campaign, he said.

"I see it less as a go/no-go thing than as a method of adjusting the advertising and maintaining it," Mr. Sann said.

Other clients are similarly—if tentatively—enthused.

"We've always known there's been an emotional component to advertising, but when you try to put it into measurable terms, it gets touchy-feely," said Ron Cox, group VP-marketing at Wrigley, which is believed to have tested its "Piece of America" image campaign using the system.

"Up until now we haven't had any real basis for feedback on whether [a commercial] did elicit a response on an emotional level," he said.

Mr. Cox called the new system "a large step forward" but said "there's a hell of a long distance" between measuring emotional response and manipulating it. □

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Pepsi tops Coke in '89 best-recalled ad ratings

By Scott Hume

Pepsi-Cola enters the 1990s with the best-recalled advertising of all consumer products.

Pepsi, which positions itself as "The choice of a new generation," was the choice of most consumers last year as far as ad recall is concerned.

Based on average recall scores for *Advertising Age's* monthly adWatch survey of top-of-mind awareness in 1989, Pepsi finished on top for the second straight year.

The recall bridesmaid last year, as in 1988, was rival Coca-Cola.

Sears, Roebuck & Co. and Toyota didn't finish in the top 10 in 1988 but made it in 1989. The California Raisin Advisory Board and political advertising were in the top 10 in 1988 but didn't repeat.

The two cola combatants also finished in the same order in the soft-drink category for the second year. Pepsi ads came to mind first by an average 37.5% of those polled when they were asked to name the first soft-drink advertising they recalled.

Coca-Cola had an average 31.6% share of first mentions in the category. Its extension, Diet Coke, which *Ad Age* recently named the "Brand of the Decade," finished in the No. 3 spot with 6.2% of first mentions.

Coca-Cola managed to spoil Pepsi's party a little bit, however, by finishing in the No. 1 spot in overall recall for the last month of 1989. In December, the top 10 in recall, in descending order, were Coca-Cola, Pepsi-Cola, General Motors Corp.'s Chevrolet, Anheuser-Busch's Budweiser/Bud Light, automobiles (in general), Miller Brewing Co., Ford, McDonald's Corp., Toyota and grocery stores (in general).

AdWatch is a joint project of *Ad Age* and the Gallup Organization. Awareness is measured monthly by asking a nationally projectable sample of adults to name the first advertising that comes to mind, overall and in several categories, from all seen

(Continued on Page 56)

AdWatch survey of advertising awareness Top 10 for 1989

Each month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind? Rankings below are based on average recall over 12 months of 1989. Source: Gallup Organization, Lincoln, Neb.

Rank 1989	Rank 1988	Advertiser	Agency
1	1	Pepsi-Cola	BBDO Worldwide
2	2	Coca-Cola	McCann-Erickson Worldwide
3	3	McDonald's	Leo Burnett USA
4	8	Chevrolet	Lintas:Campbell-Ewald
5	7	Ford	J. Walter Thompson USA
6	5	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/-DDB Needham Worldwide
7	9	Miller	Leo Burnett USA/Backer Spielvogel Bates
8	—	Toyota	Saatchi & Saatchi DFS/Pacific
9	10	Tide	Saatchi & Saatchi Advertising
10	—	Sears	Ogilvy & Mather

SPECIAL REPORT

Retail Marketing

Edited by Adrienne Ward

It must be Tuesday S-2
Hours erratic but chain builds following.

No easy brush-off S-4
Dan Mathews is making the fur fly.

On the way up S-6
Where retail authorities expect growth.

International intriguing

As domestic sales lag, U.S. retailers probe foreign markets

By Pat Sloan and Judith Graham

As Talbots Inc. gets ready to open its doors for the first time in Tokyo next month, the retailer of classic American clothing is having to downsize. Japanese women are tiny compared with the average American woman, who measures in at size 12, so Talbots plans to carry only petite-size clothing in its Tokyo store.

Williams-Sonoma found itself in a similar size-related predicament. When the 118-store chain of gourmet cooking and serving equipment moved to Japan in 1988, it learned to carry only smaller cookware that fit smaller Japanese stoves.

It may be a small market size-wise, but Japan—like the rest of Asia and Europe—could provide big opportunities for U.S. retailers that have outgrown the market at home.

The general-merchandise segment of the U.S. retail industry is stagnant, according to Rosalind Wells, chief economist for the National Retail Merchants Association. Ms. Wells predicts growth will decline slightly in 1990 to about 5.9%, down from 6% in 1988 and 1989.

While much of the 1980s saw foreign retailers invade the U.S.—either buying up local retailers or importing retail formats such as Benetton and Ikea—U.S. retailers traditionally have been leery of international expansion. Those retailers most likely to consider expansion abroad are strong performers that have reached a saturation point in the U.S.

"[U.S.] retailers have been reluctant to look at anything beyond their own borders. But some of the newer breed are saying we shouldn't ignore these markets," says William Flatley, a consultant with Kurt Salmon Associates. "They realize . . . Europe is a new frontier. They see a movement internationally and they want to be a part of it."

> Retailers know "they better get their foot in the door before 1992 arrives."

Those retailers, he adds, also understand "they better get their foot in the door now, before 1992 arrives."

U.S. retailers have lagged foreign merchants in overseas investment. U.S. stores have invested $2.5 billion in Europe, compared with $5.5 billion committed to U.S. retailing by European investors, according to a 1988 study by the Harvard Business School and France's Hautes Etudes Commerciales-Institut Superieur Des Affairs.

But that is changing.

"In the last 18 months, names have begun popping up of [U.S.] companies thinking of expanding overseas," says Christin Cherry, a consultant with Nigel French Enterprises.

"I think [retailers] are beginning to realize [the U.S.] market is mature or maturing," says Walter Levy, a principal in the consultancy Walter K. Levy & Robert E. Kerson & Associates.

"And especially if you're an up-market retailer, regardless of what country you're in, you almost have to be global because there's a limited number of consumers [and markets] that can support an up-market store," Mr. Levy adds.

Upscale jeweler Tiffany & Co. is evidence of that.

"When we look at some of the remaining places in the U.S.—next year we're opening [in] Washington and Philadelphia—and then look at other countries around the world, their cities not only have the criteria [for new stores], but in some cases better criteria than cities remaining in the U.S," says Tom Andruskevich, senior VP-international and trade division at Tiffany.

Less tony retailers have reached similar conclusions.

Since last spring, J.C. Penney Co.'s Units wholly owned subsidiary has opened one store in Canada, three in the U.K. and six in Mexico, and is looking at other countries.

(Continued on Page S-2)

BAROMETER

Take a number

U.S. retail sales by category
(1988 figures in millions)

Category	1988	% change from '87
Automotive	$369.0	12.9%
Food	331.9	5.6
General merchandise	183.8	4.8
Eating & drinking	157.5	6.7
Gasoline stations	101.9	-1.2
Furniture	93.0	10.5
Lumber & hardware	88.9	14.0
Apparel & accessories	82.0	3.7
Drug stores	58.7	4.9
Other	162.4	11.6
Total	$1,629.2	7.8%

Source: Marketing Economics Guide/1989-90

Take the pulse

Can 1990 be any worse than '89 for the retail industry? Some outlooks are pretty dim; here are a few categories to watch.

TVs and VCRs . . . Manufacturers seem to have failed to realize most consumers already upgraded from black-and-white Sylvanias and basic Beta VCRs. Electronics retailers beware.

Home improvement . . . Bunker mentality is running rampant. Consumers increasingly want to come home from the office to a haven, not just four walls. Pier 1 and Crate & Barrel are on track.

Appliances . . . Microwave ovens aren't likely to fall victim to any bouts of "planned obsolescence." A slow housing market isn't helping either.

Apparel . . . Stung by the miniskirt debacle of 1987, marketers seem to have come to their senses, injecting a healthy caution about overly faddish fashion. The Limited and The Gap will stay leaders of the pack.

Sporting goods . . . Golf and bowling are leading the couch potato crowd back into a more active lifestyle, but who needs to replace aluminum softball bats?

Born to shop?

Percent of consumers 18 and older surveyed who like to shop in their spare time.

City	1989 responses	% change from 1987/88
Milwaukee	59.3	+5.7%
Detroit	59.0	+12.6
Houston	57.0	+8.1
Chicago	56.8	+9.4
Kansas City	55.9	+8.1
New York	53.8	+12.5
San Francisco*	53.0	+3.3
Atlanta	52.4	+8.0
Salt Lake City	50.5	+9.1
Denver	50.4	+10.3

*Also includes Oakland and San Jose

Source: Impact Resources, MA'RT Consumer Intelligence System
Ad Age Graphic: Holly Segure/John Hall

PEOPLE TO WATCH

Mathews making the fur fly

Dan Mathews' talent lies in getting under the skin of U.S. furriers.

As special projects coordinator for People for the Ethical Treatment of Animals, Mr. Mathews, 25, is responsible for advertising and marketing the organization's doctrine.

"This year has been incredible," he said during a recent telephone interview from the set of "Hard Copy," which was preparing a segment on the anti-fur movement. "The high point came [on Dec. 29] when Antonovich, a big furrier in New York, filed for Chapter 11. . . . They're learning that fur is bad business—not only for animals but for people as well."

"This year has been incredible," says PETA's Dan Mathews.

Not everyone agrees with Mr. Mathews' gospel, especially furriers.

"According to PETA, people shouldn't even wear wool or silk—because it harms worms—or duck down," says Tom Riley, VP at the Fur Council of America. "I consider this extreme."

Mr. Riley says the fur industry has had to counter the animal rights movement with advertising designed to convince people that everyone has the right to choose.

> "People have an image of PETA as dry, bleeding hearts with a chip on our shoulder."

For example, furriers in Minneapolis-St. Paul this month broke an outdoor campaign that read: "Fur. Leather. Wool. Meat. You have a right to choose." The theme was adapted from a newspaper effort created by the Fur Council.

PETA's most recent ads have focused on igniting peer pressure rather than on the "agony of animals." One ad, which ran in *Interview* and *Details*, featured a fur-clad model under the heading "What disgraces a legend most?" It was created free of charge by Luke Sullivan, now a copywriter at Fallon McElligott, Minneapolis.

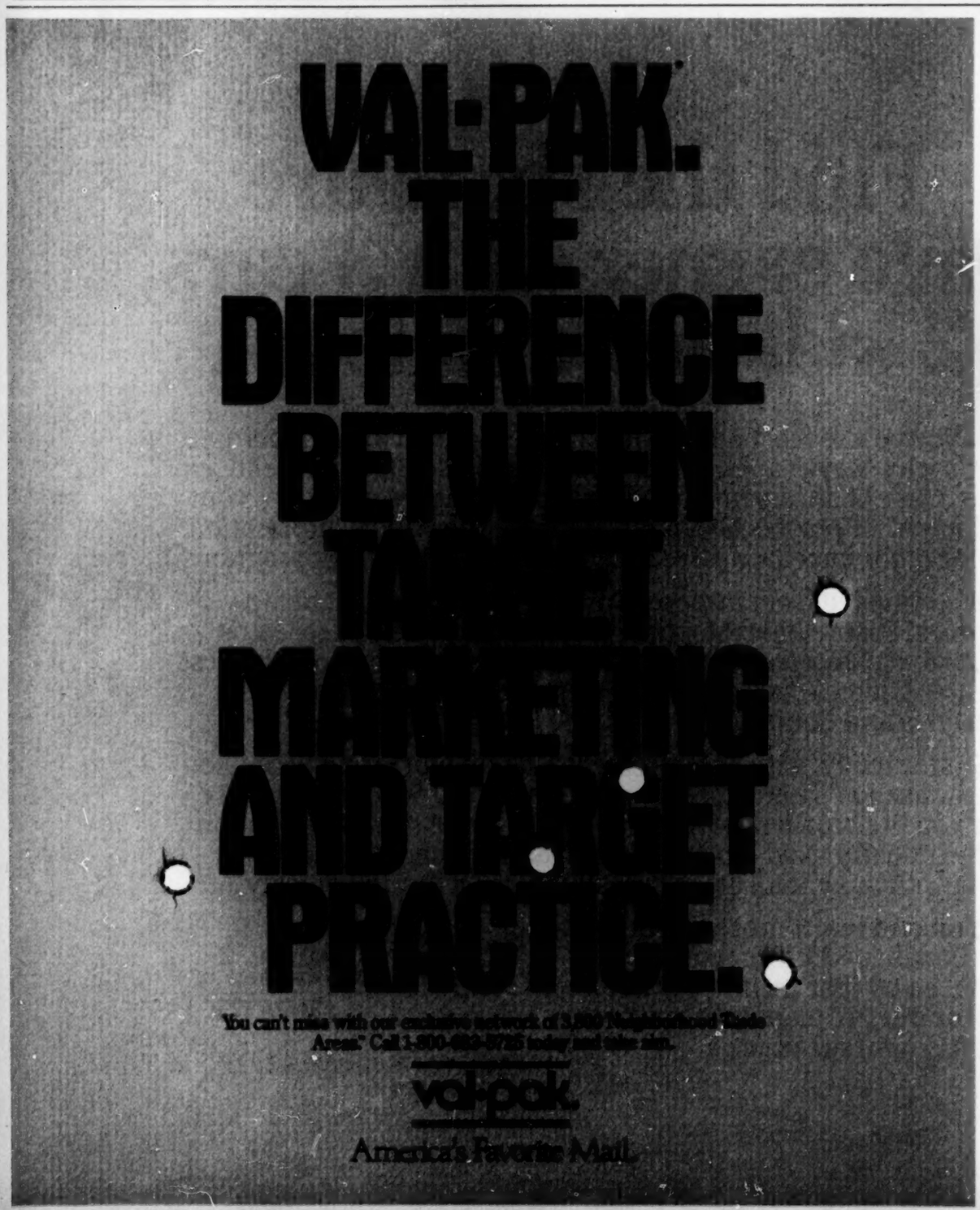
Mr. Mathews' biggest challenge this year is to keep up the movement's momentum.

PETA has scheduled a Rock Against Fur concert March 28 in New York, the last day of the International Fur Fair, and is coming out with an album titled "Tame Yourself," which contains original songs by top artists that deal with animal rights. It has even recruited Tony LaRussa, Oakland Athletes manager and a vegetarian, to lead a protest at the Seattle Fur Exchange Jan. 28 to Feb. 2.

Plans also include a new ad featuring "Saturday Night Live" regular Terry Sweeney as Nancy Reagan wearing a fur coat under the heading: "Fake people wear real fur." The ad was created by PETA and Schroffel & Associates, Los Angeles.

"People have an image of us as dry, bleeding hearts with a chip on our shoulder," Mr. Mathews says. "We're trying to prove we have a sense of humor."

—Adrienne Ward



MEDIAWORKS

YEAREND AD RESULTS

Titles post record year despite slow December

Consumer magazines carried a record number of ad pages in 1989 in spite of a weak December, Publishers Information Bureau figures show.

Total magazine ad pages for December were 15,184, down 1.7% from December 1988. Still, ad pages for the full year totaled a record 177,007, a 3.5% increase.

The soft December figures appeared worse because of a stronger-than-usual December performance in 1988, said James Guthrie, exec VP-marketing development at the Magazine Publishers of America.

But December 1989 also was marred by a 12.2% drop in automotive ad category revenues to $69.1 million. Advertising in the cigarettes/tobacco category fell 9.9% to $30.1 million.

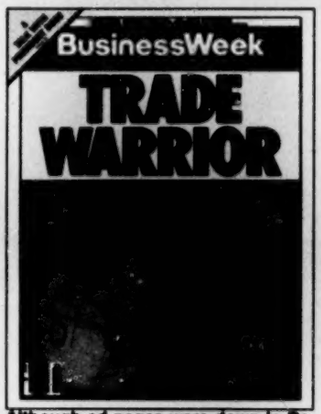
For the year, automotive revenues were up 10.4% to $882.9 million, and tobacco spending rose 13.3% to $401.5 million.

Women's service magazines were hit hardest by December's falloff. *Family Circle's* ad pages slid 25.8% to 121.84, *Better Homes & Gardens'* count dropped 20.6% to 115.93 and *McCall's* saw pages fall 25% to 86.3.

Other magazines hurt by the December drop include *Business Week* (421.78 pages, down 4.6%), *People* (413.41 pages, down 7.2%), *Architectural Digest* (137.12 pages, down 11.1%), *Reader's Digest* (95.83 pages, down 30%) and *Endless Vacation* (33.24 pages, down 60.7%).

Even those feeling the December heat participated in the record-setting last year, however.

Business Week again led all magazines tracked by PIB. The weekly carried 4,914.15 ad pages for the year, up 7.1%. Business magazines overall enjoyed a strong year, with the three leading titles in the category also claiming the top three positions among all magazines.



Although ad pages were down in December, *Business Week* still led all magazines in ad pages in 1989.

Forbes finished the year with 3,905.84 ad pages, a 12.9% gain. Rival *Fortune* boasted a 16.6% increase to 3,775 ad pages. *Entrepreneur* led second-tier business books with 1,758.47 ad pages, a 38.3% increase.

At least three magazines in the top 10 finished 1989 on a sour note. Time Warner's *People*, No. 2 in ad pages in 1988, finished fourth as ad pages fell 1.4% to 3,770.81. *TV Guide*, third in 1988, saw ad pages fall 7.2% to 3,255.13 as it sank to seventh. And *Vogue's* pages dipped 0.3% to 3,321.86 as the magazine fell to sixth from fifth.

The newsweeklies were led by *Time's* 2,733.86 ad pages, a 9.1% increase. *U.S. News & World Report* carried 2,053.17 ad pages, a 9.6% jump, and had been on track for stronger gains before its ad pages fell 5% in December to 205.2. *Newsweek's* ad pages rose 0.7% to 2,495.29.

Strong performances also were turned in by the women's service category. *Family Circle* led the so-called "Seven Sisters" with 2,018.81 ad pages, an 8.8% increase. *Woman's Day* carried 1,790.38 pages, a 6.2% jump; *Good Housekeeping's* pages rose 5% to 1,702.03; and *Ladies' Home Journal* posted an increase of 18.3% to 1,616.16 pages.

Better Homes & Gardens was the only "Sister" down in ad pages for the year. The Meredith Corp. title's pages dipped 2.8% to 1,428.68. Rounding out the list, *Redbook* ran 1,250.80 pages, up 3.1%, and *McCall's* carried 1,121.18 pages, up 8.3%.

Sports Illustrated was flat with 2,981.90 ad pages, a 0.1% increase, but still led all sports titles by a considerable margin. *Sporting News* saw modest gains, with pages rising 1.4% to 586.76. *Sport*, meanwhile, also was flat with 426.67 ad pages, a 0.5% hike.

American Express Publishing Corp.'s *Travel & Leisure* continued to dominate the travel field despite heated competition. *T&L* carried 1,516.23 ad pages, up 7.3%. *Conde Nast Traveler* finished a distant second with 960.35 pages, a whopping 52.7% jump.

Endless Vacation finished the year down 7% with 332.21 pages. *Travel/Holiday* had 409.8 pages, up 8.4%, while *National Geographic Traveler* carried 191.48 pages, up 32.5%.

A handful of strong young magazines continued to post impressive gains. *Premiere* carried 759.25 ad pages, up 28.7%; *Victoria's* pages rose 145% to 417.95; *Lear's* was up 81.4% to 649.97 pages; and *Longevity* carried 301.33 ad pages, a gain of 682.7%. □

Written by Scott Donaton.

Magazine ad-page leaders

Publishers Information Bureau figures for 1989.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	4,914.15	7.1	280,575,042	14.6
2	Forbes	3,905.84	12.9	157,896,948	22.5
3	Fortune	3,775.00	16.6	167,284,539	21.7
4	People	3,770.81	(1.4)	326,203,199	6.8
5	Bride's	3,368.86	17.2	85,280,547	26.3
6	Vogue	3,321.86	(0.3)	101,001,807	15.4
7	TV Guide	3,255.13	(7.2)	322,985,823	(3.7)
8	New York Magazine	3,094.86	1.4	47,430,625	7.5
9	Sports Illustrated	2,981.90	0.1	336,671,529	4.0
10	Time	2,733.86	9.1	373,395,017	6.9
11	Newsweek	2,495.29	0.7	255,918,694	5.9
12	Modern Bride	2,491.71	14.7	38,456,726	24.0
13	The New Yorker	2,409.51	5.1	84,033,158	13.0
14	Economist	2,366.00	0.6	18,282,571	11.8
15	Cosmopolitan	2,362.25	(0.4)	125,711,842	9.7
16	Elle	2,321.53	4.8	62,648,418	13.1
17	GQ	2,231.04	2.5	49,899,443	13.2
18	U.S. News & World Report	2,053.17	9.6	152,843,252	19.3
19	Family Circle	2,018.81	8.8	152,208,884	13.3
20	Rolling Stone	1,984.79	6.3	71,093,073	14.5
21	Glamour	1,959.53	(4.7)	88,833,183	2.1
22	American Way	1,896.71	5.9	20,720,567	14.4
23	Architectural Digest	1,862.32	2.7	48,049,915	9.2
24	Woman's Day	1,790.38	6.2	135,632,500	17.3
25	Entrepreneur	1,758.47	38.3	14,174,854	68.5
26	Good Housekeeping	1,702.03	5.0	148,033,344	14.5
27	Town & Country	1,665.58	(1.1)	36,280,310	12.7
28	Yachting	1,657.96	(3.2)	10,020,471	(0.8)
29	Mademoiselle	1,649.46	(8.1)	46,697,888	0.1
30	Ladies' Home Journal	1,616.16	18.3	104,742,667	25.0
31	Parents	1,544.02	7.9	60,344,516	13.6
32	W	1,531.03	6.9	31,141,307	15.9
33	Travel & Leisure	1,516.23	7.3	58,342,754	19.2
34	Muscle & Fitness	1,506.50	(3.3)	23,684,678	41.3
35	Sunset	1,503.31	(5.2)	44,372,483	(4.3)
36	Vanity Fair	1,467.42	24.7	41,616,840	51.1
37	Harper's Bazaar	1,454.78	0.7	35,958,923	10.4
38	Better Homes & Gardens	1,428.68	(2.8)	152,436,109	(0.2)
39	Texas Monthly	1,373.67	0.2	14,807,479	3.4
40	Skin Diver	1,362.22	(1.4)	12,056,492	2.1
41	Self	1,347.86	8.3	42,328,178	21.8
42	Golf Digest	1,338.07	5.3	63,995,011	15.8
43	Seventeen	1,331.70	(4.8)	39,590,128	2.4
44	Esquire	1,331.10	12.0	36,016,280	21.3
45	Southern Living	1,330.00	(9.9)	61,224,697	(0.7)
46	Gourmet	1,315.43	2.2	31,836,946	14.7
47	Money	1,313.44	(5.6)	79,668,330	(0.1)
48	Car & Driver	1,302.28	6.4	54,303,468	21.0
49	San Francisco Focus	1,298.32	2.4	7,796,184	8.8
50	Redbook	1,250.80	3.1	75,031,898	9.4
51	Inc.	1,231.46	(0.2)	46,642,257	10.5
52	Road & Track	1,223.30	3.8	37,954,712	14.3
53	Metropolitan Home	1,220.31	15.1	36,858,896	23.3
54	Golf Magazine	1,159.86	19.6	32,796,183	21.0
55	Ebony	1,149.57	(4.2)	38,011,050	0.2
56	Working Woman	1,128.74	(0.3)	31,937,026	9.7
57	McCall's	1,121.18	8.3	74,798,589	19.5
58	Jet	1,118.59	(12.1)	17,899,816	(6.5)
59	Reader's Digest	1,110.27	(9.0)	113,644,537	(0.3)
60	Country Living	1,106.36	(1.3)	42,804,156	14.3
61	Popular Photography	1,101.29	13.3	25,479,713	14.0
62	Bicycling	1,101.01	(1.2)	13,032,578	19.4
63	Bon Appetit	1,053.67	(0.4)	31,005,538	9.2
64	Smithsonian	1,053.24	(1.5)	43,766,044	5.7
65	Hot Rod	1,050.69	(0.6)	23,053,390	14.5
66	Ski	1,026.27	3.3	19,598,216	12.3
67	Motor Trend	1,026.23	10.1	32,772,887	20.5
68	Four Wheeler	1,008.05	(7.3)	7,569,021	4.9
69	New Woman	1,007.32	(1.7)	23,353,580	9.4
70	House & Garden	990.32	(11.1)	23,466,775	(0.6)
71	Conde Nast Traveler	960.35	52.7	23,404,930	78.0
72	Popular Science	949.26	16.4	26,763,392	22.8
73	Outdoor Life	942.14	1.5	27,702,501	12.2
74	Connoisseur	941.87	(13.1)	14,930,478	6.4
75	Field & Stream	929.91	(3.6)	30,941,583	8.3
76	Popular Mechanics	929.01	(2.4)	28,730,197	7.6
77	Delta Sky	927.08	(2.8)	22,212,455	7.1
78	Black Enterprise	908.81	3.5	11,171,271	7.6
79	Working Mother	869.17	(5.8)	18,056,958	3.9
80	Essence	862.32	(7.0)	19,837,403	0.4
81	Skiing	875.66	0.9	18,466,513	4.3
82	M	866.14	(5.9)	9,871,141	7.1
83	House Beautiful	818.30	(4.4)	27,331,466	4.8
84	Life	810.96	5.3	56,846,163	18.7
85	California	796.96	0.1	10,890,844	4.0
86	Financial World	777.16	0.3	15,585,824	31.5
87	Yankee	770.24	(14.2)	8,857,221	(4.0)
88	Tennis	768.31	(16.3)	17,258,193	3.1
89	Shape Magazine	763.87	(19.1)	11,231,760	(3.4)
90	US	761.48	13.3	22,393,051	34.2
91	Premiere	759.25	28.7	10,960,896	99.4
92	Art & Antiques	754.83	2.3	4,169,151	6.1
93	Basemaster	752.85	(4.5)	12,987,213	1.8
94	Food & Wine	747.06	5.6	17,039,148	19.1
95	Sports Afield	743.67	(14.7)	13,583,803	9.1
96	Playboy	740.48	7.7	46,503,664	14.4
97	Southern Accents	728.46	(4.9)	9,695,340	8.4
98	American Health	725.34	8.5	13,825,238	18.3
99	Omni	716.19	(9.9)	22,039,130	3.7
100	1,001 Home Ideas	699.74	2.5	18,987,709	21.7

Percent change is computed from January through December 1988 pages by PIB.
Source: Publishers Information Bureau

NEWSSTAND

Print advertising opportunities.

Sports Illustrated, New York, "35 years of *Sports Illustrated* covers" special editorial issue, March 28 issue; ad close: Jan. 31. B&w page: $81,600; color page: $120,000.

Prevention, Emmaus, Pa., "Low-cholesterol breakfasts" special editorial feature, April issue; ad close: Feb. 1. B&w page: $29,585; color page: $38,760.

Self, New York, "Foodstyles" special advertising section, May issue; ad close: Feb. 1. B&w page: $29,739; color page: $44,413.

Vogue, New York, "Health and fitness" special editorial feature, April issue; ad close: Feb. 1. B&w page: $29,870; color page: $43,000.

Hispanic, Washington, "Hispanics on campus" special editorial section, March issue; ad close: Feb. 2. B&w page: $5,800; color page: $7,500.

Business Week, New York, "Meetings and conferences" special advertising section, March 19 issue; ad close: Feb. 5. Color page: $34,700.

Fortune, New York, "Business travel management in the '90s" special ad supplement, March 26 issue; ad close: Feb. 5. B&w page: $32,460; color page: $49,660.

Frisko, San Francisco, "The most dangerous women in the Bay area" special editorial feature, spring issue; ad close: Feb. 5. B&w page: $1,205; color page: $3,190.

Philadelphia, Philadelphia, "Commercial real estate in the Philadelphia market" special advertorial section, March issue; ad close: Feb. 6. B&w page: $5,185; color page: $7,690.

The Wall Street Journal, New York, "The census" special editorial issue, March 9 issue; ad close: Feb. 16. B&w page: $55,968. □

CONSUMER MAGAZINE AD LINAGE

	December 1989	December 1988	Year-to-date 1989	Year-to-date 1988
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	163.4	143.4	1,895.3	1,970.3
Car & Driver C.	117.8	98.5	1,302.3	1,224.5
Car Collector & Car Classics	21.3	20.5	208.3	209.4
Car Craft	54.9	57.6	904.0	965.2
Circle Track	64.7	66.3	1,005.9	950.3
Cycle	34.7	45.0	481.7	505.7
Cycle World	38.3	39.4	497.3	546.8
Dirt Rider	40.0	39.4	389.5	454.8
Dune Buggies & Hot VWs	67.7	70.8	826.3	881.9
Family Motor Coaching	144.1	141.3	2,135.2	2,053.3
4 Wheel & Off-Road	79.7	99.1	1,005.8	1,074.1
Four Wheeler C.	86.6	94.8	1,008.1	1,087.2
Hot Rod C.	63.4	75.6	1,050.7	1,057.3
Motorcyclist	29.2	33.1	468.1	485.5
Motor Trend C.	82.9	85.2	1,026.2	932.0
Motorhome	91.6	96.3	1,115.3	1,121.2
Rider	33.7	29.7	399.6	457.8
Road & Track C.	86.2	101.1	1,223.3	1,178.9
Trailblazer	41.0	56.0	637.0	796.2
Trailer Life	83.6	92.3	1,098.5	1,178.1
Total Group	**1,424.9**	**1,485.3**	**16,678.4**	**19,132.6**
% change	**-4.1%**		**-2.4%**	
■ Boating & yachting				
Boating	97.1	107.8	1,704.9	1,847.5
Chesapeake Bay	29.5	39.5	599.9	612.5
Cruising World	92.0	109.6	1,409.8	1,453.3
Lakeland Boating (11X)	118.0	73.0	991.8	882.9
Motor Boating & Sailing	81.9	119.1	1,581.7	1,814.3
Sail	66.8	85.6	1,300.5	1,295.8
Trailer Boats (11X)	—	—	696.2	664.3
Western Boatman (6X)	—	—	271.8	300.3
Yachting C.	107.4	113.9	1,658.0	1,712.6
Total Group	**595.7**	**648.4**	**10,214.6**	**10,583.4**
% change	**-8.1%**		**-3.5%**	
■ Civic/fraternal				
Elk (10X)	—	—	155.4	171.5
Kiwanis	—	—	144.4	160.1
Lion (10X)	7.0	7.1	77.1	68.7
Rotarian	14.9	24.5	158.9	229.3
V F W (11X)	22.4	21.3	310.7	311.1
Total Group	**44.3**	**52.9**	**846.5**	**940.7**
% change	**-16.3%**		**-10.0%**	
■ General				
American Health (10X) C.	48.0	47.5	725.3	668.3
American Heritage (6X) C.	65.2	35.6	422.7	352.2
American Legion	21.9	23.7	379.8	426.1
American West (6X)	23.3	32.0	173.1	194.0
Art & Antiques (10X) C.	59.9	66.8	754.8	737.8
ARTnews (10X)	101.8	103.8	1,171.0	1,159.1
The Atlantic A. C.	55.4	32.9	618.9	495.7
Bon Appetit A. C.	104.1	105.2	1,053.7	1,058.0
Cable Guide C.	37.8	34.7	449.4	384.8
Changing Times C.	57.8	61.4	627.9	686.2
Conde Nast Traveler C.	87.0	52.8	960.4	628.9
Connoisseur C.	82.7	111.2	941.9	1,083.2
Consumers Digest (6X) C.	—	—	150.3	142.2
Ebony C.	84.0	92.4	1,149.6	1,200.5
European Travel & Life C.	75.2	52.6	581.9	474.4
Food & Wine C.	81.7	97.8	747.1	707.6
Games (6X) C.	20.3	—	117.1	71.8
Golden Years (6X)	—	34.5	267.7	457.6
Gourmet C.	155.3	144.9	1,315.4	1,286.6
Harper's Magazine A. C.	32.2	30.4	362.0	382.9
Harrowsmith (6X)	—	—	342.8	317.2
Islands (6X)	—	—	399.2	301.0
Let's Live	42.0	45.0	567.0	585.0
Life C.	77.3	108.0	811.0	769.9
Modern Maturity (6X) C.	50.5	41.2	256.0	229.5
Money C.	129.7	124.8	1,313.4	1,405.5
Mother Earth News C.	—	—	451.5	439.6
National Geographic C.	18.5	35.4	247.9	259.4
National Geographic Traveler (6X) C.	—	33.5	191.5	144.5
Natural History C.	30.6	23.0	491.3	445.2
New Choices C.	28.5	40.0	425.0	421.7
Prevention C.	39.6	43.5	602.7	660.5
Psychology Today C.	28.3	26.2	351.9	341.8
Reader's Digest A. C.	95.8	136.9	1,110.3	1,220.7
Saturday Evening Post (9X) C.	—	31.6	353.9	315.4
Smithsonian C.	93.1	111.5	1,053.2	1,068.7
Town & Country C.	160.6	168.9	1,665.6	1,684.5
Travel-Holiday C.	18.0	14.6	409.8	378.1
Travel & Leisure C.	148.2	137.5	1,516.2	1,412.8
Travelhost	1,213.0	1,190.0	15,203.0	14,717.0
Vanity Fair C.	160.3	145.6	1,487.4	1,193.2
Yankee C.	55.5	57.4	770.2	897.8
Total Group	**3,681.4**	**3,780.1**	**44,683.6**	**43,688.0**
% change	**-2.6%**		**2.3%**	
■ Home				
Americana (6X)	11.4	16.8	102.8	100.0
Architectural Digest A. C.	137.1	154.2	1,892.3	1,843.1
Better Homes & Gardens C.	115.9	145.9	1,428.7	1,469.4
Colonial Homes (6X) C.	—	—	358.8	368.3
Columbus Monthly-Homes (4X)	—	—	134.1	150.5
Cooking Light C.	36.8	—	348.4	236.8
Country Home (6X) C.	—	—	453.1	362.0
Country Living C.	76.7	89.6	1,106.4	1,120.4
Family Handyman (10X) A. C.	—	—	464.7	471.5
Florida Home & Garden	126.4	99.0	1,007.4	913.2
Flower & Garden (6X) C.	—	—	224.8	261.8
Home C.	39.4	42.3	675.7	728.7
Home Mechanix C.	35.6	35.9	636.4	625.8
Homeowner (10X) C.	24.7	18.0	339.8	329.3
Horticulture	35.0	37.6	450.0	448.8
House Beautiful C.	55.7	50.0	818.3	855.9
House & Garden C.	80.9	84.6	990.3	1,113.3
Metropolis	54.6	62.2	723.7	688.2
Metropolitan Home C.	82.4	76.8	1,220.3	1,060.5
Midwest Living C.	58.8	70.4	383.5	327.7
1,001 Home Ideas C.	48.1	48.0	699.7	682.7
Organic Gardening (11X) C.	33.0	33.9	426.9	520.7
Phoenix Home/Garden	63.3	77.8	887.1	897.3
Practical Homeowner (9X) C.	—	—	312.9	361.3
San Diego Home/Garden	90.5	75.6	877.3	844.1
Southern Accents (6X) C.	67.0	91.9	729.5	766.8
Southern Living C.	85.6	130.8	1,330.0	1,476.7
Sunset Magazine A. C.	108.6	118.8	1,503.3	1,586.3
Workbench (6X)	—	—	277.9	236.7
Total Group	**1,467.4**	**1,560.0**	**20,806.2**	**20,847.9**
% change	**-5.9%**		**-0.2%**	
■ In-flight & other passenger				
Aboard Group (6X)	—	—	253.1	226.8
Alaska Airlines	61.4	55.6	786.0	666.4
America West Airlines	74.8	72.7	849.1	775.2
American Way (24X) C.	130.3	126.0	1,896.7	1,790.4
East/West Network:				
Continental Profiles	55.7	71.0	699.5	646.4
Eastern Review	40.3	71.9	509.1	823.1
Pan Am Clipper	58.7	50.3	671.6	549.4
Southwest Spirit	63.5	74.8	762.4	779.0
TWA Ambassador	48.7	59.3	616.0	592.0
Vis `A Vis	80.1	86.6	1,053.9	815.4
Halsey Publication:				
Delta Sky C.	63.1	74.6	927.1	953.8
Pace Communications:				
US Air Magazine	47.3	52.4	719.7	734.5
Spirit of Aloha	29.6	24.8	299.8	254.6
Total Group	**753.4**	**820.0**	**10,044.0**	**9,807.0**
% change	**-8.1%**		**4.5%**	
■ Men's				
Esquire A. C.	129.6	134.7	1,331.1	1,188.8
Firehouse Magazine	33.3	29.8	500.8	533.4
Gentleman's Quarterly A. C.	207.5	206.7	2,231.0	2,177.6
M Magazine C.	62.7	73.1	866.1	920.0
Muscle & Fitness C.	114.0	136.7	1,506.5	1,558.0
Penthouse A. C.	53.7	51.2	619.7	529.5
Playboy A. C.	67.2	82.1	740.5	687.8
Salute (10X)	33.0	20.0	347.3	288.6
Total Group	**700.9**	**734.3**	**8,143.0**	**7,883.6**
% change	**-4.6%**		**3.3%**	
■ Metropolitan				
Aloha (6X)	—	—	276.2	179.4
Atlanta	82.0	97.8	772.6	884.4
Baltimore	86.6	90.0	836.0	844.4
Boston	147.7	180.1	1,664.8	1,943.6
California C.	102.0	69.8	799.0	798.0
Chicago	144.9	141.6	1,437.7	1,413.6
Chicago's North Shore	94.8	105.5	1,163.8	1,122.9
Cincinnati	92.4	37.8	642.3	595.7
Cleveland	69.6	86.7	677.3	740.0
Columbus Monthly	72.5	67.2	894.7	852.9
Connecticut	86.8	109.4	1,187.2	1,267.1
D/Magazine	85.3	76.5	856.6	970.0
Denver	30.0	46.0	218.0	320.0
Detroit Monthly	89.9	132.7	761.6	1,083.2
Grand Rapids	29.5	39.3	479.0	497.3
Honolulu	67.3	61.1	676.3	734.8
Houston Metropolitan Magazine	52.1	56.9	763.9	693.8
Inside Chicago (8X)	27.0	—	297.5	231.5
Los Angeles	186.2	209.1	1,839.5	1,869.7
Louisiana Life (6X)	—	—	200.0	203.4
Madison	48.0	44.0	502.0	452.0
Memphis	54.0	82.3	864.3	990.6
Mid Atlantic Country	37.5	21.9	516.7	422.9
Milwaukee	70.3	65.2	688.7	691.9
Minneapolis/St. Paul	135.4	115.5	1,359.8	1,286.9
Minnesota Monthly Mag.	75.8	51.0	673.0	507.9
Nashville	58.0	68.0	684.0	560.0
New England Monthly	51.7	64.7	553.7	594.8
New Jersey Monthly	115.0	104.4	1,192.4	1,245.2
New Mexico	44.3	51.7	522.5	483.8
Ohio	28.4	37.7	616.7	675.4
Orlando	80.0	78.0	1,173.0	1,039.0
Pacific Northwest	41.1	40.0	579.0	494.9
Palm Beach Life	97.7	96.0	821.1	785.7
Palm Springs Life	110.2	109.5	1,477.3	1,328.2
Philadelphia	158.2	162.2	1,680.4	1,851.1
Phoenix	52.2	53.6	513.4	608.6
Pittsburgh	75.3	73.3	823.3	844.5
Rhode Island Monthly	70.8	59.9	703.6	393.8
Sacramento Magazine	84.0	87.0	706.0	834.0
St. Louis	59.9	53.6	589.9	513.2
San Diego	183.6	159.5	1,632.3	1,813.6
San Francisco Focus C.	130.7	140.2	1,298.3	1,267.4
Sarasota	77.0	70.0	856.0	766.0
South Florida Magazine	107.9	109.7	1,303.3	1,230.2
Texas Monthly C.	111.9	148.4	1,373.7	1,370.3
Ultra	53.4	60.9	504.3	362.1
The Virginian (6X)	—	—	298.7	305.8
Washington (7X)	—	—	394.8	461.7
The Washingtonian	159.0	167.0	1,935.5	1,886.2
Total Group	**3,917.8**	**3,982.6**	**43,281.4**	**43,313.3**
% change	**-1.6%**		**-0.1%**	
■ Music/entertainment				
Audio	110.8	119.4	1,364.3	1,268.3
Dance Magazine	60.5	60.0	642.6	638.8
Playbill	64.1	67.5	623.1	649.3
Video Magazine	88.8	78.0	808.2	782.0
Total Group	**324.2**	**325.0**	**3,438.2**	**3,338.5**
% change	**-0.2%**		**3.0%**	
■ Outdoor & sport				
Alaska	52.6	45.0	472.6	439.9
The American Handgunner (6X)	—	—	341.0	320.0
American Hunter	14.9	13.8	298.2	287.8
American Rifleman	17.6	12.9	305.5	307.4
Backpacker (6X) C.	—	21.6	229.8	179.3
Bass Master (10X) A. C.	38.9	50.0	752.9	787.9
Bicycling (9X) C.	80.0	81.1	1,101.0	1,114.2
Cross Country Skier	61.8	60.5	275.3	282.5
Ducks Unlimited (6X)	—	—	202.3	200.9
Field & Stream C.	49.7	57.9	929.9	964.7
Fishing World (6X)	—	—	204.7	201.0
Florida Sportsman	101.5	119.4	1,436.5	1,459.1
Golf Digest C.	126.4	115.1	1,333.1	1,265.8
Golf Illustrated C.	44.7	39.5	499.6	394.4
Golf Magazine C.	65.3	59.7	1,159.9	969.6
Gun Dog (6X)	—	—	264.6	193.3
Guns	51.0	48.0	496.0	524.0
Guns & Ammo	44.1	63.7	543.1	647.6
In-Fisherman (7X)	47.4	70.8	479.5	443.1
Outdoor Life C.	52.5	60.0	942.1	928.5
Outside Magazine	63.1	54.8	746.5	676.1
Petersen's Hunting	52.8	65.3	586.9	673.3
Runner's World (12X) C.	29.5	29.8	460.8	440.5
Salt Water Sportsman	64.4	69.3	1,316.5	1,350.1
Shooting Times	28.7	31.2	404.7	449.0
Sierra (6X)	—	—	275.0	252.6
Ski (8X) A. C.	179.2	215.8	1,026.3	993.1
Skiing (7X) A. C.	186.8	162.2	875.7	868.0
Skin Diver C.	111.8	119.2	1,362.2	1,381.6
Southern Outdoors (9X)	—	—	482.1	562.0
Southern Saltwater (8X)	—	—	420.4	312.6
Sport Magazine C.	30.2	35.6	426.7	424.4
Sports Afield C.	44.8	62.1	743.7	871.4
Surfing	60.1	64.9	865.5	808.5
Tennis C.	42.9	48.0	768.3	918.4
Waterski (9X)	—	—	656.1	601.9
Western Outdoors (10X)	—	—	357.2	408.0
Wildfowl (6X)	—	—	132.6	140.3
WindRider (6X)	—	—	396.4	407.7
Wing & Shot (6X)	—	—	96.6	83.8
World Tennis C.	35.0	19.2	533.3	612.6
Total Group	**1,777.5**	**1,898.3**	**25,200.9**	**25,146.9**
% change	**-6.3%**		**0.2%**	
■ Photography				
American Photographer C.	35.6	30.3	382.4	351.0
Petersen's Photographic	35.8	27.8	339.2	328.7
Popular Photography C.	122.2	98.2	1,101.3	972.0
Total Group	**193.6**	**156.4**	**1,822.9**	**1,651.7**
% change	**23.8%**		**10.4%**	
■ Science/electronic/mech				
Discover C.	39.5	31.1	466.8	409.1
Home Office Computing C.	57.1	58.0	557.3	560.3
Omni C.	69.8	86.7	716.2	794.7
Popular Mechanics C.	69.2	82.5	929.0	951.5
Popular Science C.	57.4	70.4	949.3	815.5
Scientific American C.	70.0	39.8	526.2	490.4
Spectrum C.	54.4	60.7	687.8	764.0
Total Group	**417.3**	**429.2**	**4,812.7**	**4,785.5**
% change	**-2.8%**		**0.6%**	
■ Woman/fashion/service				
Beauty Digest (6X)	26.7	17.3	147.0	109.1
Bride's (6X) A. C.	533.6	438.0	3,358.9	2,866.5
Cosmopolitan A. C.	166.5	164.8	2,352.3	2,360.7
Elle C.	229.8	180.1	2,321.5	2,215.1
Essence C.	69.5	68.1	882.3	948.5
Family Circle (17X) A. C.	121.8	164.2	2,018.8	1,856.4
Glamour C.	138.7	149.7	1,959.5	2,055.8
Good Housekeeping A. C.	173.9	160.7	1,702.0	1,620.6
Harper's Bazaar C.	123.2	105.1	1,454.8	1,444.9
Health C.	22.8	22.2	391.7	459.4
Images	180.5	183.9	1,204.7	1,133.2
Ladies' Home Journal C.	146.2	139.1	1,616.2	1,366.1
Mademoiselle C.	114.7	119.0	1,649.5	1,793.9
McCall's C.	86.3	115.1	1,121.2	1,035.5
Military Lifestyle (10X)	—	—	530.4	513.1
Modern Bride (6X) C.	363.9	315.0	2,491.7	2,172.8
New Woman C.	70.8	85.2	1,007.3	1,024.2
Parents Magazine A. C.	157.3	144.5	1,544.0	1,430.5
Redbook C.	121.2	98.9	1,250.8	1,212.9
Savvy C.	40.7	44.5	558.6	545.6
Self C.	101.1	72.6	1,347.9	1,244.4
Seventeen C.	68.8	62.9	1,331.7	1,393.7
Shape C.	51.2	60.8	763.9	944.1
Soap Opera Digest (26X) C.	25.9	23.7	469.3	298.0
Soap Opera Update	11.0	4.0	114.3	114.5
Teen Magazine	31.3	36.9	585.6	632.3
True Story A. C.	49.4	47.4	681.6	611.2
Vogue C.	246.0	247.0	3,321.9	3,330.7
W Magazine C.	75.1	78.1	1,531.0	1,432.7
Weight Watchers C.	28.2	22.5	402.4	390.8
Woman (10X)	36.2	40.0	369.4	427.5
Woman's Day (15X) A. C.	143.3	157.7	1,790.4	1,686.0
Working Mother C.	83.7	102.6	889.2	943.7
Working Woman C.	78.6	77.8	1,128.7	1,132.4
Total Group	**3,917.8**	**3,749.2**	**44,290.2**	**42,746.7**
% change	**4.5%**		**3.6%**	
■ Youth				
Boys' Life C.	32.7	30.2	231.4	215.8
Campus Life (10X)	63.7	53.5	514.9	464.5
Total Group	**96.4**	**83.7**	**746.3**	**680.3**
% change	**15.2%**		**9.7%**	
■ Business/national				
Barron's	153.4	121.9	1,846.5	2,129.8
Black Enterprise C.	69.8	52.9	908.8	878.3
Business Month C.	42.3	41.8	433.7	451.9
Business Week (52X) A. C.	421.8	442.0	4,914.2	4,586.3
Entrepreneur C.	120.4	119.6	1,758.5	1,271.4
Financial World (26X) C.	63.9	68.6	777.2	774.8
Forbes (26X) C.	301.9	281.2	3,905.8	3,458.9
Fortune (26X) C.	309.5	307.4	3,775.0	3,236.8
Frequent Flyer	31.6	42.0	511.1	571.9
Futures	43.5	41.4	533.3	649.6
Inc. Magazine C.	123.0	124.7	1,231.5	1,233.9
Income Opportunities	74.3	81.5	837.7	926.2
Industry Week (23X) A.	54.1	61.6	1,119.6	1,097.2
Nation's Business (12X) A. C.	19.9	31.2	437.5	417.7
Total Group	**1,829.3**	**1,817.8**	**22,990.2**	**21,684.8**
% change	**0.6%**		**6.0%**	
■ Business/regional				
Advantage-Nashville's Bus. Mo.	66.0	84.0	846.0	813.0
Arizona Bus. Gazette (52X)	71.0	73.0	699.1	862.4
Bus. Jrnl.-Milwaukee	97.0	112.7	1,798.0	1,980.0
Bus. Jrnl.-Sacramento	126.5	114.4	1,055.6	1,052.2
Bus. North Carolina	44.5	35.3	498.2	436.0
Capital Dist. Bus. Review (52X)	78.6	80.8	837.3	892.1
Caribbean Business	173.2	126.0	1,596.0	1,365.9
Corporate Rpt. Minnesota	49.4	61.3	783.7	868.0
Crain's Chicago Bus. (52X)	135.0	142.0	1,701.4	1,795.0
Crain's Cleveland Bus. (52X)	79.5	71.6	957.4	890.5
Crain's Detroit Bus. (52X)	113.9	91.3	1,020.2	984.3
Crain's New York Bus. (52X)	53.0	45.0	734.0	621.0
Florida Trend (13X)	31.2	43.8	610.8	717.4
Georgia Trend	20.5	28.8	545.3	634.9
Grand Rapids Bus. Jrnl.	60.9	40.3	581.4	626.8
Hawaii Business	50.5	36.5	635.9	588.7
Houston Bus. Jrnl. (52X)	51.0	96.0	921.0	880.0
Indianapolis Bus. Jrnl. (52X)	149.1	156.1	1,957.0	1,888.2
Manhattan Inc. C.	46.9	61.9	660.1	776.7
New England Bus. (12X) A.	30.2	27.3	454.4	623.1
New Orleans City Bus.	43.6	31.5	522.5	544.0
Pacific Bus. News (52X)	113.7	112.0	1,275.2	1,298.0
Philadelphia Bus. Jrnl.	166.3	167.5	1,803.5	1,843.1
Pittsburgh Bus.Times (52X)	134.1	146.1	520.9	493.9
Providence Bus. News	79.8	83.5	1,082.0	1,030.3
Regardie's/Washington	102.0	131.0	1,916.0	1,752.0
St. Louis Bus. Jrnl. (52X)	99.6	136.2	1,276.7	1,398.3
Warfield Monthly Baltimore	49.8	53.1	725.7	791.0
Total Group	**2,316.6**	**2,369.0**	**28,015.3**	**28,446.6**
% change	**-2.2%**		**-1.5%**	
■ National Sunday mags				
Parade (52X) C.	65.5	43.2	717.9	664.7
USA Weekend (52X) C.	55.1	33.6	643.7	553.4
Vista Magazine (52X)	21.9	23.2	254.1	232.3
Total Group	**142.5**	**100.0**	**1,615.8**	**1,450.4**
% change	**42.6%**		**11.4%**	
■ Newspaper Sunday magazine				
Boston Globe	171.2	156.3	2,478.2	2,486.3
Chicago Tribune	174.4	184.2	1,451.6	1,394.0
Cleveland Plain Dealer	91.5	102.7	862.2	856.9
The Dallas Morning News	66.0	47.0	775.0	778.0
L.A. Times C.	135.7	130.5	1,310.7	1,288.8
Louisville Courier-Jrnl.	54.0	35.0	416.0	455.0
New York Times Mag. C.	348.4	336.2	4,036.0	4,113.8
Philadelphia Inquirer	131.5	103.0	1,106.1	1,170.5
Seattle Times	127.0	88.0	947.0	894.0
St. Louis Post Dispatch	80.6	73.2	1,022.1	961.3
Toledo Blade Magazine	48.8	26.8	446.9	385.7
Washington Post	148.0	124.1	1,607.7	1,643.7
Total Group	**1,577.1**	**1,407.0**	**18,459.5**	**18,428.0**
% change	**12.1%**		**0.2%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	125.6	151.1	1,698.2	2,001.7
Army Times Military Group:				
Air Force Times (52X)	118.5	130.7	1,900.8	1,943.7
Army Times (52X)	123.8	132.7	1,846.8	1,869.8
Navy Times (52X)	133.2	149.0	2,091.6	2,132.2
Capper's (26X)	14.9	12.8	352.5	272.3
Commonweal (22X) B.	7.8	—	71.9	—
Golf World (40X)	70.2	101.7	1,148.9	1,108.7
Grit (52X) A.	18.3	14.5	403.0	330.5
National Journal (50X) C.	20.0	40.0	676.2	855.5
National Review (25X)	26.1	39.3	306.2	442.3
New Republic (48X)	39.3	34.1	531.7	503.1
New York Mag. (50X) C.	363.9	348.1	3,094.9	3,052.4
New Yorker C.	290.0	245.1	2,409.5	2,292.1
Newsweek (52X) A. C.	212.7	210.5	2,495.3	2,478.7
People (51X) C.	413.4	445.6	3,770.8	3,825.7
Rolling Stone (25X) C.	150.5	196.9	1,964.8	1,847.7
Sporting News (52X) C.	29.9	30.7	586.8	578.8
Sports Illustrated (52X) A. C.	244.5	263.2	2,981.9	2,978.0
Time (52X) A. C.	227.3	210.0	2,733.9	2,505.9
TV Guide (52X) A. C.	253.7	335.5	3,255.1	3,506.6
US Magazine (26X) C.	63.7	80.8	761.5	672.0
U.S. News & World Report (50X) A. C.	205.2	215.9	2,053.2	1,873.1
Total Group	**3,144.7**	**3,388.1**	**37,063.4**	**37,070.7**
% change	**-7.2%**		**0.0%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

Kodak issues agency challenge

By Alison Fahey

Eastman Kodak Co.'s new get-tough stance on quality and cost-cutting has been extended to its 28 agencies.

"We issued a challenge to all our agencies, including our sales promotion and public relations" shops, to produce better creative and operate more efficiently, said Richard Bartlett, Kodak's director of marketing communications. "We want more bang for our buck."

Last month, Kodak huddled with executives from all its agencies to issue formal "guidelines and quality standards."

The company last August said it would ask shops to be more cost-effective while announcing a major restructuring (AA, Aug. 28).

Kodak's two lead agencies are J. Walter Thompson USA and Young & Rubicam, both New York.

The marketer talked about more than efficiencies at the December gathering.

"You would be surprised at the wide disparity in photographic quality that finds its way into print," Mr. Bartlett said in remarks prepared for the meeting.

He invited agencies to join a "Quality Partnership" program to explore ways "to enhance the quality of our communications [and] increase the contribution that advertising, sales promotion and public relations make to sales and profits, yours and ours."

"Kodak must get back to basics in copy and concept that's consumer and end-user oriented, not product and technology driven," Mr. Bartlett said at the meeting.

"We're very concerned about the standard of quality in our advertising," he said in a later interview.

JWT, a Kodak agency for 60 years, handles U.S. film advertising; Y&R handles cameras. Rumrill-Hoyt, Rochester, N.Y., is Kodak's agency of record for professional photography products.

R. Bartlett

"We are in no way unhappy with the performance of our major agencies, JWT, Y&R and Rumrill-Hoyt," Mr. Bartlett said in the interview. "We're very proud of results of our partnership. But we do see future opportunities to enhance that partnership."

Agency executives reacted positively to Kodak's move.

"I think they laid out some serious initiatives and are asking the agencies to focus on quality," said David S. Kassnoff, senior account executive at Hutchins/Young & Rubicam, a marketing services shop. "They want us to work more efficiently, and we're going to do that."

"It was a useful exercise. . . . It helps the agencies understand Kodak's evolving beliefs and principles," said Fernan Montero, Y&R's senior VP-worldwide account director on Kodak.

Kodak discussed planned ad cuts at the meeting but didn't disclose details.

Mr. Bartlett told the executives: "The fact of the matter is that some of you will be called upon to do less work for Kodak in 1990 and perhaps even beyond. Simply stated, Kodak must accomplish more with less if we expect to compete successfully in the global marketplace of the '90s."

He said Kodak plans to adjust ad spending throughout the year, and reductions will vary by division.

Kodak in 1988 spent more than $90 million in measured media, reported LNA/Arbitron Multi-Media Service. From January to September 1989, Kodak spent more than $60 million. These figures exclude its Sterling Drug subsidiary. □

AdWatch

(Continued from Page 12)

heard or read in the previous 30 days. Each month, 1,000 people are surveyed by phone. The survey has a margin of error of plus or minus 3.1%.

Among the top three advertisers for the year in each of the categories surveyed monthly:

- Chevrolet placed ahead of Ford in the overall rankings, but when respondents were asked which ad for the **cars and trucks** category they recalled first, Ford won.

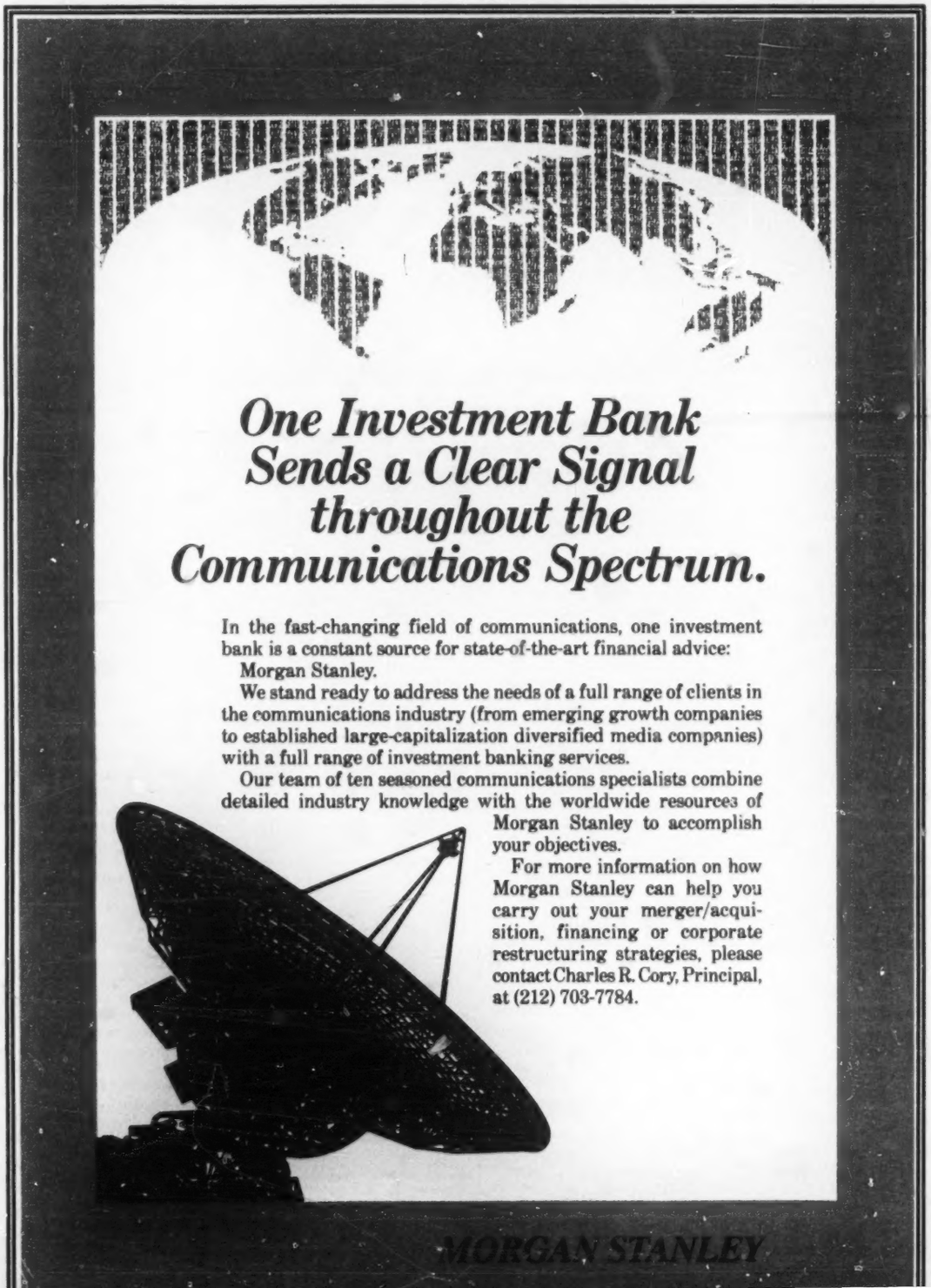
Ford took top honors with an average 24.3% of first mentions, followed by Chevrolet with 19.9% and Toyota with 7.9%.

- The **computer** category wasn't close in 1989. Apple Computer finished with 29.7% of first mentions, easily outdistancing IBM Corp.'s 18.8% share. Radio Shack settled for third with a 2.8% share.
- Once again, McDonald's earns special recognition for dominating ad recall in its category better than any other advertised product. On average, McDonald's ads came to mind first in the **fast-food** category for 48.4% of those sampled.

There's a sharp drop to the No. 2 finisher, Burger King Corp., which averaged 11.4% of first mentions. Wendy's International had 9.9%.

- In the **pet-food** category, the winner was Alpo Petfoods, which averaged 9.7% of first mentions. But Ralston Purina Co.'s Purina name was close behind with an average 9.1%. Quaker Oats Co.'s Kibbles 'n Bits took the No. 3 spot with 4.1%.
- Goodyear Tire & Rubber Co. continued its leadership in the **tire** category, averaging 24.8% of first mentions. Michelin Tire Corp. was second, averaging 19.2%. In the No. 3 spot was Firestone Tire & Rubber Co. with 6.5%. □

For more information, contact the Gallup Organization, 301 S. 68th St., Lincoln, Neb. 68506.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February 5, 1990

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Advertising Age

Crain's International Newspaper of Marketing · In Two Sections · Section 1 · $2.00 a copy

Saatchi floats new print plan

By Scott Donaton and Jon Lafayette

NEW YORK—Saatchi & Saatchi Advertising is pursuing the radical concept that magazines should give agency-wide discounts spread across all its clients, regardless of their volume.

So far, publishers have unanimously rejected the idea.

The Saatchi idea would mark a change in U.S. media buying, where clout wielded in agency/media negotiations traditionally comes from individual clients.

In Europe, media is largely bought on a commodity basis, giving the agencies with the biggest volume the best prices. Agencies and buying services there command volume discounts, buy media in bulk and broker out time and space to clients.

Saatchi became interested in exploring its idea after Heinrich Bauer North America, publisher of *First for Women* and *Woman's World*, recently offered agencies discounts for those magazines, industry sources say.

"[Saatchi] approached us recently and I know they've approached other publishers, but to the best of my knowledge, everybody told them no."

"[Saatchi] approached us recently and I know they've approached other publishers, but to the best of my knowledge, everybody told them no," said one publisher who asked not to be identified.

"They're [Saatchi] asking about it," said John Beni, publisher of The New York Times Co. Magazine Group's *McCall's*. "They don't call it an agency discount when they come in, but that's where they're ending up."

Mr. Beni and others said Saatchi broached the subject during recent meetings with publishers in which the agency discussed its plans to set up a print negotiating team similar to those already in place at Grey Advertising and Young & Rubicam.

Saatchi's team, now being formed, will be led by Ira Weinblatt, senior associate media director.

The print teams are designed to negotiate the best possible deals for individual clients, not agency-wide discounts.

Saatchi executives denied the

(Continued on Page 48)

Ad budgets pinched in belt-tightening

Advertisers reduce planned increases

n Advertising Age roundup

The 1990 ad spending plans of a umber of major advertisers are doubt, just one month into the ew year.

Many advertiser, agency and edia executives are girding for naller increases in ad spending an the 6%-10% increases preously expected (AA, Dec. 18).

Budgets in such important catgories as beer and computers ave joined those in the automoe category as ripe for cutting, urces say.

"There is little question that the erall spending numbers are now oing to be less this year than en [what was forecast] as reently as six weeks ago," said ary Stibel, principal of New Enand Consulting Group.

Operating and overhead costs are increasing more than expected, and marketers are looking at cost containment, he said, adding, "Advertising is one of very few flexible [costs]."

Mr. Stibel said the range of ad spending increases among categories could be 3% for automotive advertisers and 8% for over-the-counter drugs.

"We're seeing a marginal increase in ad spending," said Michael Drexler, media director at Bozell, New York. "It won't be much more than 6% or 7%, and it could be less depending on how the economy shakes out."

Some sources are saying "adjustments" in spending aren't limited to any particular category but have been made across the board.

"The networks sold something like 90% of their inventory upfront, but with people exercising options to cut back upfront buys, now it's about 75% to 85% sold, and we don't see any new money coming in, at least not from our clients," said an agency executive who asked not to be identified.

"The networks are making deals now because they are concerned the market might be heading south in the second quarter," he said.

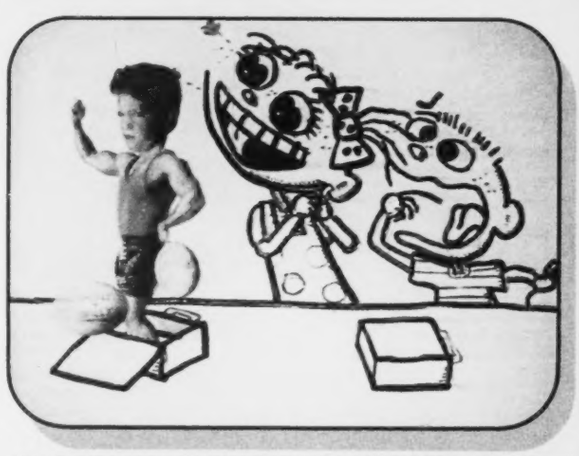
"We are seeing cutbacks higher than we would have liked to see," said a network media buyer who asked not to be identified.

The latest spending changes, if not cutbacks, are coming from Anheuser-Busch, which last year spent about $340 million on measured media with about $325 million supporting its beer brands. Last month, General Motors Corp.

(Continued on Page 46)

HOT STUFF

Oscar Mayer's Wienermobile makes an appearance in a new network spot breaking today. The spot ends with a voice-over saying, "Do you remember when . . . you wanted to be an Oscar Mayer wiener?" J. Walter Thompson USA, Chicago, handles.



The American Egg Board today starts a $3.6 million effort aimed at kids ages 2 to 11. Kids in the spots discuss "all sorts of neat stuff" about eggs. Campbell-Mithun-Esty, Chicago, handles.

LAST MINUTE NEWS

Paramount goes to O&M

HOLLYWOOD, Calif.—Paramount Pictures Corp. hired Ogilvy & Mather, Los Angeles, to handle its $60 million-to-$70 million media-buying account, previously at D'Arcy Masius Benton & Bowles, Los Angeles. The review came at the direction of Arthur Cohen, Paramount's president of worldwide marketing, who came to the studio from Revlon in November.

Coaches vie for Slim-Fast

NEW YORK—Thompson Medical is staging a Slim-Fast weight loss contest among six National Football League coaches, three from the NFC and three from the AFC. A charity will get donations for each pound lost. The coaches will be filmed today at a news conference for "before" photos. An "after" commercial is planned for late summer near the beginning of football season. Grey Advertising handles.

Ariz. may tax print ads

PHOENIX, Ariz.—A proposal to tax print advertising is headed for the Arizona Senate Finance Committee this week. The committee is facing a projected $225 million state deficit. The measure, sponsored by Sen. Patricia Wright (R., Glendale), would remove print advertising's exemption from the state's 5% sales tax. Jim Milner, an assistant research analyst with the House Commerce, Labor, Insurance & Banking Committee, said the measure

(Continued on Page 8)

INSIDE

New and improved ..... **P. 3**
P&G eyes the future with new superconcentrated Tide.

Direct access ..... **P. 6**
Porsche launches an extremely personal direct-marketing program.

Show time ..... **P. 20**
Disney cranks up marketing to build interest in the new "Dick Tracy" film.

Heat's on Stouffer

Kraft rolls out 'blue box' entrees

By Julie Liesse

Kraft General Foods Group is ainting a bull's-eye on Stouffer oods Corp.'s frozen entrees.

Kraft General Foods is rolling ational with its Kraft "blue box" rozen entrees just as Stouffer, hose "red box" entrees are the raditional leader in the $3.2 illion market, finds itself vulnerble.

Stouffer has been experiencing ales and market share declines nd has just racked up one new-roduct failure—Irrezestibles.

Kraft's TV spots, which broke n some lead markets late last nonth, directly pit the Kraft enrees against Stouffer's red box ne, comparing the quality of ingredients in similar dishes.

The spots end with a tongue-in-cheek question: "Both come in a box; ours is blue, theirs is red. Which do you prefer?"

Foote, Cone & Belding, Chicago, handles, and free standing inserts will support. Kraft is putting an estimated $10 million to $15 million in advertising behind the national launch.

Stouffer President David Jennings doesn't like the Kraft ads.

"I think it's irresponsible for a major marketer to enter the business by taking potshots at us," he said. "Why not try and increase the size of the total business?"

Kraft doesn't see it that way.

"Stouffer remains the leading brand in the frozen entree category; they're a natural point of reference," said Len Lyberger, director of marketing-new products for Kraft General Foods' All American Gourmet/Birds-Eye Division.

Kraft first tested the entrees in 1988 as a six-item line and last year expanded the line to 12 items and moved it into 20% of the country.

For the national rollout, some items have been reformulated and four more have been added, Mr. Lyberger said.

The traditional-style entrees include macaroni & cheese, salisbury steak and lasagna.

The Kraft spots are starting at nearly the same time as Geo. A.

(Continued on Page 46)

Chrysler shifts buying

By Patricia Strnad and Gary Levin

Chrysler Motors has shifted an stimated $60 million in media-uying assignments among its hree major agencies.

Campbell-Mithun-Esty, which andles the Jeep/Eagle division, ained the most new business, inning responsibility for prime-me network TV buys for corpo-ate ads and all of the auto-aker's brands: Chrysler, Ply-outh, Dodge, Jeep and Eagle.

CME, Southfield, Mich., pre-iously handled network prime-me and cable buying for Jeep nd Eagle only.

Bozell, Birmingham, which al-eady buys print, sports and CBS' 60 Minutes" for all Chrysler rands, keeps that and adds cable uying for all brands. It loses net-ork prime time for Chrysler cor-orate and Chrysler/Plymouth.

The agency continues to handle reative for corporate advertising nd Chrysler/Plymouth.

BBDO Worldwide, Detroit, had been responsible for buying prime time and cable for Dodge but lost both those assignments in the reshuffling. BBDO will be responsible for the "Chrysler Showcase" TV specials and another, undisclosed series of specials for Chrysler, said Arthur Kesteloot, Chrysler manager of advertising and media relations.

"We're trying to focus the way we're doing business and streamline a number of different disciplines to gain cost-efficiencies."

CME, Bozell and BBDO will continue to place spot TV and network and spot radio for the brands each handles creatively. The media shifts take effect March 1.

Agencies' compensation won't change immediately and probably won't change much when Chrysler renegotiates agency contracts, a Chrysler agency source said.

The shifts represent the first major changes in the way Chrysler buys media since Mr. Kesteloot was named to his new post (AA, Dec. 11). It marks the first time Chrysler has relied on a central media coordinator for all three divisions.

It's also part of Chrysler's goal of cutting fixed costs by $1 billion. Mr. Kesteloot's job is to get Chrysler the most bang for its estimated $400 million media budget.

"We're trying to focus the way we're doing business and streamline a number of different disciplines to gain cost-efficiencies in media," Mr. Kesteloot said.

He declined to say how much additional business each agency is gaining.

Chrysler last year spent some $130 million in network TV advertising; $52 million in spot and syndicated TV; $13 million in network radio; and $11 million in cable TV, based on the first nine months of the year as reported by LNA/Arbitron Multi-Media Service. It also spent about $149 million in print. □

Riney joins Cont'l review

By Jennifer Lawrence and Gary Levin

HOUSTON—Hal Riney & Part-ers has popped up as a surprise ontender for Continental Air-nes' estimated $40 million-to-50 million account.

The Texas Air Corp. subsidiary ast week invited San Francisco-ased Riney, and New York agen-ies Lintas:New York, TBWA and Vells, Rich, Greene to participate n the review.

James O'Donnell, Continental se-ior VP-marketing, confirmed those nops had agreed to pitch the busi-ess, but he added the list wouldn't e completed until this week.

Ten days ago, the nation's fifth-argest carrier abruptly fired N W yer, which won the account in 986 from Scali, McCabe, Sloves.

Scali is still thought to be a ontender based on the agency's 0-year relationship with the air-ne. Scali executives couldn't be eached for comment.

The decision to include Riney ay signal the airline's determination to upgrade Continental's image. The airline's senior executives are said to like Riney's work—particularly the agency's success with E&J Gallo Winery.

More recently, it developed a well-received image campaign for traditionally price-oriented Alamo Rent-A-Car, a similar marketing challenge to what Continental faces.

Unlike Lintas and WRG, though, Riney has no airline experience. That may not be a critical factor since TBWA is on the list, and sources say other prospects are without an airline background.

Lintas handles Eastern Airlines, another Texas Air unit. Sources say serving both carriers wouldn't pose a conflict. John Nelson, Continental exec VP-marketing, is a former Eastern marketing executive and had close ties to Lintas.

Wells, Rich, Greene most recently handled Pan American World Airways' account before losing the business last year.

New York-based J. Walter Thompson USA, a finalist in the 1986 review, last week started talks with Continental but wasn't formally invited to participate. Sources say the potential conflict with Mexicana Airlines, handled by JWT in Los Angeles, soured the talks.

Ogilvy & Mather, New York, also initiated some "high-level discussions" with Continental but didn't receive a formal invitation, an O&M source said.

"We could be there if we wanted to," the source said, adding that the agency is leery of the airline's stability and Chairman Frank Lorenzo's mercurial nature.

But Continental had a different explanation, citing a potential conflict with O&M's labor union clients in its Washington office. Organized labor has mounted a campaign against Mr. Lorenzo because it says he busted the unions at Continental.

Agencies will make their presentations in about a month with a decision expected almost immediately thereafter. □

Alice Z. Cuneo in San Francisco contributed to this story.

IN THIS ISSUE

NEWS

Phil Guarascio: General Motors will review spending plans for the second half. 6

Looking back: Top marketers revive the past by mixing old ad claims and slogans with new creative. ... 16

Yellow ads: D'Arcy's new Yellow Pages program gives national package-goods marketers category exclusivity to place ads in local directories. 24

Big splash: Hiram Walker launches Fris vodka with one of its biggest marketing programs ever. 43

Working homeless: *Street News*, a newspaper sold by homeless people, expands beyond the streets of New York to Philadelphia. 47

VIEWPOINT

Considerations 26
Editorials 26
Forum 27
Letters 28
Brady's Bunch 29
James Brady 30
Rance Crain 30
The Next Trend 30

The College Market
Absolut, Calvin Klein and the pink bunny are hits with students, according to the second annual *Advertising Age* college survey that also examines students' preferences in media and other areas.

INTERNATIONAL NEWS 34

Global Gallery 34

SALES PROMOTION NEWS 36

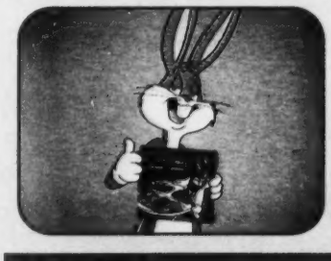
MEDIA

MediaWorks 37

PEOPLE

PeopleWorks 38
People Moving 38
Photo Review 39

AD REVIEW



Tyson's grand entry into kids TV dinners with spokesman Bugs Bunny and his cartoon pals for Looney Tunes Meals overwhelms ConAgra's effort for new Banquet Kid Cuisine.

U.S. NewsWatch 12
Classified 40
For the Record 45
Index to Advertisers 50

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SPECIAL REPORT

The College Market

Edited by Anita M. Busch

More than MTV S-4
What media hold student interest.

Going direct S-6
Clever positioning works for J. Crew.

AT&T has students' number S-7
Testimonials have desired effect.

Sexier the better, student body says

Absolut, Calvin Klein pace a group of advertising that sizzles in annual Ad Age survey of college students

By Anita M. Busch

Nothing catches the eyes of college students better than the naked truth . . . and Calvin Klein knows it.

Calvin Klein Industries' advertising clearly dominates college students' list of favorite print ads, according to the second annual *Advertising Age* college survey, which polled 884 students from November through January. Three of students' 10 favorite print ads were for Calvin Klein products, including No. 2 Obsession, which students ranked as both their favorite and most representative of their age group in last year's survey.

"Sexy ads always do well on the college level," says Joe Venaglia, president of College Market Consultants. "They grab [the students'] attention on two levels. The conscious level as a consumer and on a [subconscious] level as well.

"There is evolution of sex in advertising," he says. "[Students] are in a questioning environment, so it's only natural they follow the trend."

However, on top this year in the print category is TBWA's Absolut vodka print campaign, which garnered 12.9% of the votes. Several Absolut ads were mentioned, but "Absolut Wonderland," which featured fake snow falling in liquid encased in a shell, received the most votes.

For the second consecutive year, college students ranked the Levi's 501 campaign as the most representative print and TV ad campaigns of their age group.

TV spots for Levi's 501 were the clear winner, leaving second-place Nike 12 percentage points behind.

"One of the reasons the ads work is because they reflect exactly who our target audience is, and they don't portray them as something more than they are," says Alan Jewett, senior VP-group management supervisor at agency Foote, Cone & Belding, San Francisco. "Kids see right through that [type of advertising]."

Larry Ruff, senior ad manager of the company's men's jeans division, agrees.

"I think the key thing is that the advertising depicts the target in a very realistic and relevant way. The '501 USA' campaign is an evolution of the '501 Blues' campaign. . . . Our ongoing tracking research shows that our target market—15-to-24-year-olds—like this type of advertising. It continues to enhance and build our image with this critical target group."

Eric Weil, president, Strategic Marketing Communications, claims his research bears out the single element critical to reaching the student market: "the tone of the message." □

TBWA's long-running Absolut print campaign is the biggest hit on campus.

Runners Jeff Atkinson and Colette Goudreau-Murphy show off Nike apparel.

Obsession remained a favorite of the student body, heading the Calvin Klein trio.

Collegians' love for Levi's continues with the "501 USA" campaign.

Absolut creativity, absolutely Calvin

Favorite print ads

Spot	% of responses
1. Absolut Vodka	12.9 %
2. Calvin Klein's Obsession	10.1
3. Nike	5.5
4. Calvin Klein's Eternity	2.2
5. Budweiser	2.0
6. Calvin Klein Jeans	1.8
Guess Jeans	1.8
8. Maxell tapes	1.7
J&B Scotch	1.7
10. Benetton	1.5

Source: Advertising Age

Levi, Nike know students

What ad best represents your age group?

TV spot	% of responses
1. Levi's 501	21.7 %
2. Nike	9.0
3. Mountain Dew	6.7
4. Pepsi	6.4
5. Bud Light	4.1
6. Coca-Cola	2.9
Budweiser	2.9
Coors Light	2.9
9. Miller Lite	2.4
10. Coors	1.7

Print ad	% of responses
1. Levi's 501	10.3 %
2. Nike	8.0
3. AT&T (college-oriented)	5.1
4. Benetton	4.5
5. Budweiser	4.2
6. Guess Jeans	3.5
7. Coors Light	3.2
Espirit	3.2
9. Calvin Klein's Obsession	2.9
Lee Jeans	2.9

Source: Advertising Age Ad Age Graphic: Holly Seguine

About the survey

Advertising Age's *second annual College Marketing Study surveyed 884 undergraduates in advertising, communications, journalism and marketing classes at 15 universities across the country. The questionnaires were distributed and collected by professors at participating universities.*

Mark Anderson

PEOPLE TO WATCH

Michael Carr is working to write a new punchline for the tale of the once uproarious upstart, *National Lampoon*.

Since signing on as publisher in November, Mr. Carr, former senior VP and advertising director at *Playboy*, is spearheading a campaign that he hopes will corral the college and young adult market as no other publication has since the *National Lampoon* of the 1970s and early 1980s.

"Millions of dollars" will go to promotions designed to revive the publication's image as "the thing you have to read to be hip in college," says Mr. Carr.

He currently is orchestrating the magazine's return to spring break after a six-year absence as one part of a campaign to reintroduce *National Lampoon* to college students.

He envisions aggressive sponsorships of humor-writing contests, campus events, trips and comedy shows, and involvement in illiteracy and environmental protection efforts.

Mr. Carr also will add 10 people to a staff of 20; recruit humor writers of the caliber the magazine was known for in its heyday, when it launched such cut-ups as Harold Ramis and P.J. O'Rourke; and add reader-service sections covering comedy in movies, TV and clubs.

"In the college market, if it's hip and happening, you'll see *National Lampoon* involved," vows Mr. Carr.

"If we're going to be a natural authority," he says, "I have to tell you what is funny, where the good clubs are.

"The college readers are active. They aren't just going to *read* funny things; they want to know where to go for their funny diversions." □

—Dennis Rodkin

Be sure to leave 'em laughing

Collegians smile as they follow the exploits of the pink bunny

By Janice Steinberg

That advertising phenom, the Energizer bunny, has scored again . . . this time with notoriously hard-to-reach college students.

In the second annual *Advertising Age* survey of college students nationwide, an overwhelming number of the 884 respondents named Chiat/Day/-Mojo's spots featuring the pink bunny as their favorite television spot.

With wit, parody and sometimes pure silliness marking almost all of the students' top-rated ads, humor appears to be hotter than ever on college campuses.

More than that, say college market observers, students have gotten more sophisticated about the kinds of things that will make them laugh.

"Twenty years ago, there was much more of an underground society and it was a lot easier to have shock in your humor, sight gags, slapstick," says Michael Carr, publisher of *National Lampoon*. "Today humor needs to be much more witty and smart . . . We're in a much more turbocharged society. Sophomoric humor isn't as effective today."

Although its bunny ads were not targeted to students, Eveready is a big spender on the college market. It ranked fifth in 1988-89 with expenditures of more than $1 million spent on media advertising and promotion, according to Strategic Marketing Communications.

The ads contain the kind of humor stu-

Make it or break it?

Concerns over spring break impact

By Eileen Norris

Spring break marketers are cleaning up their act and taking it on the road.

Industry insiders say the approach a company uses during spring break may make the difference in making an impact or being washed up on Daytona Beach.

"What you're seeing in Daytona is a restructuring of spring break. Everyone is happier because it's cleaned up," says Michael Hogan, exec VP of Alan Weston Communications, an entertainment marketing company.

For instance, Plymouth offered vacationers a chance to win one of its new sports cars if they signed a pledge card not to drink and drive. The company also offered kids free lifts back to their hotels if they weren't sober enough to drive.

Last year, Weston touted Columbia's "Ghostbusters II" movie on the side of a building with cartoons.

"The kids like our approach because it's low-key and non-intrusive. Blatant commercialism doesn't work. Kids are too smart to be pounced on by advertisers," says Richard Tarzian, president of Inter-Collegiate Communications, a college marketing company.

Mr. Tarzian says he expects 600,000 spring breakers at Daytona alone. The average student, he estimates, spends $250, which translates into spending on the order of $150 million.

However, those who eschew the scene say the atmosphere at Daytona is not conducive to making a long-lasting impression on the college student.

"The students' minds are on fun and games," says Martin Levine, president of MarketSource Corp., a target marketing company.

"The atmosphere is such that the advertiser gives and the students take, which really isn't conducive to the professionalism many advertisers would like to see."

MarketSource instead promotes what it calls Campus Fest, an on-campus marketing festival held in the fall at 50 universities in which advertisers display their wares and offer samples under tents near college bookstores.

Because product availability is as important as the front-end advertising or sampling, Campus Fest guarantees distribution at the college store, he says.

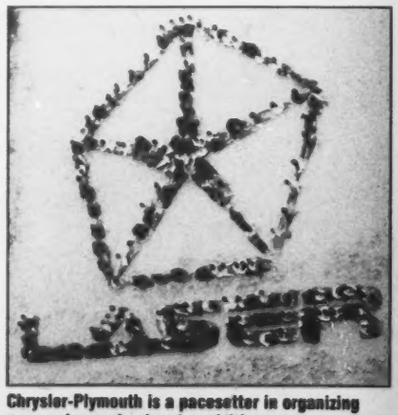
Mr. Levine says part of the problem with spring break is that it doesn't guarantee product placement at the point-of-purchase.

"Spring break is limited in sampling and exposing your product to a select group of college students rather than the true cross-section that advertisers want to reach," he says.

Mr. Tarzian contends spring break promotions—or any college-oriented event—should be just one element of a broader college marketing plan.

"We schedule 20-hour-day programs filled with events [at spring break]. Our business with Chrysler goes on 12 months a year with on-campus support," he says.

For example, InterCollegiate gives away 21 million college folders carrying spring break sponsors' messages at the beginning of every school year.



Chrysler-Plymouth is a pacesetter in organizing more sober spring break activities.

Popularity of bunny multiplies

Favorite TV spots

Spot	% of responses
1. Energizer (bunny)	19.6 %
2. Nike	7.7
3. Miller Lite	3.6
4. Bud Light	3.3
5. Pepsi-Cola	2.7
Coca-Cola	2.7
7. Isuzu (Joe Isuzu)	2.4
8. Levi's 501	2.1
DuPont Stainmaster	2.1
9. Friskies Kitten Chow	1.6
Butterfinger	1.6

Source: Advertising Age
Ad Age graphic: Holly Seguine

dents love. "There's parody involved in terms of poking fun at some classical forms of advertising," says Bob Kuperman, president of Chiat/Day/Mojo's Los Angeles office.

Joe Venaglia, president of College Market Consultants, warns that not every product is right for spring break exposure. "It must be a fun product that is right for that audience. And you can't sell anything on the pool deck or the beach."

Mr. Tarzian recalls visiting a Daytona hotel where a promotion was being staged last year only to hear 3,000 kids, apparently tired

There's no place like home

Top five spring break locations

Location	% of responses
1. Home	33.3%
2. Florida	17.0
3. None	9.4
4. California	5.0
5. Colorado	4.7

Source: Advertising Age

of an advertiser's pitch, chant: "Promo. Promo. Promo."

"We won't even allow *Playboy* to hand out subscription blanks unless it's under the door to the rooms where we know the men are staying," he says. "We don't want to offend the female guests, which account for 50% of our crowd."

For example, he's warned *Penthouse*, part of InterCollegiate's Spring Break Promotion this March, that it must produce a "clean program" if it wants to sponsor a contest.

Mr. Tarzian says the amount of positive press generated last year by Chrysler-Plymouth pushing responsible drinking is easy to document.

"The advertising dollars Chrysler spent were received back four times over in public relations," he says, noting favorable press reports on "CBS Evening News," "Inside Edition" and Cable News Network. □

Eileen Norris is a free-lance writer based in Chicago.

"That kind of humor may traditionally have been associated with colleges or *National Lampoon* or 'Saturday Night Live,' the idea of poking fun at existing symbols," he says.

Similarly, Miller Lite, whose commercials ranked No. 3 among students' favorite spots in the *Advertising Age* survey, uses a type of humor the company felt would be effective with its demographic of minimum drinking age to 35-year-old consumers, says Dave Fogelson, PR manager for the Miller Lite brand.

"The celebrities [in the campaign] are selected for their appeal to that age group," he says. "To get the joke or sense of humor of the commercials, [viewers] really need to be familiar with who people [such as Dan Dierdorf, Randy White and Joe Klecko] are."

Few can resist the shower scene in "Alarm."

According to SMC, Miller Brewing Co. ranked as the No. 31 college spender with a budget of more than $245,000 on college media and promotions during the last school year.

When it comes to collegiate humor, advertisers need to be careful, says Joe Venaglia, president of College Market Consultants. "Last year Miller tried some humor in a newspaper insert to promote spring break: '4 Surefire Ways to Scam Babes,' " he says.

"It boomeranged. It incensed women. A manufacturer utilizing humor has to be certain that the marketing services organization they're using is very aware of the mood and attitude on the campuses." □

Janice Steinberg is a free-lance writer based in San Diego, Calif.

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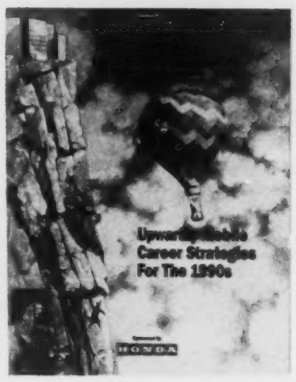

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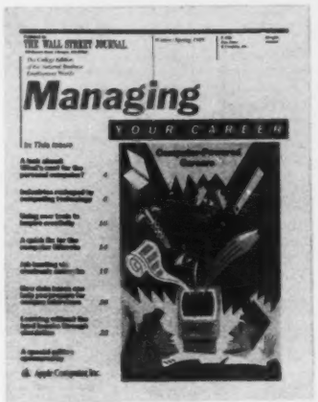

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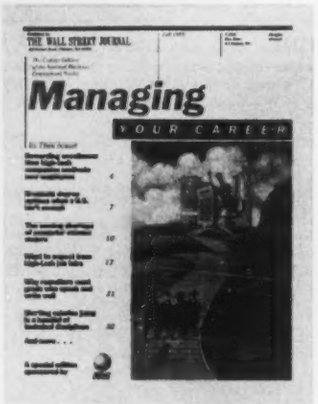

Sponsored by AT&T

What media hold student interest

College free time isn't 'all' MTV

Required reading

Top 10 favorite magazines (by ranking)*

Magazine	Points
1. Cosmopolitan	424
2. Sports Illustrated	399
3. Time	325
4. Rolling Stone	317
5. Glamour	315
6. Vogue	261
7. Newsweek	199
8. People Weekly	190
9. Mademoiselle	174
10. Elle	168

*Note: Students were asked to list their three favorite magazines in descending order. First place mentions received three points; second, two points; third, one point.
Source: Advertising Age

***Cosmopolitan, Sports Illustrated* and *Time* were the favorites of students in the *Ad Age* student survey.**

Wired for sound

Top five most-recalled radio ads

Ad	% of responses
1. RAB radio awareness	6.8%
2. Motel 6	6.5
3. Bud Light	3.3
4. Nutri-system	3.1
5. Coca-Cola	2.7

Source: Advertising Age

They want their MTV

Top 10 cable networks (by ranking)*

Network	Points
1. MTV	614
2. ESPN	350
3. HBO	343
4. CNN	240
5. Showtime	78
6. Nick at Nite	74
7. Cinemax	58
8. Discovery	46
9. VH-1	45
10. TBS	42

*Note: Students were asked to list their three favorite cable networks in descending order. First place mentions received three points; second, two points; third, one point.
Source: Advertising Age
Ad Age Graphic: Holly Seguine

Media use

Medium	Average time spent per day: Hrs./day	Is that more or less time than spent in high school? More	Less	Same
1. Radio	2.21	55.0%	32.5%	7.9%
2. Network TV	1.57	67.2	26.1	1.8
3. Cable TV	.98	52.7	31.4	4.4
4. Newspapers	.81	36.4	48.4	6.7
5. Magazines	.67	48.5	36.2	6.2

Source: Advertising Age **Ad Age Graphic:** Holly Seguine

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'Me-first' mode takes a beating

Greed is *not* good—at least not to most college students.

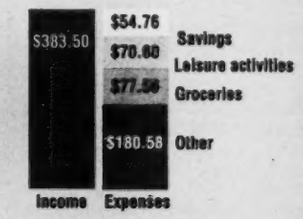
In a national study of 1,200 college students at 30 campuses across the country conducted last February by researcher CollegeTrack, a surprisingly high percentage agree there are more important things in life than getting ahead in business and making money.

Of those undergraduates surveyed, 87% agreed that "acting

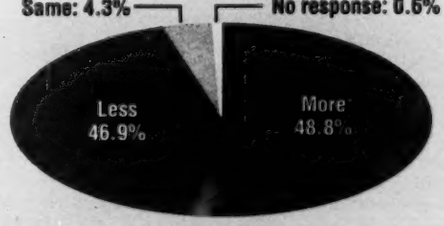
Collegiate profile

Are you employed?

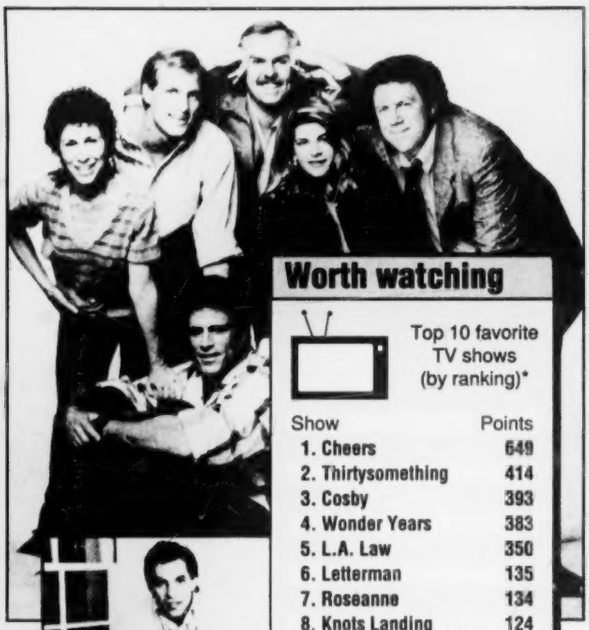
Average monthly budget



Do you have more or less money to spend on leisure activities than you did in high school?



Source: Advertising Age **Ad Age Graphic:** Holly Seguine



Worth watching

Top 10 favorite TV shows (by ranking)*

Show	Points
1. Cheers	649
2. Thirtysomething	414
3. Cosby	393
4. Wonder Years	383
5. L.A. Law	350
6. Letterman	135
7. Roseanne	134
8. Knots Landing	124
9. Football telecasts	103
10. Married with Children	103

*Note: Students were asked to list their three favorite TV shows in descending order. First place mentions received three points; second, two points; third, one point.
Source: Advertising Age

Comedies like "Cheers" and the ensemble "thirtysomething" fill student TV viewing time, according to the survey.

ethically is more important than getting ahead in business"; 85% agreed with the statement. "The kind of career I choose is more important than the money I earn."

"What really comes through in everything that the students tell us is that they are keenly aware of the budget deficit and the state of the economy," says Stuart Himmelfarb, CollegeTrack president. "I think they remain politically aware. A substantial number of them are voting."

He notes that a survey conducted during the 1988 presidential election year showed 77% of undergraduates were registered to vote and 83% of those registered said they voted in the election.

Mr. Himmelfarb said there has not been a notable shift toward political liberalism, however. Although the majority of students said they voted for Michael Dukakis for president in 1988, they were giving favorable ratings in 1989 to George Bush's performance.

When asked about the current status of the U.S. economy, most responded that it was "just OK"; 61% of undergraduates rated Japan as No. 1 in product quality. A majority—66%—also ranked Japan first in economic strength; second and third went to the U.S. and West Germany, respectively.

"Our study shows that students have been consistent in their opinions over the past two years in favoring the quality of products of the Japanese over the U.S.," says Mr. Himmelfarb. "An increasing number of students are ranking the strength of the Japanese economy over that of the U.S."

He says from March 1988 to March 1989 there was a 12 percentage point increase in the number of students that picked Japan as the leading producer of quality products and a 17 percentage point increase in those who considered Japan No. 1 in economic strength.

"We have seen an intensification of their feelings on these issues," says Mr. Himmelfarb. "The social activism of the '70s gave way to the materialism of the early '80s. Now the goals and ideas may be shifting toward a mixture of the two [attitudes]."

—Anita M. Busch

Students speak up

What is the most important issue facing the country?

Issue	% selecting as most important
1. Budget deficit	47%
2. Drugs	43
3. Quality of education	38
4. Homelessness	24
5. Crime	23
6. Trade deficit	21
7. Poverty	20
8. Unemployment	17
9. Race relations	12
10. Quality of health care	10
Inflation	10
12. High tax rates	9
Maintaining a strong defense	9
14. Ethics of government employees	8
15. Equal employment opportunity	4
16. Sex discrimination	3

Source: CollegeTrack

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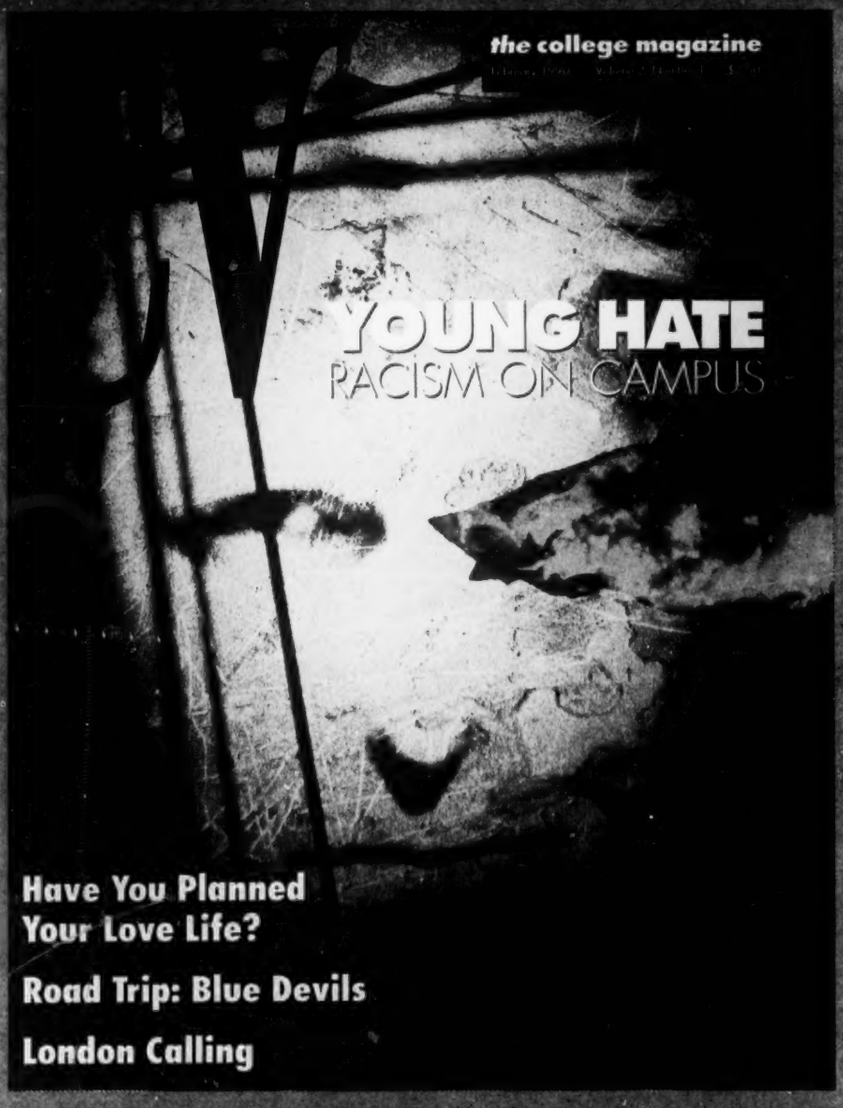

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Marketers adept at tapping the direct pipeline to students

Clever positioning, creative offerings put J. Crew, Citibank at head of marketing class

By Len Strazewski

A little bit of money can make a big impression on college students, according to results from the *Advertising Age* 1989 college survey.

J. Crew, which according to Strategic Marketing Communications was 62nd in college media advertising and promotion spending, nosed out Citibank—ranked 15th—as the most responded to direct-mail campaign.

A junior on the university scene, J. Crew began to target the college market less than two years ago after a test on a few Northeastern college campuses. Today, the catalogs have national distribution, focusing on the 500 largest colleges and community college campuses, says Robert Taglin, J. Crew marketing manager.

He says more than 1 million students received a J. Crew catalog in the last school year, but describes the audience as being about 2.2 million students.

"What really makes the catalogs work in the college market is the styles," Mr. Taglin says. "I'd like to say it's the sophistication of the marketing, but really it's the clothes that have become hot with college students."

"J. Crew apparel is one of the fastest-growing catalog lines in the college market," says Maxwell Sroge, a Chicago-based catalog marketing consultant.

"The clothing is positioned perfectly for the college market and the catalogs are filled with good, clean, naturalistic photography that shows off the products in fun outdoor settings," he says.

According to SMC, the company spent about $102,000 in college media advertising and promotions during the 1988-89 school year, excluding mailing costs.

Citibank, the nation's largest marketer of Visa and MasterCard, has been targeting college students since 1983 and has built a student credit-card base of 1.4 million, according to Elizabeth Means, director of the student program for Citibank's credit-card business.

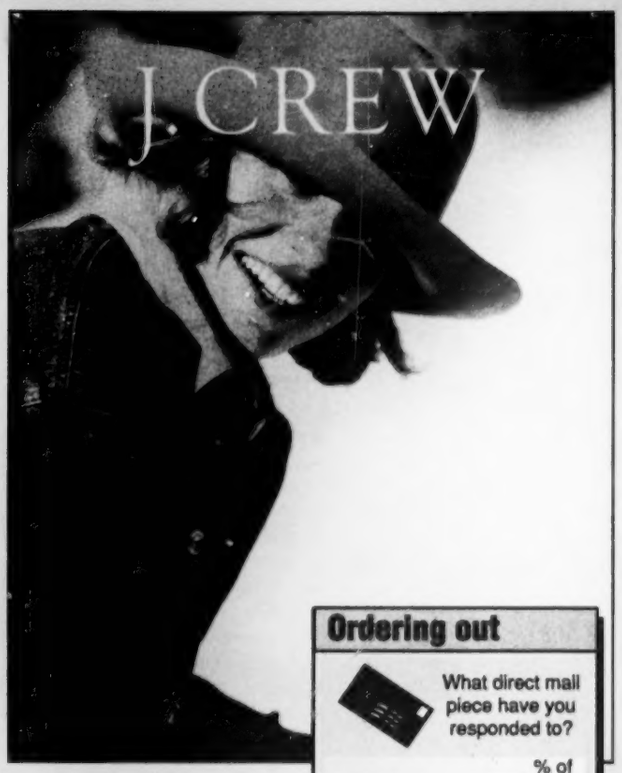
"College students have proven to be excellent, responsible credit-card customers," she says. "Default rates are actually better for college student accounts than for all other cardholders."

Interesting creative helps drive the Citibank campaign, says consultant Richard Harbert, a VP of Creative Guild and board member of the Caples direct-marketing creativity award. "Citibank is clearly among the most creative financial marketing companies around . . . and tactically they [succeed] in developing a message that connects directly to their audience."

Ad material offers students either Visa or MasterCard with no co-signers or parental approval required under the headline "Give yourself some credit . . . now accepting all students."

Ruvan Cohen, area director of cardmember acquisitions, estimates Citibank's total media spending—advertising, direct mail, promotional material—directed to the college market to be more than $5 million. According to SMC, Citibank spent about $484,000 on college media and promotion last year, not including direct-marketing expenses. □

Len Strazewski is a free-lance writer based in Chicago.



Ordering out

What direct mail piece have you responded to?

Mailing	% of responses
1. J. Crew	10.4%
2. Citibank Visa	10.0
3. American Express	7.1
4. L.L. Bean	6.3
5. Credit cards (non-specific)	5.6
6. Magazine subscriptions (non-specific)	4.8
7. Lands End	3.7
8. MasterCard	3.3
9. Catalogs (non-specific)	2.2
Publishers Clearing House	2.2

Source: Advertising Age

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Citibank promotional material offers students easy credit in expectation of their continued post-school use.

AT&T has students' number

Testimonials have desired effect, gain loyalty

By Jill L. Sherer

Discovering a link between AT&T Co. and John Houseman might not seem to be an easy assignment. But when AT&T asked college students to personify the company in 1988, they compared the communications giant to Mr. Houseman, who played the stoic, unapproachable law professor on "The Paper Chase."

"It's a great person to be perceived as, but we want to keep AT&T on more of a level that students could relate to," says David Pugliese, college market manager.

"Our [agency, Young & Rubicam,] told us we needed a more credible approach—like testimonials—something students could relate to. And we've done that by using real college students in our print ads."

According to *Advertising Age's* 1989 college survey, students approve of AT&T's approach, naming it the third-best print ad representing their age group. AT&T was the only service company to break into the top 10 in this category, trailing only Levi Strauss & Co.'s 501 jeans and Nike.

Letting students like Liz Corsini and Greg Riley express why AT&T is the right choice for them is paying off.

"I could really relate to the ads because they were talking to us as students and not 40-year-olds," says Cathy Tincher, a freshman at Catherine College in Chicago. "The ads show that AT&T cares about college students."

The company had been targeting the college market for about five years before it began this print campaign in 1988.

The campaign it replaced was unfocused and wasn't working well in the college market, says Mr. Pugliese.

The new campaign is "more credible, intelligent and believable at the college level. [The previous campaign] was a mixture of different campaigns and wasn't utilizing the student testimonials. We wanted something fresh and more focused," he says.

According to a Strategic Marketing Communications report on advertiser spending in the college market, AT&T is the third-largest advertiser, spending about $1.2 million in media and promotion during the 1988-89 school year.

AT&T wanted to create ads that would have a harder impact on students, so the company brought students into focus groups to help develop the campaign.

"They gave us input that we didn't really think of before," says Mr. Pugliese.

"They told us what kind of schools to go to, what kind of students to use, what kind of students not to use," he says. "They told us to avoid the extremes—no party animals and no bookworms—and to use people that they could relate to. Not too preppy. Not too clean-cut. Not too rich. Not too good looking."

Although AT&T marketing executives were thinking about changing the company's college ads, feedback from recent focus groups was strong enough for them to strengthen it rather than abandon it. Mr. Pugliese says AT&T will increase the campaign's frequency in college newspapers, wall media and selected college magazines this year.

"One thing that came through loud and clear [in the focus groups] is that students really like when a company develops a campaign that's especially for them," says Mr. Pugliese.

"They felt it showed AT&T acknowledges their importance [as customers]." □

Jill L. Sherer is a free-lance writer based in Chicago.

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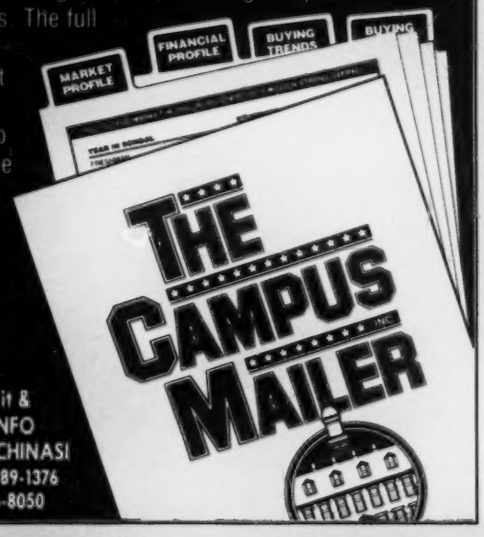

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NBC
Magna Cume Campus

'U.' emerges atop magazine ranking

But then 'favorite' reading list grows muddled

The best move *U. The National College Newspaper* made probably was to keep the word "campus" out of its title.

When asked to name their favorite college magazine, 18.2% of students chose *U.*, while other publications of the category seemed to suffer from a lack of "brand" identity.

U., with 1.4 million in circulation, dominates the college market in the number of advertising pages sold.

U.'s ad revenues from fall 1988 to fall 1989 increased 32.1% to $1.7 million, up from three to four issues during that time period; ad pages increased from 27 to 38 pages, according to the magazine. *U.* is published eight times a year.

Gerald Taylor, publisher of *U.*, says the newspaper does well with advertisers, "because of the credibility of the editorial product, the fail-safe distribution system and the quality, four-color reproduction offered at a fair price. We also have the national, broad reach that's required." Distributed in college newspapers, *U.* currently is available on 400 college campuses.

Of the 402 votes cast for a favorite college publication, Whittle Communications' *Campus Voice*, the now-defunct magazine that was folded into its wall media program a year ago, garnered 10.9% of the mentions. Most respondents appeared to confuse *CV, The College Magazine* with Campus Voice. Only two students specifically mentioned Campus Voice wallboard.

Several students who mentioned *CV* included in parentheses such names as "College View," "Campus Viewpoint" and "Campus Voice." *CV* ranked third with 9.2% of the vote.

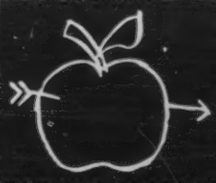
"On the advertising front, there's really no confusion [between Campus Voice and *CV*]. Where the confusion really lies is with the college students. Our editors have run across this in focus groups," according to John Glascott, VP-publisher for Whittle's college properties.

"This is fairly typical of the lack of innovation from the suppliers in this market," he says. "*U.* stands alone, but *CV* reeks of metooism. It's unfortunate."

Marian Salzman, *CV* editor in chief, says Mr. Glascott's accusations are unfounded. "There's no basis for that whatsoever. We named *CV* for 'Curriculum Vitae,' a Latin phrase that means 'resume.' Our format is nothing like the [former] *Campus Voice* format."

—Anita M. Busch

CTI Is Proud To Announce Its Expansion



We wish to express our gratitude to our 78 Fortune 500 Corporate clients with whom we provided successful STUDENT/YOUTH/COLLEGIATE *marketing, advertising, promotion, and public relations campaigns.*

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PARTING SHOT

Brand confusion

Is it Maxell or is it Memorex?

College students are no more confused than the general population when it comes to matching ad to brand.

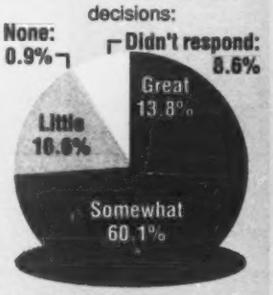
Several students chose the audio tape print campaign featuring the man sitting in the chair with his hair blowing back as their favorite print ad. The only problem for the marketer was that many misidentified the brand it advertised.

Other ads that were mentioned as favorites were the Purina and/or Friskies spot that compares a kitten to a race car and the Duracell/Eveready bunny campaign.

Pictured below are some of the campaigns. See if you score better than the average college student on this test.

The impact of advertising

Advertising had the following impact on my buying decisions:



Source: Advertising Age
Advertising Age Graph: Holly Seguine

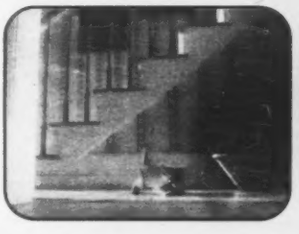
How you live may save your life.

You may find it surprising that up to 60% of all cancers can be prevented. By avoiding excessive exposure to sunlight, by not smoking cigarettes, by not overeating and by following a diet high in fiber and low in fat.

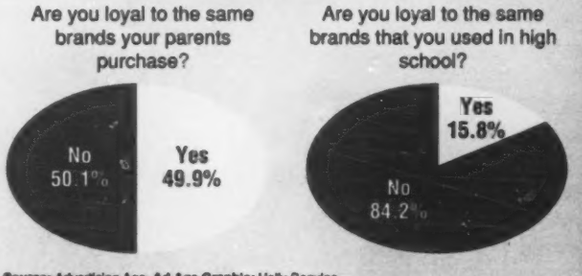
The battle isn't over but we are winning.
Please support the American Cancer Society.

AMERICAN CANCER SOCIETY®

Counterclockwise from right: Maxell tapes, Friskies Kitten Chow, Eveready Energizer.



A question of loyalty


Are you loyal to the same brands your parents purchase?
No 50.1%
Yes 49.9%
Are you loyal to the same brands that you used in high school?
Yes 15.8%
No 84.2%

Source: Advertising Age Ad Age Graphic: Holly Seguine

February 12, 1990

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Advertising Age

Crain's International Newspaper of Marketing · In Three Sections · Section 1 · $2.00 a copy

P&G's first Soviet TV spot

By Laurie Freeman and Laurel Wentz

Procter & Gamble Co. is slated to introduce itself and its brands to the Soviet people in a 12-minute commercial airing tomorrow on Soviet TV.

The spot will precede a televised performance in Moscow of the John F. Kennedy Center's National Symphony Orchestra conducted by the renowned cellist Mstislav Rostropovich.

While P&G's commercial isn't the first by a Western marketer to run on Soviet TV, it's believed to be the longest ever by a Western advertiser there. Visa International, PepsiCo, McDonald's Corp. and American Express Co. have been running spots on Soviet TV for several years.

Gamma/Liaison

M. Rostropovich

The commercial features several P&G brands, including Pampers disposable diapers, Tide laundry detergent, Vidal Sassoon haircare products, Crisco cooking oil and Ivory soap.

The company now only markets Alo detergent, Crest and Blend-a-Med toothpastes and Camay soap there in limited quantities.

The purpose of the commercial is to introduce the company and its wide variety of brands. That way, when P&G expands the number of products it markets, consumers will already be familiar with them.

The concert is expected to air live Feb. 13 at 7:30 p.m. on one of the two national channels. The potential TV audience is 118 million. The concert is the first of four in

(Continued on Page 56)

LAST MINUTE NEWS

Shakeup at KFC?

LOUISVILLE, Ky.—PepsiCo is preparing a major "housecleaning" at Kentucky Fried Chicken Corp., including replacing some high-level regional and corporate executives, sources said. President John Cranor and Senior VP-Marketing William McDonald—PepsiCo veterans who joined KFC last year—aren't seen as vulnerable, despite the unit's report last week of a 12% earnings decline to $28.5 million for 1989's fourth quarter. A KFC spokesman last week said no announcement of management changes was anticipated. National agency Young & Rubicam, New York, already is on thin ice; Mr. McDonald recently said he's taking a "wait and see" position on the agency's status (AA, Jan. 15).

Health ad policy advances

WASHINGTON—The Food & Drug Administration will be free to crack down on food health claims with publication this week of its long-awaited policy on health claims. The policy was finally released by the White House Office of Management & Budget last week. The policy would only allow marketers to make claims in six specific areas, such as high fiber preventing health disease, with occasional exceptions (AA, Jan. 29). There will be a 60-day public comment period before the FDA issues a final policy later this year. The new policy replaces a 1987 proposal giving marketers a green light for making health claims. It never got OMB approval.

Carnation drops O&M

LOS ANGELES—Carnation Co. last week pulled about $12 million in spending from Ogilvy & Mather and consolidated virtually all its advertising at Interpublic Group of Cos. agencies. McCann-Erickson Worldwide here was assigned infant formulas and Contadina Fresh pastas and sauces while Lintas:New York, is expected to pick up Grand Gourmet dog food, all from O&M. Carnation said the Bloom Agency, Dallas, which handles some smaller brands, will keep its assign-

(Continued on Page 8)

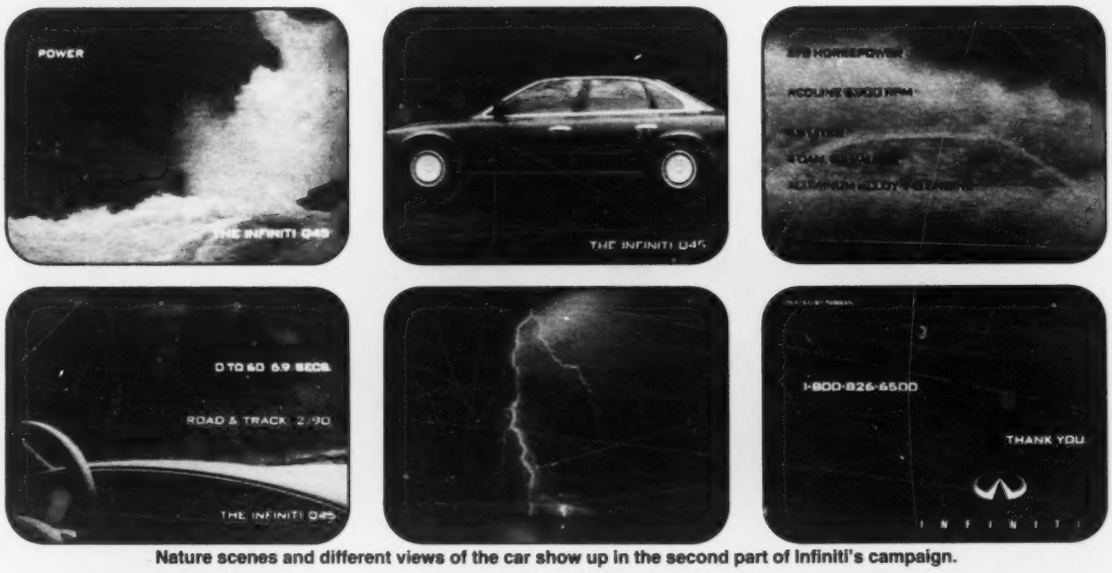
INSIDE

FTC closeup ..... **P. 3**
Chairman Janet Steiger talks with *Ad Age* about restoring confidence in the FTC.

Less is more ..... **P. 31**
Philip Morris may try to pump up denicotinized Next cigarette sales by adding more nicotine.

Whittle withdrawal ..... **P. 54**
Special Reports loses the strong support of several charter subscribers.

Infiniti finally shows its cars



Nature scenes and different views of the car show up in the second part of Infiniti's campaign.

By Cleveland Horton

The Infiniti ads are changing.

The upscale division of Nissan Motor Corp. USA today begins a new "personality" phase of its unconventional $60 million-plus ad campaign, and it's sure to start tongues wagging again (*see Ad Review on Page 58*).

"This is an evolution," said David Hubbard, national advertising manager for Infiniti. "We're moving in a direction to position the vehicles better . . . while tying into the equity we have from the nature campaign."

The new-style TV spots, which begin airing in 36 markets, carry over the nature scenes of the initial launch effort, interspersing them with shots of the cars.

But what really stands out is the unusual nature of the spots. Even though the new campaign comes closer to traditional car advertising than the previous

(Continued on Page 56)

Y&R plea-bargains Jamaica case

By Jon Lafayette

A document discovered at the 11th hour has turned around a federal racketeering and bribery case against Young & Rubicam.

Charges against the agency and Arthur Klein, New York office president, in the Jamaica tourism case were dropped last week as the result of a plea bargain.

Under the agreement, Y&R pleaded guilty to a felony conspiracy charge. U.S. District Judge Peter Dorsey fined the agency $500,000 and put Y&R on probation. The agency also may be asked to perform community service.

A perjury charge against another Y&R executive remained pending, as did racketeering and conspiracy charges against two Jamaicans indicted along with Y&R—Arnold Foote Jr., an ad executive, and Eric Anthony Abrahams, former Minister of Tourism.

Y&R had been accused of conspiring to bribe Mr. Abrahams to win the country's tourism account in 1981. Y&R was fired from the $6 million-to-$8 million account after the indictments were handed down by a federal grand jury in October.

The account is still under review, and a decision is expected soon. In the running are FCB/Leber Katz Partners; N W Ayer; Cliff Freeman & Partners; Jordan, McGrath, Case & Taylor; McCann-Erickson Worldwide; and Tromson-Monroe, all New York; and Burrell Advertising, Chicago.

Settlement discussions began the night of Feb. 7; jury selection was slated to begin the following day.

"As we were all preparing for trial, the defendants came forward with a document which we had subpoenaed two years ago," said U.S. Attorney Stanley Twardy. "It was a conversation between Mike Slosberg, a former employee of their company and a cooperating individual in the case, and Robin Moore [an author acquainted with Jamacian officials]. And a transcript of that conversation was extremely exculpatory, meaning it gave evidence that Klein and in turn Spangenberg [Thomas Spangenberg,

(Continued on Page 56)

Disney move may slow theater ads

By Marcy Magiera

Walt Disney Co.'s move to stop in-theater advertising is causing media buyers to rethink their use of the silver screen.

"We've found [in-theater advertising] very successful, because we've created specific commercials to run in movie theaters," said Richard Weigand, senior VP-Toyota media operations at Saatchi & Saatchi DFS/Pacific, Torrance, Calif. "But this would shed a whole new light on it. . . . It could limit the number of desirable movies" with which to run commercials, he said.

Toyota Motor Sales USA has advertised in theaters for five years.

"As far as we are concerned, as buyers of media to reach consumers, we have sufficient confidence in cinema advertising," said John Sisk, senior VP-director of network negotiations, J. Walter Thompson, New York. "But now we will certainly keep an eye on it to see if [the Disney move] has a deleterious effect." JWT handles advertising for Eastman Kodak Co. and the U.S. Marine Corps, both of which advertise in theaters.

Disney last week announced a new policy prohibiting theaters from running paid screen advertising before movies distributed under the Disney, Touchstone Pictures or Hollywood Pictures banners.

The policy is effective March 23, with the release of Touchstone's "Pretty Woman."

"We have been told repeatedly by moviegoers that they do not want and will not tolerate commercial intrusion in movie theaters," Richard Cook, president of Disney's Buena Vista Pictures Distribution, said in a statement.

"Bottom line, the marketplace should decide whether or not advertising belongs in movie theaters."

"With this new policy, we are seeking the help of exhibition in giving the ticket buyers what they want and further differentiating the theatrical motion picture experience from that which they can experience in their own homes," he said.

Exempted from Disney's policy are theatrical trailers, slides projected during intermission and ads for approved charitable purposes.

It's still unclear whether the other major studios will support Disney's policy.

Columbia Pictures Entertainment, Paramount Pictures Corp. and 20th Century Fox Film Corp. all refused comment. Universal Pictures and MGM/UA didn't return calls.

Screenvision Cinema Network, a 5,700-screen system that places the bulk of advertising in U.S. theaters, is expected to be effected most by the Disney policy.

Screenvision executives last week defended the commercials' entertainment value and insisted consumers are in favor of in-theater advertising.

"Bottom line, the marketplace should decide whether or not advertising belongs in movie theaters," Terry Laughren, Screenvision chairman-ceo said in a statement. "And from the reactions we get from advertisers, exhibitors and, most importantly, audiences, the answer is a resounding 'yes.' "

Screenvision sold about $25 million in ad time in 1989. It charges advertisers $20,000 per thousand viewers for a 60-second spot or $600,000 to $700,000 for a 28-day flight, for which it guarantees 31 million viewers.

Cineplex Odeon Corp., which runs ads on its 1,800-plus screens in North America, wouldn't comment. □

Wayne Walley contributed to this story.

Murdoch salon plan set

By Scott Donaton

News Corp.'s Murdoch Magazines plans to launch an ad-supported video network for beauty salons.

The Salon Network, to make its debut in June, is a series of videocassettes distributed to beauty salons equipped with their own TVs and VCRs. The featured editorial material will come from Murdoch publications.

This is the latest attempt by a media company to reach a captive audience in an uncluttered advertising environment. The idea was pioneered by Whittle Communications, which is planning TV programming for physicians' waiting rooms and school classrooms.

But Murdoch's system will face competition from a host of magazines created specifically for beauty salon customers, including one being prepared by Whittle.

Salon Network will be tested in more than 3,000 salons nationwide. Murdoch will distribute three every-other-monthly, two-hour videocassettes this year; salon owners will be required to air them at least twice daily.

Each two-hour tape will have a maximum of 30 minutes of ad time.

In 1991, the project will expand to 5,000 to 7,000 salons and its frequency will increase to monthly.

Each cassette will feature three to four separate programs focused on such topics as health, beauty and fashion. Material for the programs will be drawn from various Murdoch titles.

The tapes will carry general consumer advertising as well as ads for beauty and haircare products available only in salons.

"We're targeting the fairly large amount of time available to salon customers," said Phillip Cassidy, director of special projects for Murdoch Magazines. "The time women spend in beauty salons is the best and most appropriate time to reach them. They're relaxed, comfortable and indulging in themselves."

R. Murdoch

Murcoch is taking several steps to avoid much of the controversy stirred by similar Whittle projects. Unlike Whittle, Salon Network's cost-per-unit is said to be relatively low and the system won't lock advertisers into long-term commitments. And, unlike Whittle, Murdoch won't try to limit the number of competing media vehicles in salons.

Murdoch also said it will provide advertisers in-depth audience research after the test is completed. Advertisers in Whittle's *Special Reports* have complained of the lack of adequate audience research (*see story on Page 54*).

Those participating in the test will pay $20,000 per 30-second unit. Mr. Cassidy said he expects a total of 2.4 million impressions per tape for a cost-per-thousand of $8.33.

When the network expands next year, the cost-per-spot will more than double to between $40,000 and $50,000 with the added distribution, he said. Ad time will be sold spot by spot.

The system primarily will target beauty and fashion advertisers, "but we expect interest in everything from credit cards to automobiles," Mr. Cassidy said.

Media buyers for the most part were enthusiastic about the project as an ad vehicle.

"Obviously, captive audiences have been identified as something advertisers want," said Alan Jurmain, exec VP-media director, Scali, McCabe, Sloves, New York.

"This is the hot thing, finding these audiences and sticking media in front of them."

Whittle is planning to launch *American Style* magazine later this year or in 1991. The national beauty salon book would replace the company's *Southern Style*. That magazine, launched in 1987, folded last year after its sole sponsor, Procter & Gamble Co., backed out.

Agency sources said *American Style* will carry multiple sponsors; Whittle executives refused comment.

In March, Communications Venture Group will unveil *Confetti*, six themed, every-other-monthly magazines that will be distributed primarily through department store salons. It will be launched in 4,000 shops.

Advertisers' minimum commitment is 18 pages per year at $540,000.

Confetti and *American Style* will compete against 2-year-old *Cameo*, an oversized trade/consumer every-other-monthly from Pygmalion Publications. □

IN THIS ISSUE

NEWS

Bunny bash: Warner Bros.' Bugs Bunny is being showered with promotions and marketing tie-ins in honor of the cartoon rabbit's 50th birthday. **6**

United front: Alcohol marketers try to unite to fight the growing anti-alcohol movement. **16**

"First" falloff: *First for Women* appears to be driving advertisers away with steep rate increases. **20**

Ad gimmicks: Some publishers are giving in to complaints about unusual ad placements. **32**

Changes brewing: Anheuser-Busch changes Budweiser and Bud Light ads as sales growth slows. .. **51**

VIEWPOINT

Considerations **34**
Editorials **34**
Brady's Bunch **37**
Forum **37**
Letters **38**
James Brady **40**
The Next Trend **40**
Joe Winski **40**

Marketing to Hispanics
Can the Hispanic market escape the language ghetto? High-ticket advertisers are caught in the web of choosing Spanish- or English-language media.

MEDIA

MediaWorks **41**

INTERNATIONAL NEWS

Global Gallery **43**

PEOPLE

PeopleWorks **46**
People Moving **46**
Photo Review **47**

Infiniti infuriates TV viewers again with a new ad that finally reveals the automobile, but in such quick and partial shots it's impossible to piece together a full image.

U.S. NewsWatch **12**
Corrections & Clarifications **38**
Classified **48**
For the Record **53**
Index to Advertisers **58**

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SPECIAL REPORT

Marketing to Hispanics

Edited by Therese Kauchak

And Galavision makes three..... S-2
Azcarraga back in the network TV hunt in a battle that some see getting ugly.

Numbers game gets serious..... S-4
With advertising dollars at stake, all eyes are on Nielsen ratings test.

Networks gain upper hand..... S-6
Independent Spanish radio stations' signals grow weaker as networks expand.

Sound principles..... S-10
Singer Gloria Estefan congas her way cross cultures.

Missing the language ghetto

Advertising in Spanish reaches a crossroads

By Ed Fitch

Christmastime '89, and Jose Bohorquez has decided a microwave is the perfect gift for his daughter.

The first generation immigrant from Medellin, Colombia, who speaks primarily Spanish at both home and work, doesn't turn to Spanish media for hints on what brand to buy. Mr. Bohorquez says he doesn't use Spanish media.

For hints on what microwave to buy, he turns to his son, John J., who also doesn't use Spanish media. In fact, his wife is the only one of Mr. Bohorquez's 14-member household, which covers three generations, to use Spanish media.

And therein lies the crux of the problem facing the Spanish-language advertising and media market, one that raises serious questions concerning its long-term potential.

As the immigrant generation ages and its sons and daughters are reared as U.S. citizens, learn English in U.S. schools, speak English—or even Spanish like Mr. Bohorquez—in the workplace, will the market survive the population boom that spawned it?

Certainly. Immigration patterns from Mexico and Central and South America show no signs of abating, providing Spanish-language media, agencies and corporate America with a steady influx of consumers who seek information and entertainment primarily in Spanish.

But this phenomenon creates what could be termed a Spanish-language advertising ghetto, comprised of lower-income prospects that advertisers consider suitable targets only for basic, need-driven products.

An intensifying push by Spanish-language media to target high-ticket advertisers has met with limited success.

When asked to reveal what categories of advertisers are on their hit lists, Univision Network's Senior VP-Sales Raul Torano and Telemundo Group's Senior VP-Marketing and Sales Gary McBride offer virtually the same list as did John Pero when asked the same question four years ago as the head of Univision's sales team. The targets remain: automobiles, cosmetics, financial services—even more package goods.

A canvass of Spanish-language agency heads, discussing growth potential for this year (AA, Dec. 18), reveals they are pinning their hopes on increased spending by existing Hispanic market advertisers, rather than from new clients that fueled the market's growth in previous years.

The danger of that approach rests in what Richard Dillon, president of Mendoza, Dillon & Asociados, calls the "$1 million ceiling."

In a speech last October at the *Advertising Age* 1989 Hispanic Media and Marketing Conference, Mr. Dillon told an audience comprised of Hispanic media, agency and advertisers that client companies see $1 million as the maximum needed to promote a brand effectively in the market.

Interpreting corporate spending reports from *Hispanic Business* indicates leading Hispanic market advertisers—with one notable exception—are not about to push spending levels significantly higher. In fact, they indicate the market has stalled.

The top 10 Hispanic market advertisers last year—a company had to spend only $4.6 million to qualify for this distinction—spent $86.8 million in 1989, up 11% from the previous year.

Eliminate from the computation Procter & Gamble Co.—the market's leading advertiser, which boosted its '89 budget 40.9% to $29.3 million—and the combined spending of the remaining top 10 advertisers rose

(Continued on Page S-16)

Troy Thomas

BAROMETER

Take a number

Hispanic market ad expenditures

Year	In millions	% change
1989	$583.6	15.3%
1988	506.1	12.0
1987	451.9	23.0
1986	367.4	19.0
1985	308.7	17.0

Source: *Hispanic Business*

Take the pulse

Considering much of this Special report deals with the crossover market, Barometer casts its jaundiced eye at the cultural swapping taking place between the Hispanic and mainstream markets. Hey, 'mano. Catch you on la calle.

Paul Rodriguez . . . *Que pasa, Pablo!?* Not even the Super Bowl telecast could help "Grand Slam." It's a strikeout. We're hoping your Univision talk show offers some redemption.

Lambada . . . "The dance craze that's sweeping the nation." More like the hype craze that's sweeping the media.

Linda Ronstadt . . . So, is she a Stone Pony? A Pirate of Penzance? Or *una cantora*? The Queen of Crossover.

Mexican food . . . Our apologies to gourmands such as Patricia Quintana, who raises the cuisine to exquisite new heights, but most Americans' idea of Hispanic food is Taco Bell.

Crossover spots . . . Spanish-language spots for Pepsi on the Grammys, Coke on American Music Awards. We laud the attempt, but Spanish spots have found their English-language ghetto.

South American art . . . Peruvian weavings hit Spiegel catalog. The Southwestern decorating craze just took a marked turn south.

And Galavision makes three

Azcarraga back in the hunt for the multimillion-dollar Spanish-language TV game in a battle that some see getting ugly

By Anne Moncreiff Arrarte

OUTLOOK TV

Sports may be Emilio Azcarraga's latest hobby, but TV is clearly his passion.

While his *The National* daily sports newspaper attempts to win over U.S. sports fans, the revamping of his Galavision Network promises to throw the Spanish-language TV business into turmoil.

On March 1, Galavision will begin its expansion from a basic cable network—with part-time broadcast affiliate KWHY-TV, Los Angeles—to a regional broadcast network serving Hispanics in California, Texas, Arizona, New Mexico and Illinois.

Mr. Azcarraga, who owns Mexican media conglomerate Televisa and its U.S. subsidiary, Univisa Inc., apparently has been champing at the bit to charge back into the Spanish-language network TV business following his sale of Univision Network to Hallmark Cards for $286 million: The two-year, no-compete agreement he signed with Hallmark expires this month.

Galavision now takes on both Univision and Telemundo Group, leading industry watchers to wonder whether the market can grow to support a third network player. What appears more likely is a bitter battle for audience share and the $119.6 million spent in Spanish-language network TV in 1989, according to *Hispanic Business*.

Backed by Televisa's formidable financing and programming, Galavision steps into the fray at a particularly opportune time.

Market-leading Univision suddenly has revealed Achilles' heels. Early this month, it failed to make interest payments of about $10 million, citing a cash-flow problem. The network also was hit by a strong ratings performance by Telemundo in Strategy Research Corp.'s November 1989 sweeps.

Because Telemundo's recent surge came primarily at Univision's expense, it indicates the three networks will fight for the same advertiser dollar.

Univisa President Fernando Diez Barroso disagrees, saying when KWHY entered the Los Angeles market last April, the total number of households watching Spanish-language TV increased.

That gain shows Galavision's entrance will not have a negative impact on the other networks, he says.

Galavision's arrival might be beneficial, says J. William Grimes, president-ceo of Univision Holdings. "We now have a model in Los Angeles of what happens [with three of us] in a market. According to Arbitron, the combined share of viewing has grown. If Galavision adds viewership to Spanish-language TV, that's good."

Henry Silverman, former Telemundo president-ceo—he resigned to join investment banker Blackstone Group on Feb. 2—is slightly more guarded.

"I don't think Galavision is necessarily bad news," he says. "Telemundo has always anticipated competition. We never thought we and Univision would end up alone."

Meg Bernot, VP-media director, Publicidad Siboney, New York, challenges the assumption the viewing audience will grow.

She analyzed the shifts in the Spanish-language network audience over the past four sweeps periods—when Telemundo was adding second stations to many markets for the first time—and found very little growth in the two networks' audience as a percentage of total TV viewing.

"There probably will be a fragmentation of the existing audience among the three," Ms. Bernot says.

Despite Mr. Diez Barroso's magnanimous statement concerning his competitors, Galavision appears to be poised to eat Telemundo's lunch.

Ms. Bernot discovered that Telemundo, while programming the No. 1 stations in both Los Angeles and Chicago, is extremely vulnerable to a strong challenge in those markets. "Chicago viewing represents 14% of its audience and Los Angeles is another 37%," she says. "That's not very good news for them."

As goes Telemundo's performance in those two markets, so goes the network. And Galavision —through Televisa and its Protele distribution arm—is programming specifically for predominantly Mexican-American markets such as Los Angeles and Chicago.

Doug Goodman

First-run programming at KWHY excites Univisa President Fernando Diez Barroso.

The battle lines are being drawn, with both Telemundo and Univision banking on an assimilated Hispanic community and investing heavily in U.S.-produced programming.

The fight may well get ugly. "The premise of Mexican programming doesn't fly on a big scale," says one competing network executive.

"Televisa's ego is so big they believe all Mexican-Americans will watch what they watched in Mexico; that ignores the reality in the U.S."

"Televisa's ego is so big they believe all Mexican-Americans will watch what they watched in Mexico; that ignores the reality that in the U.S. there is a choice. Life changes once people get here. Even in Los Angeles, Galavision is a solid third."

Mr. Diez Barroso credits KWHY's third-place showing to it having run only "reruns of reruns that have aired on the other two networks." Beginning next month, KWHY will be programmed with first-run *novelas*, news, entertainment, information, sports and movies produced by Televisa.

A programming agreement with Univision gives it first option on 50% of Televisa's U.S.-distributed first-run programming. However, Televisa creates six hours of first-run *novelas* daily, leaving Galavision to choose from the remaining first-run products.

"Galavision has a tremendous advantage in terms of programming," says Ms. Bernot.

Buyers are watching Galavision with interest and an open mind. Even without first-run programming, "they're doing quite respectably in Los Angeles," says Nancy Tellet, VP-media director, Conill Advertising, New York.

The niche market concept of the Galavision network, she adds, could be very successful. "On a local level, we will purchase if the [demographics] are correct.

"On a network buy, a lot will depend on Galavision's performance as a network. But anyone who puts out a good product for the Hispanic market, and markets it well, will succeed," she says.

Still, both Univision and Telemundo are moving in another direction. "Our experience is that using all Mexican programming does not work," says Univision President Joaquin Blaya. Programming must be a blend of *novelas* from Latin America and locally produced programs appealing to bilingual Hispanics, he says.

Mr. Silverman agrees, saying the network is up to 45% U.S.-produced programming, and ratings have grown 61%.

Mr. Diez Barroso counters that the two networks are simply doing what they must as a national service: Program for the masses and across nationalities. He maintains this programming is less effective because it loses some national ethnicity in the process.

"We're talking about leisure time when watching TV. And we're talking about being at home," he says. "I'm a U.S. Hispanic by definition, but when I'm home, I am a Mexican."

Cost also is a problem for the networks relying on U.S.-produced programming. "When we buy or produce in the U.S., it costs significantly more than what we can get out of Latin America," says Mr. Grimes.

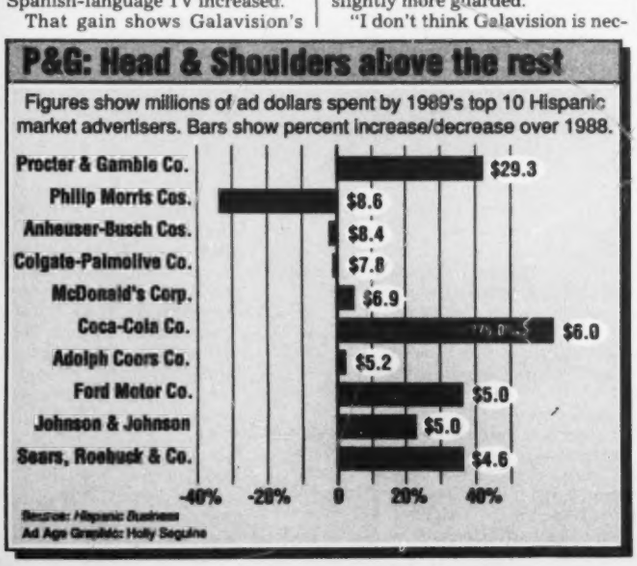
The cost factor could become an issue for Univision following its interest payment shortfall. Emma Carrasco, VP, director-communications and advertising, says the company's debt will be restructured and it will have no impact on programming plans. "It's business as usual," she says.

Mr. Grimes adds that U.S. programming is worth the cost. "Advertisers tell us they want their ads run in programs that look modern and address the needs of the U.S. Hispanic market."

Mr. Diez Barroso says if U.S.-produced programming costs are four times higher than picking up available Latin American products, ratings for those shows should be four time higher to break even. "And we're not seeing that happen," he says.

Ms. Bernot says Galavision may give Telemundo fits before all is said and done. "Five years down the road," she says, "my gut reaction is Univision will have about a 50% share of audience and the other half will be split between Telemundo and Galavision." □

Anne Moncreiff Arrarte is a frequent contributor to Advertising Age's *Perspectivas section.*



New York, Colorado scrutinize scanners

By Nan O'Neal

Retailers may think the customer's always right, but the scanner isn't.

Electronic checkout scanners are under scrutiny in Colorado and New York, where the state departments of agriculture are taking measures to protect consumers from pricing errors. Studies in the two states found scanners made pricing errors on 0.4% to 7.4% of items scanned.

As a result, the Colorado Department of Agriculture has begun monitoring scanners just as it regulates food retailer scales.

And the New York Department of Agriculture has extended through June 1991 a regulation requiring retailers to put prices on all individual items. The regulation was set to expire in December 1989, but consumer complaints about scanner errors prompted the state's study.

Research company executives say they're concerned when a scanned price differs from a posted shelf price.

"We're very interested in price accuracy," said Ken Silvers, VP-systems and production/advertising at Arbitron/SAMI. Marketers tracking promotions are concerned with consumers' sensitivity to price, which can be affected by scanner price errors.

Arbitron watches for erratic changes in a product's historic price, as well as possible errors in product movement, and contacts retailers when it detects errors. Most errors are probably caused by checkers misusing scanner equipment, Mr. Silver said.

The InfoScan service of Information Resources Inc. has found pricing errors occur 2% of the time by following a history of scanned prices rather than shelf prices, said Magid Abraham, group president-marketing and product development at the company. InfoScan tracks scanner information from 2,700 grocery stores across the U.S.

New York monitored grocer scanners during October and November and found 32 out of the 33 food stores surveyed had at least two to eight errors per 500 items, an error rate of 0.4% to 1.6% per order, said Mary Ann Waters, agriculture department public affairs information specialist.

Colorado's three-week January survey monitored scanning equipment in 197 discount department stores, grocery store chains and independent grocers. It found errors occurred in discount stores on 7.4% of tallies, with overcharges averaging $2.66; in independent grocery stores, 4.2%; and in grocery chain outlets, 1.6% with average overcharges of 35¢ for all grocers.

The errors are probably caused by careless or tardy entry of price changes in stores' computers, said Steven Horn, Colorado commissioner of agriculture. □

Solve an attitude problem

By Laurie Freeman

A research method devised by new-products consultancy Kane Bortree & Associates could make every product a star.

STAR—Segmentation Through Attitudinal Restructuring—is designed to help marketers avoid new products that are indistinguishable from competitors'.

The new method uses consumer attitudes rather than traditional demographic segmentation as the basis for new-product concepts and strategies. The company contends people's attitudes on themselves, their health, their homes and other areas are better indicators than age, sex and income when it comes to determining what consumers want.

"Traditional segmentation isn't specific to a product category. With STAR, we start with a category and group consumers by the different attitudes that drive their purchasing behavior," said Chet Kane, president of the New York-based company.

Coca-Cola Foods used STAR to refine marketing for pulp-free Minute Maid.

STAR "is a system for predicting what the consumer is likely to do in the future, not study past events. Our goal is to help marketers identify trends and develop products that can hold market share over time," Mr. Kane said.

Participants in focus groups are asked questions about their attitudes on a variety of subjects; their responses are analyzed for clues on developing brand strategies or new products.

Coca-Cola Foods used STAR to refine marketing for Minute Maid Pulp Free orange juice, introduced last year.

"Given the high costs of new-product introductions, slotting allowances and packaging design, we need to know how consumers will react to products in order [for us] to spend money in the proper way. Trying to operate without consumer attitude research is like trying to drive without a roadmap," said Dan Schafer, Coca-Cola Foods manager of communications.

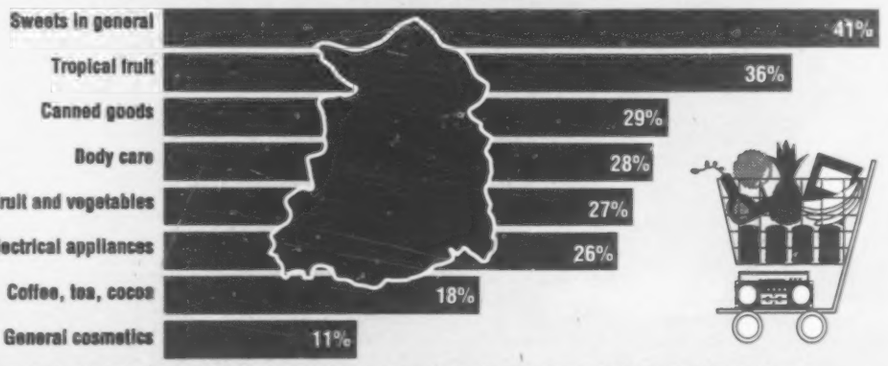
He said research showed a significant number of consumers prefer pulp-free juice—some even strained it. This finding prompted the No. 1 orange juice marketer to develop Pulp Free.

Procter & Gamble Co. is using STAR on several projects including marketing Ivory soap. P&G's use of STAR with focus groups confirmed "some quantitative research we already had done independently," said Brand Manager Dave Palfernier. □

FACTS AT A GLANCE

Products preferred by East German citizens

By percentage of shoppers visiting West Germany the first two weekends after the Berlin Wall fell.



Source: Nielsen Marketing Research and the Link & Partner Institute. Figures for Nov. 10-12 and 17-19. Ad Age graphic: Holly Seguine

RESEARCH BRIEFS

Research companies merge: Erdos & Morgan/MPG, New York, has been formed by the merger of Erdos & Morgan and Marketing Projects Group. MPG founder Pat Botwinick is president of the new company; former Erdos President Paul Erdos is chief operating officer. Address: 116 E. 27th St., 10016. Phone: (212) 685-9393.

Brown-Forman taps M/A/R/C: Brown-Forman Beverage Co., Louisville, Ky., has named M/A/R/C Database Marketing, Irving, Texas, to handle research for its Spirits & Wines Division. M/A/R/C has designed a consumer data base using information gathered from past promotions and will work with Brown-Forman ad agencies to use the information in future direct-marketing efforts.

Club offers scholarship: The Media Research Club of Chicago this spring will award a $2,000 scholarship through a new program designed to make advertising students more aware of media research's role. The competition is open to graduate and upperclass undergraduate students attending Midwestern schools; applicants must write an essay on four media research companies and their methodologies. Applications must be postmarked no later than March 26. Department heads and students can contact Helen Katz at (312) 861-0200.

People moving: **Jeffrey Greenberg**, 33, to exec VP, a new post at Information Resources, Wayne, N.J., from senior VP. He continues as group account manager of client services. . . . **Cynthia Evans** to VP-manager, Midwestern region, a new post at Mediamark Research, Chicago, from director of media research, Tatham-Laird & Kudner. Also at Mediamark: **Anne Grenier** to manager, Western region, San Francisco, from sales executive. She succeeds **Mark Thomas**, who left. . . . **Timothy F. Prior**, 41, to director of marketing research, a vacant post at Lennox Industries, Dallas, from director of research, M/PF Research. . . . **Helene Sashin** to director of project staff, a new post at NPD Group, Port Washington, N.Y., from director of business intelligence, Dunham & Marcus, New York. . . . **Tom Nolte** to senior research analyst, a new post in the healthcare research group of Total Research Corp., Princeton, N.J., from research associate, Opinion Research Corp. Also at Total Research: **Marilyn Heebink** to project manager overseeing account management and field project service, a new post, from sales representative, American List Council. . . . **Ming-Hong Huang**, 34, to director of statistical services, a new post at Decision Analyst, Arlington, Texas, from statistical consultant.

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Name Quest™
The Science of Name Creation

A-B tries to bolster Bud, Bud Light

By Ira Teinowitz

Anheuser-Busch has made changes in the Budweiser and Bud Light ad campaigns in the face of bad news about its two main brews.

Last year brought an end to Budweiser's 14-year growth streak and saw Bud Light's growth rate cut in half.

On the Super Bowl telecast Jan. 28, A-B introduced a new theme line for its flagship brand, "Nothing beats a Bud," supplanting the 10-year-old "This Bud's for you."

The company said the change has nothing to do with Budweiser's stagnating sales.

"We felt it was time for a fresh look," said Tom Sharbaugh, Budweiser group brand director.

Although the new theme from D'Arcy Masius Benton & Bowles, St. Louis, will generally replace "This Bud's for you," the old theme will be used occasionally, he said.

As for Bud Light, the brand's growth rate fell to 9.4%, down from 18.5% in 1988. And that was half the 18% growth rate for rival Coors Light from Adolph Coors Co.

Coors, in fact, is claiming Coors Light has passed Bud Light as No. 3 behind Budweiser and Miller Lite from Miller Brewing Co. A-B officials privately disputed the claim.

Already, Bud Light has rushed to make some changes to its advertising, though spokesdog Spuds MacKenzie won't be brought back in any major capacity. Spuds will do occasional TV spots, but there's little secret A-B has elected to downplay the dog in part because he's become an unwelcome lightning rod for complaints about beer advertising and minors.

Instead, A-B is moving to give Bud Light a deeper imagery and is adding a secondary campaign aimed at young adults.

The secondary effort, featuring a truck that appears out of nowhere and brings along a party, broke before the Super Bowl. DDB Needham Worldwide, Chicago, handles.

"The new campaign is aimed at reinforcing our upbeat image," said Senior Brand Manager Bob Lachky. "Wherever the truck goes, the good times roll."

There's little secret A-B has elected to downplay [Spuds] in part because he's become an unwelcome lightning rod for complaints about beer advertising and minors.

A-B blames many of last year's problems on price-cutting by rivals rather than advertising. The company has said it's prepared to match the discounting this year.

And, despite the Bud problems, A-B's beer volume grew 2.8% last year and its market share was up one point to 42.1%, the company said last week.

As for Coors, the main "It's the right beer now" effort for Coors Light won't change much this year. But more secondary and regional promotions are coming.

Foote, Cone & Belding, Chicago, is the agency.

Coors is expected to hike its budget for Coors Light about 10% to about $45 million, while A-B appears to be cutting back on spending (AA, Feb. 5).

The Coors Light subcampaigns will feature Leslie Nielsen in a continuing role.

While happy with Coors Light, officials are less sanguine about the 19.7% dropoff in the regular Coors beer figures. That brand's 5.1 million barrels in shipments last year is down 29% from 7.2 million barrels just two years ago.

But Coors officials, at least for the moment, are saying the decline occurred primarily in the first half and was turned around with the alteration of the flagship's campaign from GSD&M, Austin, Texas.

With sales down, Coors this year will concentrate more heavily on spot TV rather than network campaigns, said Don Marable, Coors brand manager.

Miller's big success story last year was Genuine Draft, which sold 4.7 million barrels, up 20.5% from 1988. The brand passed A-B's Michelob to become the No. 10 beer.

Genuine Draft is starting to feature celebrities in some of its advertising from Backer Spielvogel Bates, New York.

Miller High Life declined again but at a slower pace—some initial good news for Chicago-based Leo Burnett USA's "Give that man a Miller" campaign.

Also, Miller did well with Milwaukee's Best popular-price beer, which passed regular Coors to become the nation's No. 8 beer. Frankenberry, Laughlin & Constable, Milwaukee, handles.

Stroh Brewery Co.'s one entry in the top 10, Old Milwaukee, slid 2.9% last year to 6.8 million barrels. Grey Advertising, New York, handles. □

Top 10 beer brands for 1989

Figures are in millions of barrels shipped.

Brand	1989	1988	% chg
Budweiser	50.35	50.45	(0.2)
Miller Lite	19.90	19.30	3.1
Coors Light	10.50	8.90	18.0
Bud Light	10.50	9.60	9.4
Busch	9.10	8.65	5.2
Miller High Life	7.75	8.35	(7.2)
Old Milwaukee	6.80	7.00	(2.9)
Milwaukee's Best	6.25	5.70	9.7
Coors	5.10	6.35	(19.7)
Miller Genuine Draft	4.70	3.90	20.5
Top 10 brands total	**130.95**	**128.20**	**2.1**

Source: Beer Marketer's Insights

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GM plans spur layoffs at Lintas:C-E

WARREN, Mich.—Lintas:Campbell-Ewald has laid off 15 staffers in a belt-tightening move prompted by General Motors Corp.'s ad budget cutbacks.

The reductions were across various departments and shouldn't affect any services the agency performs for GM's Chevrolet division or other clients, said Richard O'Connor, chairman-ceo of the agency, a unit of Interpublic Group of Cos.' Lintas:USA.

The cuts represent about a 2% reduction, leaving the agency here with a staff of about 700. Mr. O'Connor said the shop is also offering early retirements and making cuts in non-personnel areas.

Lintas:C-E handles more GM business than any other agency, an estimated $400 million-plus in billings including Chevrolet, GMAC, Delco Electronics and AC-Delco.

With GM suggesting its units trim first-half 1990 ad budgets by 25%, the agency could lose about $50 million in billings.

So far, no layoffs have been announced at other GM agencies. Leo Burnett USA, Southfield and Chicago, handles Oldsmobile; D'Arcy Masius Benton & Bowles, Bloomfield Hills, has Cadillac and Pontiac; and McCann-Erickson Worldwide, Troy, handles Buick and GMC Truck. □

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Chrysler to take on Japan

By Raymond Serafin and Patricia Strnad

Chrysler Corp. and Lee Iacocca are going to take on the Japanese in a new corporate ad campaign touting the Chrysler "advantage."

The campaign, expected to break in about a month, will feature pointed comparisons with Japanese products, sources close to Chrysler say.

The sources say Mr. Iacocca will appear in the ads, at least initially.

The "Advantage Chrysler" theme line also is likely to start appearing in divisional brand and dealer group ads.

The drive was developed by corporate agency Bozell, but the idea itself grew out of the personal conviction of Mr. Iacocca and other top Chrysler officials that many U.S. buyers assume Japanese products are superior despite big improvements in the quality of U.S. products.

"We do have advantages—big Chrysler advantages. You're going to be hearing a lot more of that in coming months," the Chrysler chairman said during a Feb. 13 news conference.

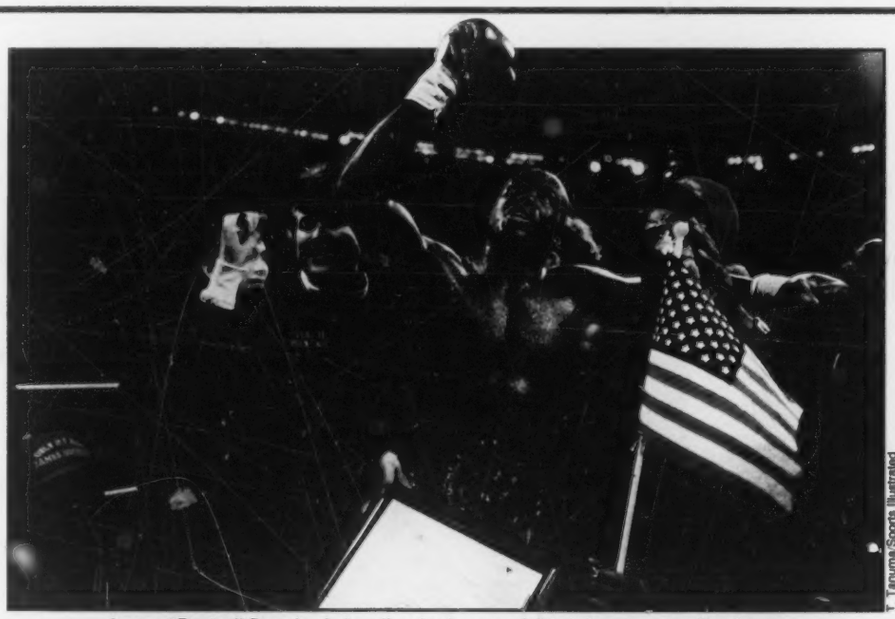
At the news conference, he also announced a fourth-quarter net loss of $664 million, much of that attributable to a $577 million one-time charge for restructuring operations.

Mr. Iacocca is expected to hit hard on the theme of Chrysler advantages vs. the Japanese during a six-city schedule of meetings with media, business and community leaders starting Feb. 21 in Washington.

He warmed up for the tour and the upcoming ad campaign with the news conference and a Feb. 10 speech to the National Automobile Dealers Association.

"Too many Americans want to believe that 'made overseas' always means better than 'made in America,' " Mr. Iacocca said in the speech. "At Chrysler, we're

(Continued on Page 72)



T. Tanuma/Sports Illustrated

James "Buster" Douglas is heading for heavyweight status among ad endorsers.

SIGN ME, BUSTER

New champ awaits endorsement deals

By Steven W. Colford

James "Buster" Douglas, whose improbable victory over heavyweight champion Mike Tyson set boxing on its cauliflower ear, may soon have some major endorsements under his belt.

Marketers are said to be eager to sign the new champ to endorsement contracts, and Coca-Cola Co. and Nike are first in line, say sources close to Mr. Douglas.

Although a Coca-Cola spokesman said the company doesn't comment on potential product spokesmen, Mr. Douglas would appear to fit nicely in Diet Coke's current ad campaign. Recent Diet Coke commercials have featured celebrities including boxer Sugar Ray Leonard.

Signing Mr. Douglas would also give Coca-Cola a powerful comeback to Diet Pepsi's 1988 campaign. That effort featured then-champ Mr. Tyson, who claimed reformulated Diet Pepsi beat the taste of Diet Coke.

Meanwhile, a Pepsi-Cola Co. spokeswoman said: "We have no plans to go after Buster, but we don't rule anything out."

While Nike executives couldn't be reached for comment on its possible interest in Mr. Douglas, Nike's agency denied it's interested in a deal.

Tim O'Kennedy, management supervisor at Wieden & Kennedy, Portland, Ore., said, "We'll do 'Bo knows Yiddish' before we do 'Bo knows boxing,' " referring to the current campaign starring football and baseball star Bo Jackson.

A spokesman at Reebok International said the company was absolutely not interested in Mr. Douglas.

John Johnson Jr., son of Mr. Douglas' manager/-trainer, said marketers and media were "coming out of the woodwork" in the days after the title fight.

"There was none of this until two days ago," Mr. Johnson said two days after the fight. "We

(Continued on Page 74)

New RJR brand under fire

By Judann Dagnoli and Laurie Freeman

R.J. Reynolds Tobacco Co. is planning to test market a new cigarette called Dakota, targeting smokers of Philip Morris USA's top-selling Marlboro brand.

The RJR cigarette is scheduled to be introduced in April.

Peter J. Hoult, RJR exec VP-marketing, said in a statement the objective is to regain "market share lost over the past several years to our competitors. . . . Dakota . . . is expected to appeal to Marlboro smokers both male and female, and we expect this new product will succeed in the marketplace."

In a proposed marketing plan that appears to have been presented to Reynolds on Sept. 21 by Promotional Marketing Inc., Chicago, it was recommended that this new cigarette—code-named "Project VF"—be more narrowly targeted, specifically to women below the age of 21.

The unauthorized circulation late last week of this proposal, which isn't known to have been adopted by RJR, already has drawn the ire of anti-smoking groups and government officials.

In a series of documents totaling 200 pages obtained by *Advertising Age*, *The Washington Post* and *The Wall Street Journal*, it was recommended that Dakota be targeted to blue-collar women ages 18 to 20.

According to one document, which appears to be a Sept. 10 internal memo from "Ms. P.S.

(Continued on Page 74)

LAST MINUTE NEWS

Warning for Ky. ad tax

FRANKFORT, Ky.—National marketers likely would shift ad dollars out of Kentucky if the state's 5% sales tax is extended to in-state and some national advertising, said Ross Love, Procter & Gamble VP-advertising. "Advertisers in many cases would decide to reduce their advertising expenditures on local Kentucky TV stations and local newspapers and other publications," he told the House Appropriations & Revenue Committee. The 23-member panel may vote this week on the proposal, backed by Gov. Wallace Wilkinson.

GM sets corporate push

DETROIT—General Motors has approved plans for a new corporate quality campaign to start in the second quarter, sources said. Spending this year will be at least $40 million and could hit $100 million depending on divisional contributions and special event involvement. The campaign was created by McCann-Erickson Worldwide, New York, which will work with GM's regular corporate agency, N W Ayer, New York. The campaign aims to address what GM sees as a gap between general perception of its cars and buyer satisfaction (AA, Jan. 15).

Jamaica taps FCB

KINGSTON, Jamaica—Jamaica Tourist Board unanimously selected

(Continued on Page 8)

INSIDE

Eastern Europe
James Brady and other *Ad Age* correspondents take us behind the Wall for a special report on the countries, the people and the media in rapidly changing Eastern Europe ..... **P. 34**

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Evian readies push as Perrier pulls out

An Advertising Age roundup

In a stroke of good timing, Evian Waters of France is about to launch its biggest-ever ad campaign, just as Perrier struggles with a worldwide recall.

Evian's efforts for Evian and Saratoga waters break next week, and though Evian doesn't directly compete with Perrier, it might pick up sales because it's well-known.

Saratoga is Evian's sparkling water, but it's only sold on the East Coast.

"It's coincidence," said Evian CEO David Daniel. "We just happen to be ready to kick off our 1990 advertising. . . . We have no intention of trying to capitalize on their misfortune."

The company last year made plans to boost Evian advertising by "more than 50%" in 1990 to an estimated $6 million and nearly triple Saratoga spending with the company's first TV effort for the brand.

TBWA, New York, is the agency for Evian and Saratoga.

The market is up for grabs now that Perrier is off U.S. shelves for as long as three months. The voluntary recall was issued in the U.S. Feb. 9 and extended last week to Canada and then worldwide. Perrier made the decision after finding traces of benzene, a known carcinogen, in its bottles.

So far, the early sales winners are other sparkling water imports, such as Italy's San Pellegrino, and surprisingly, domestic sparklers that marketing experts once thought couldn't compete with the cachet of imports.

Domestic brands including G. Heileman Brewing Co.'s La Croix in the Midwest; Evian's Saratoga in the East; Perrier's Calistoga on the West Coast; and Quibell Springs in the South are all racking up sales.

Heileman is hiking ad spending 10% to 20% for LaCroix in the wake of the Perrier recall.

In the wake of Perrier's problems, many competitors are increasing production where possible and expanding distribution, especially in bars and restaurants, where Perrier built its reputation and gets some 35% of its U.S. business.

By luck or not, Evian may benefit. New TV spots for Evian water feature beautiful footage of nature set to tranquil music suggesting that the still water is "nature's gift" to a balanced lifestyle.

In a separate page newspaper ad slated to run Feb. 26, Evian offers 2,500 words of copy to educate consumers about hydration under the headline, "Just a drop of what you should know about water." Both TV and the newspaper ads have no slogan.

The regional ad push for Saratoga features whimsical TV spots that use humor to play up its "tiny, little bubbles."

Others are following suit. Heileman deliberately altered its advertising for LaCroix and is hiking spending 10% to 20%. Last Friday it broke a newspaper ad from Young & Rubicam, Chicago, headlined "LaCroix. Pure sparkling water. Always was. Always will be." The ad also will be carried in outdoor and radio spots as a supplement to the traditional "LaCroix for LaBody" theme.

Adolph Coors Co. is testing Coors Rocky Mountain Spring Waters in several markets, and the company now says the test results will be skewed in the absence of Perrier.

Pepsi-Cola Co., which is testing sparkling H2Oh! in Denver, said it's taking a "wait and see" attitude about expanding its market area for the brand.

Phoenix, Ariz., was slated to be the next test site.

Both Coors and Pepsi said they had no immediate plans to roll out the brands nationally.

Quibell Springs, of Roanoke, Va., has increased its bottling capacity by 50% to meet orders pouring in from distributors in 26 states.

Immediately following the news about Perrier, Quibell got $1 million in orders—the equivalent of a month's orders, said Timothy Greider, managing director of the Quibell bottling plant.

Quibell will ship 300,000 cases this month; normally it ships 100,000 cases.

Spa, a new Belgian import from Spa Importers, said it's not

(Continued on Page 74)

S. Africa shops upbeat

By Tony Koenderman

JOHANNESBURG—South African advertisers and agencies see opportunity in the release of jailed African National Congress leader Nelson Mandela and other movements to end apartheid.

"This is something we have been looking forward to for a long time," said Bob Rightford, chairman of Ogilvy & Mather Rightford, Cape Town, South Africa's No. 11 ad agency. "It's a move toward creating a market of 35 million people of all races instead of focusing only on the 5 million whites."

Mr Mandela is "like a messiah, Mr. Rightford said. "He has his people in the palm of his hand."

Black consumers' share of the nation's disposable income has risen from 32% in 1970 to an estimated 50% and is expected to reach 62% by the year 2000, says the Bureau of Market Research, Pretoria.

With an eye on that growing market, ad agencies here have been at the forefront in applying pressure for an end to racial division through lobbying efforts, ad campaigns and hiring practices.

In the past few months, advertisers such as South African Breweries, Unilever and cereal marketer Tiger Oats have started to specifically address the black consumer market in their ads. Previously, advertisers targeted only white consumers.

Only about 14.6% of the $650 million spent in 1988 on advertising in South Africa goes into media specifically targeted at black consumers, who account for more than half of total consumption, according to Market Research Africa here.

South Africa Broadcasting has two black-oriented TV stations that broadcast in six ethnic languages, and there are several black-oriented newspapers.

O&M's Mr. Rightford believes the amount of black consumer advertising will now grow and pacesetting advertisers will benefit from being there first.

"Brands that have been prepared better [for targeting black consumers] are going to emerge stronger," he said. "I think it will start having an effect almost immediately."

Ad spending accounts for 0.7% of South Africa's gross national product, compared with about 1.4% in Australia, which in turn trails the U.S., which stood at 2.4% in 1987.

"In a developing economy, we can't expect the [ad-to-sales] ratio to be as high," Mr. Rightford said. "But we can certainly expect an improvement."

O&M Worldwide Chairman Alexander Brody said O&M clients in South Africa are in two camps: "Those clients that remain there and that have never lost interest, which are mainly British and European nationals, and those that pulled out," mainly U.S. companies, such as IBM Corp.

O&M owns about 40% of O&M Rightford, whose major clients include SmithKline Beecham, N.V. Philips, Nestle and Unilever.

"Those companies never disinvested," Mr. Brody said.

"Our company has always been a large employer of blacks [in South Africa]," he added, saying that O&M made a decision at its clients' urging not to pull out of the country.

Whether Mr. Mandela's release

(Continued on Page 71)

IN THIS ISSUE

NEWS

Downtown magazines: Forbes Inc. and The New York Times Co. try to capture hip New Yorkers' attention with new magazines. **20**

Auto pitch: Declines in auto dealer ad spending prompt broadcasters to promote new-car sales. **24**

Orange swoosh: Cola giants bring orange soft drinks into the celebrity ad war with NBA spokesmen. **62**

Star scents sour: Celebrity power weakens in the fragrance market as many scents see declines. **64**

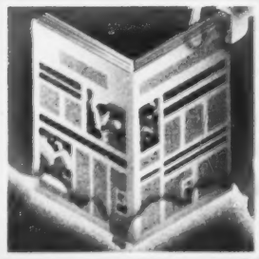
Making waves: Houston ad shop Radio Works leaps toward national fame by topping Mobius Awards in radio. **65**

VIEWPOINT

Considerations **28**
Editorials **28**
Forum **31**
Brady's Bunch **31**
Letters **32**

("Brady" and "The Next Trend" will return next week.)

Newspapers
Publishers aim to build up national ads with team selling, simplified ad rates and added services. The section also looks at the increased use of color in newspapers.



MEDIA

MediaWorks **54**

PEOPLE

People Moving **57**
Photo Review **58**

Maidenform's celebrity campaign creates the ultimate fantasy by projecting a romantic self-image to women through the opinion of dream man Pierce Brosnan.

U.S. NewsWatch **12**
Corrections & Clarifications **32**
Classified **66**
For the Record **71**
Index to Advertisers **76**

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Consumer magazine circulation: Who's on top

Yearend rankings, by circulation, of the 200 largest consumer magazines in the country, according to the Audit Bureau of Circulations. Sunday newspaper magazines and several consumer magazines audited by the Business Publication Audit of Circulation are not included in the list.

Rank	Publication	Per-issue averages 6 months ending 12/31/89	6 months ending 12/31/88	% chg
1	Modern Maturity	21,430,990	19,301,820	11.0
2	Reader's Digest	16,343,599	16,452,422	(0.7)
3	TV Guide	15,867,750	16,302,705	(2.7)
4	National Geographic Magazine	10,890,660	10,574,562	3.0
5	Better Homes and Gardens	8,005,311	8,143,083	(1.7)
6	Family Circle	5,461,786	5,922,530	(7.8)
7	Good Housekeeping	5,152,245	5,217,147	(1.2)
8	McCall's	5,088,686	5,142,463	(1.0)
9	Ladies' Home Journal	5,038,297	5,086,714	(1.0)
10	Woman's Day	4,705,288	5,571,573	(15.5)
11	Time	4,339,029	4,648,454	(6.7)
12	Guideposts	4,203,934	4,258,806	(1.3)
13	National Enquirer	4,100,740	4,285,707	(4.3)
14	Redbook	3,901,419	3,950,489	(1.2)
15	Star	3,588,753	3,682,796	(2.6)
16	First For Women	3,509,688	—	—
17	Sports Illustrated	3,424,393	3,329,415	2.9
18	Playboy	3,421,203	3,555,663	(3.8)
19	People Weekly	3,270,835	3,349,401	(2.3)
20	Newsweek	3,180,011	3,227,391	(1.5)
21	Prevention	3,134,914	3,136,447	(0.0)
22	The American Legion Magazine	2,828,238	2,824,260	0.1
23	Cosmopolitan	2,702,125	2,760,010	(2.1)
24	Smithsonian	2,342,443	2,262,015	3.6
25	Southern Living	2,318,841	2,288,695	1.3
26	Glamour	2,224,135	2,190,027	1.6
27	U.S. News & World Report	2,209,996	2,300,197	(3.9)
28	Field & Stream	2,015,577	2,032,020	(0.8)
29	VFW Magazine	1,979,899	1,955,052	1.3
30	NEA Today	1,919,340	1,849,186	3.8
31	Money	1,834,618	1,821,625	0.7
32	Penthouse	1,830,823	2,108,256	(13.2)
33	Popular Science	1,818,403	1,844,323	(1.4)
34	Country Living	1,801,414	1,833,816	(1.8)
35	Ebony	1,791,976	1,764,993	1.5
36	Home & Away	1,791,728	1,741,552	2.9
37	Seventeen	1,766,161	1,752,308	0.8
38	Parents Magazine	1,752,697	1,772,633	(1.1)
39	Life	1,749,723	1,749,972	(0.0)
40	Popular Mechanics	1,650,693	1,668,096	(1.0)
41	Discovery	1,607,574	1,619,701	(0.7)
42	1,001 Home Ideas	1,603,099	1,536,706	4.3
43	Woman's World	1,560,496	1,413,575	10.4
44	Outdoor Life	1,507,529	1,514,400	(0.5)
45	The Elks Magazine	1,501,652	1,526,010	(1.6)
46	Adventure Road	1,479,616	1,484,100	(0.3)
47	The American Rifleman	1,442,317	1,358,967	6.1
48	Sunset	1,393,015	1,430,860	(2.6)
49	New Woman	1,390,830	1,332,586	4.4
50	The American Hunter	1,380,230	1,359,307	1.5
51	US	1,365,892	1,379,602	(1.0)
52	Bon Appetit	1,355,404	1,344,050	0.8
53	Golf Digest	1,363,907	1,314,434	3.8
54	Boys' Life	1,334,659	1,392,535	(4.2)
55	Globe	1,329,413	1,525,745	(12.9)
56	Changing Times	1,300,153	1,040,677	24.9
57	The Workbasket	1,295,578	1,402,785	(7.6)
58	Vogue	1,247,920	1,202,471	3.8
59	Sesame Street Magazine	1,235,842	1,260,274	(1.9)
60	Rolling Stone	1,216,781	1,273,681	(4.5)
61	Self	1,213,314	1,229,791	(1.3)
62	Home Mechanix	1,209,395	1,229,727	(1.7)
63	Mademoiselle	1,162,206	1,283,242	(9.4)
64	Travel & Leisure	1,115,328	1,125,788	(0.9)
65	'Teen	1,100,237	1,093,051	0.7
66	Health	1,088,696	1,026,164	6.1
67	Discover	1,053,034	1,030,228	2.2
68	Organic Gardening	1,037,214	1,086,406	(4.5)
69	Golf Magazine	1,019,379	937,232	8.8
70	Weight Watchers Magazine	1,007,755	1,003,347	0.4
71	Yankee	1,002,781	1,003,948	(0.1)
72	American Health	1,000,689	981,626	1.9
73	Business Week (worldwide)	992,820	975,585	1.8
74	YM	967,249	887,571	9.0
75	Country Home	963,081	972,178	(0.9)
76	Sport	960,066	947,005	1.4
77	Scouting	949,405	1,009,086	(5.9)
78	House Beautiful	939,735	890,745	5.5
79	Car and Driver	934,377	935,315	(0.1)
80	Popular Photography	927,388	726,572	27.6
81	Omni	925,436	925,345	0.0
82	Home Magazine	925,335	NA	NA
83	Hot Rod	911,667	884,669	3.1
84	Workbench	909,119	845,673	7.5
85	National Examiner	893,956	1,120,434	(20.2)
86	Psychology Today	887,770	931,859	(4.7)
87	Jet	860,671	852,913	0.9
88	Nation's Business	858,228	855,424	0.3
89	Essence	851,034	850,007	0.1
90	Weekly World News	848,767	990,177	(14.3)
91	Elle	826,336	826,877	(0.1)
92	Food & Wine	823,530	798,366	3.2
93	Motor Trend	818,021	784,919	4.2
94	Consumers Digest	813,373	759,714	7.1
95	Gourmet	807,377	806,304	0.1
96	Victoria	793,790	683,104	16.2
97	Homeowner	791,310	724,017	9.3
98	Fortune (worldwide)	781,040	769,947	1.4
99	Practical Homeowner	759,857	719,730	5.6
100	Forbes	743,533	741,731	0.2
101	Vanity Fair	741,747	652,310	13.7
102	Conde Nast Traveler	740,907	753,381	(1.7)
103	Traveler	739,641	796,678	(7.2)
104	American Legion Aux. News	736,321	801,733	(8.2)
105	Harper's Bazaar	735,738	753,262	(2.3)
106	VFW Auxiliary Magazine	734,740	732,757	0.3
107	Esquire	733,675	753,730	(2.7)
108	Endless Vacation	724,139	638,890	13.3
109	The Sporting News	710,452	733,291	(3.1)
110	Metropolitan Home	708,949	704,194	0.7
111	Road & Track	708,223	703,899	0.6
112	Mother Earth News	707,523	742,774	(4.7)
113	Creative Ideas for Living	703,761	708,653	(0.7)
114	Cooking Light	689,644	584,588	18.0
115	GQ	684,403	669,923	2.2
116	Games	677,440	716,271	(5.4)
117	Travel-Holiday	673,501	755,104	(10.8)
118	Shape Magazine	661,365	700,867	(5.6)
119	Scientific American	659,222	644,998	2.2
120	Inc.	630,203	639,549	(1.5)
121	Architectural Digest	628,920	656,783	(4.2)
122	Ducks Unlimited	627,346	588,548	6.6
123	The New Yorker	622,123	613,275	1.4
124	HG	612,165	601,112	1.8
125	Guns & Ammo	606,422	582,162	4.2
126	Tennis	602,831	533,925	12.9
127	Inside Sports	600,230	545,295	10.1
128	Catholic Digest	599,531	592,889	1.1
129	Flower and Garden Magazine	596,339	592,445	0.7
130	The Saturday Evening Post	594,963	626,339	(5.0)
131	Muscle & Fitness	591,832	603,071	(1.9)
132	New Choices	591,133	507,062	16.6
133	Colonial Homes	585,576	627,296	(6.7)
134	Midwest Living	574,389	525,763	9.2
135	McCall's Needlework & Crafts	573,590	523,569	9.6
136	Stereo Review	545,731	504,582	8.2
137	Working Mother	538,072	605,951	(11.2)
138	World Tennis	533,392	441,076	20.9
139	The Rotarian	529,020	521,827	1.4
140	Sports Afield	527,155	523,174	0.8
141	Bassmaster Magazine	516,382	505,895	2.1
142	Natural History	516,309	517,354	(0.2)
143	Time Atlantic	515,551	519,867	(0.8)
144	Woman	502,397	518,943	(3.2)
145	Alfred Hitchcock & Ellery Queen Mag	490,360	465,446	5.4
146	Parenting Magazine	489,109	360,649	35.6
147	Pillsbury Classic Cookbooks	476,931	426,628	11.8
148	PC/Computing	471,642	312,625	50.9
149	Ski Magazine	464,915	465,819	(0.2)
150	The Atlantic	463,505	474,027	(2.2)
151	Star Comics	463,402	332,600	39.3
152	Byte Magazine	461,124	435,352	5.9
153	Grit	460,877	520,019	(11.4)
154	Savvy Woman	456,712	409,416	11.6
155	Country Music	455,027	439,609	3.5
156	Success!	454,062	435,341	4.3
157	Lear's	452,723	328,975	37.6
158	Video	452,308	453,290	(0.2)
159	Golf Illustrated	451,287	372,086	21.3
160	Sassy	450,479	436,677	3.2
161	Skiing Magazine	447,212	451,552	(1.0)
162	Car Craft	446,579	416,231	7.3
163	Financial World	442,042	303,316	45.7
164	Premiere	440,472	348,040	26.6
165	Audubon	436,512	436,196	0.1
166	New York Magazine	432,993	423,901	2.1
167	3-2-1 Contact	431,218	435,911	(1.1)
168	Runner's World	427,823	444,860	(3.8)
169	Town & Country	427,180	423,868	0.8
170	The Walking Magazine	420,630	331,481	26.9
171	Automobile Magazine	401,676	305,652	31.4
172	In Health	399,692	333,188	20.0
173	Capper's	382,293	393,391	(2.8)
174	Game & Fish Magazine	382,282	374,701	2.0
175	Home Office Computing	375,547	434,565	(13.6)
176	Crafts	375,244	400,596	(6.3)
177	California Magazine	373,787	362,973	3.0
178	Gallery Magazine	373,229	378,678	(1.4)
179	Crafts 'n Things	362,895	311,297	16.6
180	Fishing World	361,486	307,835	17.4
181	Brides	361,130	387,252	(6.7)
182	European Travel & Life	360,103	288,342	24.9
183	Kentucky Living	346,082	341,697	1.3
184	WWF Magazine	341,977	264,957	29.1
185	Petersen's 4 Wheel & Off-Road	341,413	292,341	16.8
186	Bicycling	337,826	312,372	8.1
187	Four Wheeler	337,277	316,941	6.4
188	Cycle	330,935	331,266	(0.1)
189	Carolina Country	329,888	347,033	(4.9)
190	Petersen's Hunting	327,243	352,946	(7.3)
191	Connoisseur	327,023	334,142	(2.1)
192	Modern Bride	325,287	350,531	(7.2)
193	Easyriders	325,161	336,649	(3.4)
194	Trailer Life	324,843	322,165	0.8
195	The Tennessee Magazine	321,907	314,059	2.5
196	Flying	321,662	320,779	0.3
197	Satellite Orbit	315,463	363,848	(13.3)
198	Entrepreneur Magazine	313,432	271,233	15.6
199	Air & Space/Smithsonian	311,391	311,133	0.1
200	Learning 89	310,918	298,547	4.1

Magazines ranked are either separate titles or titles sold and audited together only as a group. Several magazine companies also offer group buys combining separately audited titles. Where available, figures are audited worldwide circulation.

Audit

(Continued from Page 3)

number of pockets [containing the magazine at retail stores], we could drop $500,000 to $1 million, but how many copies do you have to sell to support that investment?"

Mr. Kaplan said he's pleased to see *Better Homes'* circulation drop 1.7% to 8,005,311, though he noted part of the drop was due to a cover price boost.

"Our goal is to hit the average rate base," he said. "We don't get paid for a bonus. My charge to our circulation department is get as close to rate base as possible."

The latest Audit Bureau figures show *Modern Maturity* continuing as the nation's largest magazine with a 21,430,990 circulation, up 11%. *Modern Maturity* is sent to members of the American Association of Retired Persons as part of the $5 membership fee. Members also get the *AARP Bulletin*.

"In general, single-copy sales are soft. I've seen it across the board" at a variety of magazines.

Reader's Digest is second with 16,343,599, down 0.7%; *TV Guide* is third at 15,867,750, down 2.7%.

Woman's Day showed the greatest percentage decline in circulation of the top 50 titles with *Penthouse* second. *Penthouse's* cover price was 50¢ higher in 1989 than in 1988; also, the 1988 period included strong sales of an issue featuring pictures of a woman involved with evangelist Jimmy Swaggart.

Modern Maturity posted the greatest increase in circulation, with *Woman's World* second, up 10.4% to 1,560,496.

First failed to meet its rate base of 4 million. Ad Director Todd Selbert said the rate base won't be changed, though the cover price has risen to $1.25 from $1.

He said some issues delivered the 4 million base and most advertisers last year were charter advertisers who signed up when the company was offering a 2 million rate.

First plans a number of promotions to raise circulation this year, including what it says is the first U.S. use of a wraparound booklet. In June, the publication will offer a 14-day diet attached to the outside of *First*. The booklets have been sales boosters for parent Bauer Group's publications in Europe.

The Business Publications Audit of Circulation last week released figures for consumer magazines it audits for the same period. Unlike Audit Bureau numbers for consumer magazines, BPA figures in some cases include unpaid circulation.

BPA's largest consumer magazines (with unpaid circulation noted where significant) include *The Cable Guide*, 7,744,357 (248,833 unpaid), down 0.8%; *Disney Channel*, 4,776,983 (all unpaid), up 7.5%; Farmers Insurance Group's *Friendly Exchange*, 4,686,398 (all unpaid), up 5.2%; *Premium Channels*, 4,187,693 (new); *AAA World*, 2,333,151, up 4.2%; *Investment Vision*, 1,820,786 (all unpaid), down 2.4%; *Parents Magazine's Expecting*, 1,210,613, down 2.1%; *CV*, 1,050,715 (all unpaid, new); *Travelhost*, 892,103 (all unpaid), up 27.4%; *Off Duty*, 740,747 (all unpaid), up 3.6%; *Asia*, 702,949 (all unpaid), up 10.0%; and *Friends*, 678,165, down 15.8%. *TV Entertainment* hadn't filed numbers yet. □

BEST AVAILABLE COPY

What Soviets think: A Gallup poll

Soviets prefer reading over watching TV, rely little on advertising before purchasing a product and almost half of them plan to buy furniture in the next two years, according to a Gallup poll.

The Gallup Organization conducted the survey of Soviet consumer attitudes and behavior in April and May 1989. With help from the Institute of Sociology at the Soviet Academy of Sciences, researchers interviewed nearly 1,400 adults in person in Moscow, Kiev and Kursk.

Among other findings: Soviets believe products made outside their country are better, with the majority having the most favorable impression of Japanese products. ☐

Best ways of obtaining information about product quality

Soviets were asked how important different factors are in judging products they might buy.

	Total %	Sex: Male %	Sex: Female %
Past experience	79	79	79
Advice from friends	72	75	71
Newspaper ads	24	22	26
Store window ads	15	12	17
Advice from in store salesperson	12	10	13
Past experience with the brand	5	6	4
None/don't know	3	3	2
Number of interviews	1,397	602	795

Enjoyment of leisure activities

Soviets were asked to rank activities in order of enjoyment.

	Total %	Sex: Male %	Sex: Female %	Age: -35 %	Age: 35-49 %	Age: 50+ %
Reading	56	57	55	46	60	63
Watching television	43	46	42	36	39	56
Activity with children	41	34	47	40	51	32
Visiting with friends	15	15	14	20	12	12
Favorite hobby	13	13	12	11	13	14
Going to movies, theater, exhibits	13	9	16	18	10	10
Sports activities, exercise	10	16	5	13	10	7
Working to make extra money	10	12	8	10	11	8
Listening to recorded music	9	10	8	14	7	6
Going to restaurants, cafes, bars	3	4	3	6	3	1
Number of interviews	1,397	602	795	512	427	439

Products owned-vs-planned purchases for next two years

Soviets were asked which products they own and expect to purchase.

Item	Household has %	Plan to purchase within two years %
Refrigerator	97	16
Television	97	10
Wristwatch	96	16
Furniture	92	43
Radio	82	7
Washing machine (for clothes)	78	22
Cassette tape recorder	68	15
Record player	60	6
Still camera	57	6
Bicycle	43	12
Stove for cooking food	35	4
Automobile	23	16
Motorcycle/moped	10	3
Movie camera	8	3
Video tape player	4	10
Video camera	2	3
None/don't know	1	24
Number of interviews	1,397	1,397

Impressions of product quality in four countries

(Based on those who say country's products are of very or fairly high quality)

Soviets were asked to rank their impression of the quality of products from each country.

Country	Total %	Sex: Male %	Sex: Female %	Age: -35 %	Age: 35-49 %	Age: 50+ %	Education: Grade School %	Education: High School %	Education: Vocational Tech. School %	Education: College %
US	64	68	62	74	68	51	45	61	59	71
West Germany	70	73	68	78	73	59	48	66	66	77
United Kingdom	61	62	60	66	64	52	36	53	55	71
Japan	84	87	82	92	88	72	65	79	82	90
Number of Interviews	1,397	602	795	512	427	439	104	316	299	666

Financial expectations in the next two years

Expect personal financial situation to be:	Total %	Sex: Male %	Sex: Female %	Age: -35 %	Age: 35-49 %	Age: 50+ %	Education: Grade school %	Education: Voc./ tech school %	Education: College %
Much better	8	8	7	10	7	6	16	10	6
A little better	21	22	20	27	21	13	15	20	22
About the same	33	31	34	28	34	39	38	31	32
A little worse	11	12	10	9	11	13	4	13	13
Much worse	7	8	7	6	6	11	7	8	8
Don't know	20	19	22	20	21	18	20	18	19
Number of interviews	1,397	602	795	512	427	439	104	299	666

Brady

(Continued from Page 35)

ants in from the country selling lace and embroidery and such in the street of the Vaci. But when I start to shoot a photo the lace sellers notice and, as one, they turn their backs, hiding their faces. When you have had secret police around for 45 years, habits die hard.

In the Gerbeaud, a coffeehouse heavy with the cloying, near-sickening smell of sweet chocolate, a Gypsy woman with several children goes begging, table to table.

I lunch in the Gundel restaurant, touted in the guidebooks and located adjacent to the City Park. The Gundel is empty and lugubrious. Perhaps the mad Gypsy violins that play during dinner make a difference. I have an excellent cold wild strawberry soup, laced with cream. Here, as at other restaurants, each table provides that indelicate but undeniably useful tool, the wooden toothpick.

In the City Park, on a large pond, several thousand people are ice skating. It is dizzying to watch, a smashing show.

Across the road two Hungarian soldiers, solemn and stern, do their crisp goose step and present arms before a tall military monument. Unimpressed, at their feet, small boys whiz by on skateboards.

I pick up that day's *International Herald Tribune*. Lacking the local language, you begin to rely with a quiet desperation on CNN and the *Herald Trib* to find out what's happening.

All afternoon on TV Gorbachev keeps appearing, looking dour as the situation in Azerbaijan deteriorates. At home we think of the Soviet Union as being a long way off. Hungary shares a border with Russia and there are 55,000 Soviet troops still here, and you realize these people have a very real stake in whether Gorby makes it.

On TV as well, Wales is hosting France in rugby, they are playing tennis in Australia and a European Cup basketball game is on. Each side has one black player so you know this is not the NBA. The quality of play is pretty good.

I nip out in the rain Saturday night for a drink at the nearby Hyatt. In the bar an American, apparently with Schwinn Bike, is being interviewed by a woman journalist, also a Yank. The man keeps saying, too loud, "That's off the record," and keeps talking in some detail about joint ventures. I conclude, without great originality, that most people talk too much in bars.

In one of the Hyatt restaurants a Mexican band, right out of "The Three Amigos," is playing. Is this one world or not?

I pass up suckling pig and dine on steak. No place I've been yet seems to have a dress code. A sweater is as good as a suit.

In the hotel lobby, Japanese businessmen are bowing to each other. I have an impression if the Russian tanks come back tomorrow, the Japanese businessmen will still be bowing.

Railroad I—Budapest-Prague

Sunday, pre-dawn gray and chill. The Budapest railroad station, steel and glass, has no newsstand, no coffee bar, nothing but a fruit seller working from a wooden stand. At 6:45 a.m. no one tells you anything, and I follow signs I can't read, looking for the word "Praha," for Prague. When I find my train and the number of my car and compartment and get on board, I worry this may be the wrong train and I will end up in Albania. No cheery conductor appears to tell you anything.

I am alone in a six-passenger compartment, very cold, and I keep on my down jacket. A plump blond middle-aged woman in boots comes in and plops down opposite me. I say good morning and she says nothing. Fine, I'm going to put up with this one for 500 kilometers. A whistle blows and we pull out, precisely on time, as a little boy in red mittens, waving and prancing, races along the platform shouting goodbye to someone. Five minutes out of the station the conductor appears for the first time and picks up our tickets. Then the passport control officer comes along, carrying around his neck on leather straps a strange littl contraption, a sort of small wooden des nestled against his chest, on which he ex amines and then stamps my passport an visa. But there is some problem with th plump blond lady. She looks distressed an her eyes widen in my direction, as if sh seeks consolation. I ignore her and gaze ou the window where the countryside, rathe flat, the famed Hungarian plain, speeds by very green in the first light.

A second passport control officer come by, then a third, this one an attractiv young woman, using sign language to ask I have any Czech money.

None of these countries wants you t have any of their money when you arrive they want you to buy it there with dollar Makes sense; they need hard currency. pass inspection but the plump blon woman continues to encounter difficul ties.

The train, threadbare but clean, rattle on, the Danube to our left, still small, lei surely. Barges head north and there is ski ice on some of the coves.

Now, out of desperation, the plump blond takes me into her confidence. She is Germa was in a car crash, and has both glaucom and irregularities with her visa. I speak litt German, she speaks little else, but we wor this much out. I wag my head in sympath tsk, tsk. At Sturovo, a small border town i

Retailers, newspapers work off the same page

By Kate Fitzgerald

A new era of cooperation between newspapers and retailers is under way.

Following Sears, Roebuck & Co.'s lead last year in getting newspaper chains to adjust ad rates, other retailers have managed to revamp their contracts with newspapers and push for a variety of reforms.

"Everyone in the retail business is now looking for the same thing from newspapers, which boils down to changes in how we work together," says Joseph Chicoskie, manager of media services for J.C. Penney Co. "Newspapers want to do business like we did it 20 years ago, but things have changed and they have to catch up," he says.

As newspapers battle against declines in advertising and circulation, retailers provide 50% of their revenues; an approximate 7% per year increase in ad rates makes the struggle for lower rates and increased linage worthwhile for both groups.

"We're all watching Sears and the progress they've made," says Chuck Jacoby, national advertising manager for Silo Inc., an electronics and appliances retailer. "Obviously, whatever gains the biggest retailer makes should help improve our relationships with newspapers across the board."

Although no other retailers have tried to negotiate the same type of flat-rate system Sears sought, retail advertisers report improvements in negotiations with newspapers in the last two years.

"It's gradual, but recently retailers have begun to share the driver's seat with newspapers more than they ever did before," says Mr. Jacoby.

Retailers still want better incentives and more flexibility in the rates offered by newspapers, along with more information-sharing between the two sides.

"We'd like to see a new benchmark established that would tie newspaper ad rates to the amount of money each retailer spends," Mr. Chicoskie says. "That type of arrangement would give all retailers the same advantage, whether they are large or small."

At the annual International Newspaper Advertising & Marketing Executives meeting in January, Montgomery Ward & Co.'s Chairman-CEO Bernard Brennan summed up the dilemma retailers face, saying: "What we need from you are new strategies and prices that allow us to do the job we must do, which is to reach increasingly targeted consumers at efficient prices."

Retailers also are clamoring for newspapers to supply market research data that will allow them to better target customers.

Armed with a newspaper's circulation and penetration data within a certain ZIP code, retailers can decide where, when and how to advertise in newspapers, including whether to use preprinted inserts or run-of-press ads. Yet, less than half of the major newspapers provide circulation data broken out by ZIP code.

"For more than two years we've had the capability to target customers and markets through ZIP codes, but most of the newspapers we deal with don't give us this valuable information," says Mr. Jacoby. "We're looking for market sensitivity in the markets that fit our needs, coupled with newspapers' needs, to make them advertising partners with us."

The newspaper industry has come "a long way" in providing data to advertisers, says Uldis Grava, VP-marketing services for the Newspaper Advertising Bureau.

"Two years ago only a couple of hundred newspapers provided circulation market research data to advertisers, and now over 600 do," he says. "By the end of 1990 half of all newspapers should be providing this data." □

Some retailers not buying newspapers' story

Top 10 newspaper advertisers' expenditures

	Jan.-Sept. 1989 ($ millions)	% change vs Jan.-Sept. 1988
May Department Stores	$149.8	5.0%
R.H. Macy & Co.	119.8	0.6
Sears, Roebuck & Co.	112.5	5.7
Campeau Corp.	94.9	18.2
American Stores	59.1	32.5
J.C. Penney Co.	56.8	15.7
Texas Air Corp.	55.7	-2.2
Dayton Hudson Corp.	55.2	-7.2
Montgomery Ward & Co.	45.5	11.4
K mart Corp.	39.5	-20.8

Note: Does not include News Corp., Valassis Inserts, General Motors or Ford Motor local dealers
Source: LNA/Arbitron Multi-Media Service
Ad Age Graphic: Holly Seguine

ferently. We've never sold like this before."

When the newspaper sales teams do arrive, says Mr. Primis, "we don't get a lot of, 'Gee, we're glad you're here.' Newspapers will have to spend money and energy to get advertisers' attention."

Some efforts have yet to pay off. The *Los Angeles Times'* effort to target the beer industry, which included publishing a prototype showing how Budweiser ads could appear in sports sections, has yet to yield a beer ad, says Janis Heaphy, the *Times* general advertising manager.

Separately this year, the *Times* launched a special ad rate for cosmetics companies, effective April 1. The rate will be similar to the co-op rate, says Ms. Heaphy.

Other newspapers in recent years have adopted special category rates, offering discounts for travel marketers, package goods suppliers, automakers and publishing houses.

Many newspaper executives say national advertisers don't reward the newspapers that reduce national rates.

Emmett McKinley, national advertising director for the *Houston Post*, says his newspaper would reduce national rates "in a heartbeat" if it would make a difference. The *Post's* 31.7% rate differential has shrunk slightly in the last few years, he says.

Others say the differential between national and retail ad rates is blown out of proportion.

"That's a consistent irritant," says Mr. Tilis. Eliminating the differential "should not be a goal," he says.

Instead, newspapers should focus more on giving national advertisers extra value through merchandising or volume contracts. "We see it [meetings with advertisers] as a marketing need. Advertisers need more and better information," says Tom Culligan, senior VP of marketing, Minneapolis *Star Tribune*. "We're also searching for great creative ideas." □

Judith Biltekoff in Buffalo, N.Y., contributed to this story.

The Sunday Chronicle and the daily Chronicle.

Surprised that The Houston Chronicle sells the two biggest newspapers in Houston? Well, it does.

The Sunday Chronicle sells 228,865 more papers than the city's other Sunday paper, giving it a 62% lead. And the daily Chronicle? It has a 34% lead over their daily edition, and even outsells their Sunday paper by 70,393. Nationally, The Houston Chronicle is the fastest-growing Sunday paper among the nation's top twenty-five newspapers, and the second-fastest growing daily in that group.

So if you want big advertising results, phone (713) 220-7761. One call, and you'll get Houston's two biggest newspapers.

Houston Chronicle
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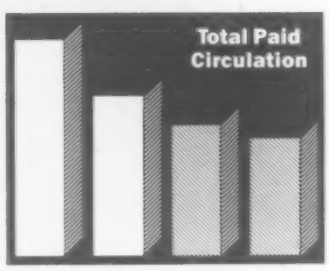
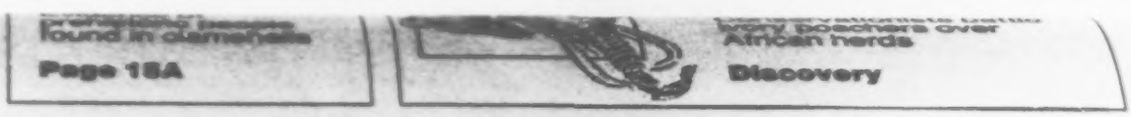


Calculations computed by The Houston Chronicle from the ABC Publisher's Statements for the six month period ended September 30, 1989 for The Houston Chronicle and The Houston Post.



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Advertising Age

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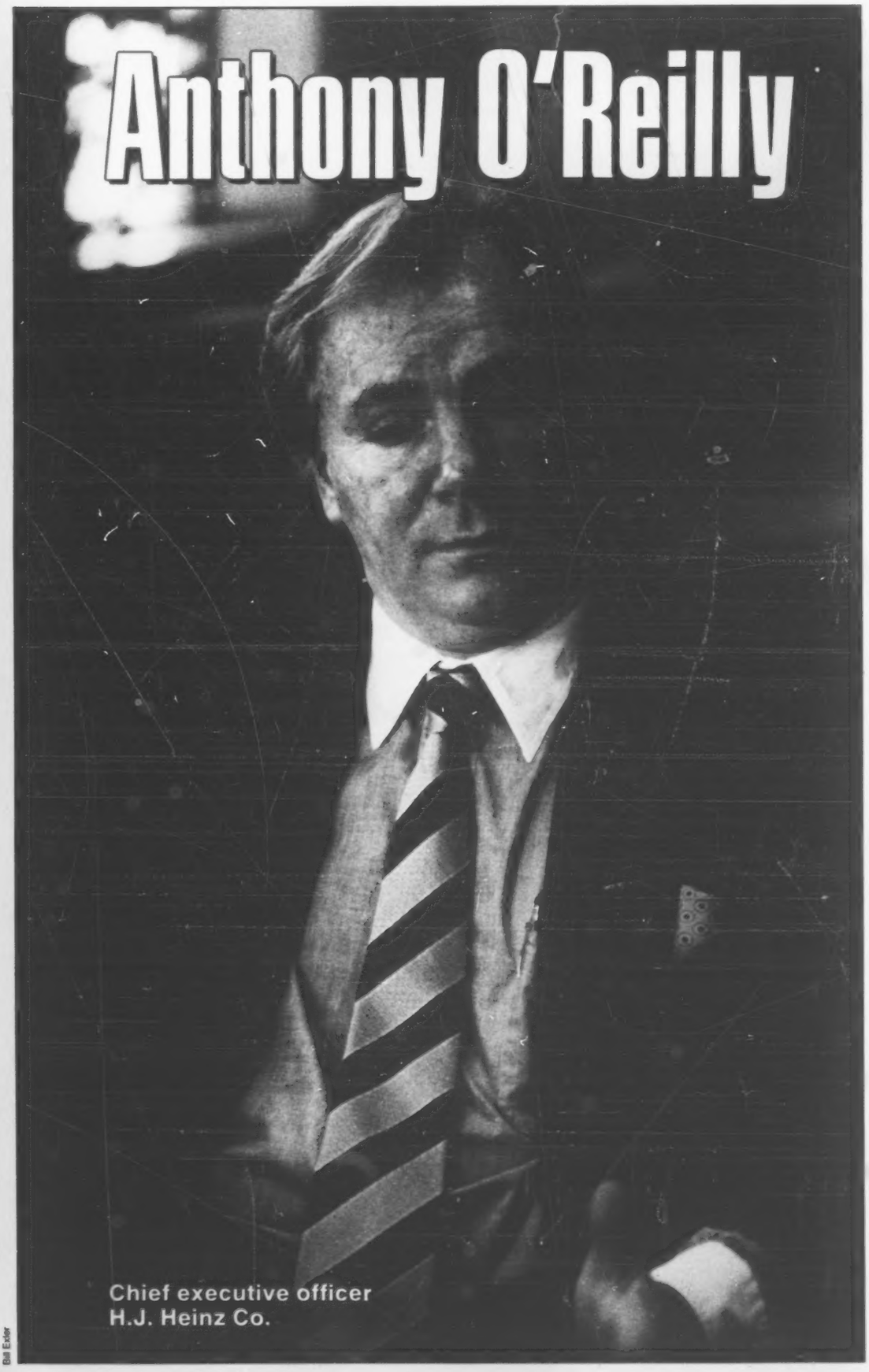

Chief executive officer
H.J. Heinz Co.

Bill Exler

What's on his plate

H.J. Heinz Co. has consistently outperformed other U.S. food companies, managing to wring earnings gains of 12% to 15% out of sales increases averaging 7%.

The reason is Anthony J.F. O'Reilly, chairman, president and ceo of the $5.8 billion marketer.

Mr. O'Reilly, an Irishman well-known on two continents, has built the Pittsburgh-based food giant into one of the world's largest multinational marketers, operating in about 150 countries.

Mr. O'Reilly, 54, also chairman and controlling stockholder of Independent Newspapers Ltd., Ireland's largest publishing group, recently talked with Advertising Age's *Judann Dagnoli on industry trends and plans for continuing Heinz's momentum in the 1990s.*

Advertising Age: *You've been chief executive of Heinz for 10 years. During that time, there have been enormous changes, particularly the megamergers among food companies. Is that trend about over?*

Mr. O'Reilly: I think it is curious if you reflect on what's happened—that you've seen a process of aggregation and you've seen a process of disaggregation.

If you take RJR Nabisco as a classic example. . . . When they were R.J. Reynolds, [it] bought Del Monte. And Standard Brands merged with Nabisco, and then

(Continued on Page 16)

Simplesse budget may surpass $30M

An Advertising Age roundup

NutraSweet Co. hopes to turn Simplesse into a household word, just like its namesake sweetener.

The company declined to reveal the ad budget for Simplesse, but it could be comparable to or exceed NutraSweet's annual $30 million outlay.

The budget "will be very significant," said David Morley, group VP-general manager of NutraSweet's Simplesse Group. "We want to accomplish the same goals [as the NutraSweet brand] in terms of consumer awareness."

Norm Singer, director of research at the company, said the budget "is huge. You will see the name all over."

A major ad campaign for the fat substitute, which last week received a green light from the Food & Drug Administration, will break this spring.

Like the sweetener, Simplesse will be supported by a two-pronged ad approach: the campaign for the food ingredient and a separate campaign for branded products NutraSweet will produce using Simplesse.

Ogilvy & Mather, Chicago, is handling the generic campaign; FCB/Leber Katz Partners, New York, will handle product advertising.

First up among the products is Simple Pleasures, a multiflavor frozen dairy dessert NutraSweet Co. will roll out nationally this summer.

Simple Pleasures will get distribution support from Dreyer's Grand Ice Cream Co., which now operates on the West Coast and in the Midwest.

NutraSweet Co.'s first branded product with newly approved Simplesse will be Simple Pleasures dessert.

Laurel Cutler, vice chairwoman at FCB/Leber Katz and a key figure in Simplesse marketing, wouldn't disclose the ad budget or details on the Simple Pleasures introduction, but she hinted at the strategic approach.

"When you have a real consumer breakthrough, you don't get in the way. You give the news," she said. "Of course, our job is to convey the taste."

Sources say Simple Pleasures' budget will be competitive with a major ice cream launch, which would put it in the $5 million-to-$10 million range.

Mr. Morley said that during the next several weeks, the Simplesse team will meet with the FDA to discuss approval for other products. Last week's FDA announcement affirmed Simplesse's status as generally recognized as safe (GRAS) and approved its use in frozen desserts.

Decisions about giving marketers exclusivity in using Simplesse will be made on a category-by-category basis, Mr. Morley said.

Kraft General Foods Group already has agreed to use Simplesse in mayonnaise and related products. Among other competitors in the $15 billion U.S. market for butter, fats and oils, Borden Inc. and Van den Bergh Foods are seen as the likeliest users of Simplesse.

NutraSweet Co. said authorities in countries including Belgium, Japan, Luxembourg, the Netherlands, Switzerland and West Germany already have recognized Simplesse as a safe ingredient.

Mr. Morley said the company hopes to introduce products abroad by yearend.

The FDA said it also is reviewing a petition from Kraft General Foods for a similar fat substitute made from egg whites and milk proteins. Company Chairman-CEO Michael Miles said he expects approval for the product, code-named "Trailblazer," by yearend.

Also under review is Procter & Gamble Co.'s petition for its fat-substitute olestra. Olestra would have much broader uses than Simplesse. □

Written by Julie Liesse in Chicago with reports from Judith Graham, Gary Levin and Judann Dagnoli in New York, and Laurie Freeman in Washington.

Pepsi cools on celebs

By Patricia Winters

This just in from the cola star wars: Pepsi-Cola Co. may use fewer celebrity ads in the future.

"Celebrity advertising may have run its course," PepsiCo Exec VP-Chief Financial Officer Robert Dettmer said after a presentation to securities analysts at the Consumer Analyst Group of New York's annual meeting last week in Fort Lauderdale, Fla.

"You may see less celebrity advertising, but we can't get completely away from it," he told reporters. "We may be ready to do different things."

Mr. Dettmer's remark was the first from the cola giants acknowledging the industry's celebrity mania may be wearing out.

Pepsi and rival Coca-Cola Co. have been criticized for using too many celebrities and confusing consumers with interchangeable star endorsers.

This year alone, Coca-Cola broke ads with more than 10 different celebrities; Pepsi so far has broken ads with more than five.

Tod MacKenzie, spokesman for Pepsi-Cola Co., later said Mr. Dettmer contends he never made the remark to the reporters, and said the report of his statement was "totally erroneous."

Mr. Dettmer also said to the reporters in Florida that he had spoken earlier to the head of the Pepsi bottlers group on this subject.

Pepsi-Cola Bottlers Chairman Forrest Clay, contacted by *Advertising Age*, said Pepsi-Cola Co. executives have told bottlers that Pepsi has changed its celebrity format.

"Pepsi has told us [the bottlers] that they are going to use celebrity advertising as the needs arise and that there will probably not be as much of it as in the past," Mr. Clay said.

Bottlers opposed earlier ad programs featuring celebrity advertising "almost totally," Mr. Clay said. He said the bottling group supports "the new format" to use celebrity advertising in moderation.

"We need diversification of advertising," he said.

Industry sources say bottlers felt Pepsi was suffering from "celebrity tunnel vision" and didn't offer a generic mix of ads to reach mainstream America. Some bottlers felt they've been barraged with too many "big events," resulting in too much hype.

"If a big event is good, it's great. But one after the other, it's too much hype."

"If a big event is good, it's great. But one after the other, it's too much hype," said one bottler who asked not to be named.

Bottlers support celebrity ads that fit strategically in Pepsi's marketing attacks or offer an emotional connection, this source said.

For instance, bottlers are said to like the Joe Montana spot for Diet Pepsi, in which he makes a strategic challenge to Diet Coke's celebrity endorsers to take an on-air taste test. BBDO Worldwide, New York, is Pepsi's agency.

For its part, Coca-Cola said it won't alter its celebrity strategy.

"I don't think we're going to change our approach. . . . We use celebrities when it enhances a spot, and we'll continue to do that," said Coca-Cola USA spokesman Bob Bertini.

McCann-Erickson Worldwide handles Coca-Cola Classic. Lintas:New York has Diet Coke. □

Judann Dagnoli contributed to this story.

IN THIS ISSUE

NEWS

Radio drive: Ponderosa puts National Public Radio car talk-show hosts behind the wheel of a new radio campaign. 4

Eastward bound: McCann-Erickson Worldwide and DDB Needham Worldwide venture deeper into Eastern Europe. 12

Bozell boom: Bozell regains momentum with a series of big account wins. 26

Diet Coke counts: Diet Coke makes it into the top 10 list of best recalled advertising in January. 28

Taxing problem: A congressional report raises issue of reducing the tax deductibility of ads. 54

VIEWPOINT

Considerations 30
Editorials 30
Brady's Bunch 31
Forum 31
Letters 32
James Brady 33
The Next Trend 33
Joe Winski 33

UNITED KINGDOM 38

U.K. Gallery 38

Toiletries & Beauty Aids
Ad Age/Gallup survey finds consumers are at odds with animal testing on cosmetics. The section also examines the "green" movement's entree into the industry.

MEDIA

MediaWorks 43
Consumer Linage ... 44

MARKETING TO HISPANICS 45

PEOPLE

PeopleWorks 47
People Moving 47
Photo Review 48

AD REVIEW 50

Barbasol's new shaving gel is a bargain brand, but the commercial reprising an old theme turns out to be a bad deal.

BY CRITERIA

U.S. NewsWatch 10
Corrections & Clarifications 32
Classified 49
For the Record 53
Index to Advertisers 60

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Diet Coke hits recall chart for first time

By Kate Fitzgerald

Diet Pepsi fattened its roster of celebrity spokesmen and hiked its ad spending by 50% last month, but it still lost the ad recall race to rival Diet Coke.

Diet Coke landed a spot for the first time on the list of the top 10 best-recalled advertising in January, placing ninth in *Advertising Age's* monthly adWatch survey.

Pepsi-Cola Co.'s Diet Pepsi, which finished 18th, last appeared on the top 10 best-recalled list in July 1988.

Both marketers broke new campaigns in early January with dueling celebrities, and Diet Pepsi vowed to boost first-quarter network TV spending 50% (AA, Dec. 11).

Coca-Cola Co.'s new campaign by Lintas:New York, themed "Discover Diet Coke," features Chris Evert, Vanna White and Sugar Ray Leonard.

Diet Pepsi's new campaign, themed "The Right One," broke New Year's Eve and features Billy Crystal and Ray Charles. BBDO Worldwide is the agency.

Diet Pepsi's Super Bowl TV spot Jan. 28 featuring San Francisco 49ers quarterback Joe Montana challenging rivals to a taste test wasn't included in adWatch's survey, taken earlier in the month.

In overall soft-drink advertising, brand Pepsi continued to lead Coca-Cola with 34.3% awareness compared with Coca-Cola's 31.3%. Diet Coke placed third, followed by 7UP and Sprite.

AdWatch survey of advertising awareness Top 10 in January

In January, 1,000 persons were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 1/90	Rank 12/89	Advertiser	Agency
1*	7	Ford	J. Walter Thompson USA
1*	2	Pepsi-Cola	BBDO Worldwide
3	4	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/-DDB Needham Worldwide
4	1	Coca-Cola	McCann-Erickson Worldwide
5*	8	McDonald's	Leo Burnett USA
5*	—	Infiniti	Hill, Holliday, Connors, Cosmopulos
7	3	Chevrolet	Lintas:Campbell-Ewald
8	6	Miller	Backer Spielvogel Bates/-Leo Burnett USA
9	—	Diet Coke	Lintas:New York
10	9	Toyota	Saatchi & Saatchi DFS/Pacific

*Indicates tie.

Ford was the No. 1 best-recalled advertiser in January, up from seventh place the previous month, and it did so without breaking a new TV campaign. J. Walter Thompson USA, Detroit, handles.

Ford may have gotten a jump-start in the recall race from Chevrolet, whose new comparative TV campaign says Chevy trucks outsell Fords in Ford County, Ill. Lintas:Campbell-Ewald, Warren, Mich., handles Chevrolet, which finished seventh.

Infiniti returned to the top 10 best-recalled list in January after a month's hiatus, thanks to ongoing intrigue with its unusual "rocks and trees" TV campaign from Hill, Holliday, Connors, Cosmopulos, Marina del Rey, Calif.

The upscale division of Nissan Motor Corp. USA tied for fifth place with McDonald's Corp. in the January survey; in November it was No. 1 after the campaign broke.

Ford led the category, followed closely by Chevrolet. Toyota was a distant third, followed by Infiniti and Nissan.

Although it didn't make the top 10, the Energizer Bunny helped Ralston Purina Co.'s Eveready Battery Co. into the No. 11 spot, its highest score ever. Chiat/Day/-Mojo handles.

Elsewhere, Kentucky Fried Chicken Corp. finally edged back into the top five best-recalled advertisers in the fast-food category, bumping Taco Bell from the No. 5 spot last month.

KFC's recent controversial TV campaign satirizing McDonald's, via Young & Rubicam, New York, is fueling the surge in awareness. This month marked the first time since December 1988 that KFC has placed among the top five fast-food advertisers.

AdWatch is a joint project of *Ad Age* and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is plus or minus 3.1%. □

For more information, contact the Gallup Organization, 301 S. 6th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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Cannes, France June 18-23, 1990

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Nielsen/Ad Age consumption comparisons

Category	1988 sales (millions of dollars) U.S.	U.K.	1987-1988 (% change) U.S.	U.K.	Per capita (in dollars) U.S.	U.K.
Carbonated beverages	7,584	941	5.1	12.1	31.08	16.95
Cheese	3,637	910	4.2	12.8	14.91	16.40
Coffee	3,000	842	-5.2	-0.5	12.29	15.17
Jams, jellies & spreads	1,331	337	1.9	6.1	5.46	6.06
Peanut butter	741	25	-0.3	-1.8	3.04	0.46
Pasta (dry)	897	69	13.5	9.3	3.68	1.24
Mayonnaise	476	40	3.8	10.0	1.95	0.72
Tea	847	691	-0.9	1.6	3.47	12.45
Pet food	3,586	1,085	2.4	8.9	14.70	19.55
Dog	1,895	474	2.4	6.9	7.76	8.54
Cat	1,691	611	2.4	10.5	6.93	11.01
Canned tuna	1,164	126	11.8	15.7	4.77	2.26
Bottled water	351	63	27.9	46.6	1.44	1.13
Vegetable oils	723	104	7.5	10.5	2.96	1.88

Notes: U.S. data are based on supermarkets with sales of $4 million or more, which represent 72% of the total U.S. grocery store business ($304 billion during 1987). Dollar conversions are based on exchange rate of 1 pound = $1.61.
Population calculations based on 55,487,300 - U.K.; 243,988,200 - U.S.
Source: A.C. Nielsen Co.

John Heiland

Ten biggest-selling grocery brands

Wacky chimps help Brooke Bond Foods sell more PG Tips tea.

Brand/marketer	1988 sales in millions of dollars	Agency
Persil detergent/ Lever Bros. (Unilever)	307	J. Walter Thompson Co.
Nescafe coffee/Nestle	301	McCann-Erickson
Whiskas cat food/ Pedigree Petfoods (Mars)	288	D'Arcy Masius Benton & Bowles
Ariel detergent/Procter & Gamble	275	Saatchi & Saatchi Advertising
Andrex toilet paper/Scott Ltd.	264	J. Walter Thompson Co.
Coca-Cola soft drink/ Coca-Cola & Schweppes Beverages	227	McCann-Erickson
PG Tips tea/Brooke Bond Foods	186	BMP DDB Needham
Chum dog food/Pedigree Petfoods (Mars)	166	BSB Dorland
Heinz baked beans/H.J. Heinz Co. Ltd.	150	Young & Rubicam
Flora margarine/ Van den Berghs & Jurgens (Unilever)	147	Still Price:Lintas

Source: Nielsen Marketing Research, Oxford, England

A.C. Nielsen Co. research compares spending of U.K. and U.S. consumers. Of the top 10 grocery brands, U.K. shoppers spend the most on the leading detergent.

After British hit, Beecham takes beverage to U.S.

Major U.K. marketer revitalizes lackluster Lucozade, Ribena sales

By Laurel Wentz

LONDON—SmithKline Beecham Consumer Brands hopes a golden-colored drink invented during a jaundice epidemic in 1932 by a pharmacist in Newcastle, England, will catch on as a U.S. soft drink.

After a lifetime as the drink mothers served to their sick kids, Lucozade was reborn in the U.K. in the late 1980s as an energy-giving beverage for healthy people.

Now Beecham is trying out Lucozade's U.S. potential with tests in Peoria, Ill., and Boise, Idaho. Beecham's U.K. executives have trouble pronouncing those city names but plan to continue the tests, started in August, for up to another year.

"By and large, wherever we've launched it, it's done pretty well, said Peter Glynn-Jones, SmithKline Beecham Consumer Brands worldwide managing director.

Ogilvy & Mather handles Lucozade in the 21 countries where it's sold, and for the U.S. test its New York office created a TV spot, themed "The sparkling energy drink," featuring a female dancer.

In Boise, Lucozade is exceeding sales projections at 14 Albertson's grocery stores, said Gary Spiers, sales manager of Albertson's Idaho division.

"Normally, we need to sell over two cases a week in that category. It is exceeding that," he said.

The test will run at least through summer, said Carl Nelson, retail relations director at Nielsen Marketing Research Group, which is conducting the test. He said results in all areas are encouraging.

However, retailers in the Peoria area weren't so optimistic. Sales are "not too bad," said Thomas Thompson, VP at Thompson's, a chain of eight grocery stores. "There probably is a market for it. But it is pretty high priced."

Sold in traditional, orange barley and lemon barley flavors, Lucozade comes in four-packs of 8.4 ounces each and costs $2 to $2.50. No ad spending figures for the tests are available.

O&M started revitalizing the Lucozade brand in the U.K. seven years ago. Daley Thompson, the world record holder for the decathlon, has been featured in commercials showing him training for different events and gulping down Lucozade.

As the beverage travels around the world, ads are adapted locally featuring, for instance, a Chinese hurdler in the Taiwan test.

Sales have soared in the U.K. to $149 million in 1989 from $48 million in 1984. Lucozade has become the U.K.'s No. 3 soft drink right behind Coca-Cola and Pepsi-Cola, said David King, U.K. chairman of SmithKline Beecham Consumer Brands.

Line extensions now make up half of Lucozade's U.K. sales.

After adding orange, lemon and mixed fruit flavors in 1986, in 1988 Beecham came out with Lucozade Light, with separate ads aimed at women.

The company now is introducing nationally Lucozade Sport isotonic drink. Ads for Lucozade Sport break next month, Mr. King said.

Elsewhere, the drink is a success in Hong Kong. Mr. Glynn-Jones is contemplating a test in Spain this year that could lead to a broader European introduction.

O&M handles Lucozade in all the soft drink's markets.

SmithKline Beecham hurdles soft-drink rivals by repositioning Lucozade as an energy drink. Ogilvy & Mather handles.

Ribena, a lightly carbonated black currant-flavor drink with vitamin C, has been repositioned to emphasize its natural ingredients.

The drink is handled by Grey Ltd., Beecham's other worldwide agency.

U.K. sales climbed to $138 million in 1989 from $38 million in 1984, when the repositioning began.

"We dipped our toe in the water and launched two Ribena drinks without black currant—the strawberry drink and an orange/apricot drink."

A low-sugar Ribena Light and about a half-dozen new fruit flavors have been added since then.

"Last summer, we dipped our toe in the water and launched two Ribena drinks without black currant—the only pure strawberry drink [in the market] and an orange/apricot drink," Mr. King said.

Mr. Glynn-Jones sees some potential for Ribena in the U.S., where it's available on a limited basis, despite the unusual flavor.

"People don't particularly understand black currants," he said. "There's a good market for cranberries in the U.S. I don't see why a good market can't be generated for black currants."

The company, formed last July through the merger of Beecham Group here and U.S.-based SmithKline Beckman Corp., plans to increase its overall U.K. ad budget by 19% to $80 million this year despite forecasts of no growth for the U.K. ad industry, Mr. King said. □

Laura Loro in Philadelphia contributed to this story.

SPECIAL REPORT

Toiletries & Beauty Aids

Edited by Adrienne Ward

Back to basics S-4
Beauty-aids take natural approach.

Tammy Faye Bakker: S-11
All made up with no place to go.

Selling hope . . . or hype? S-12
Garfield finds wrinkles in skincare ads.

Animal uproar

When testing for human health and safety is the issue, beauty-aids marketers struggle to define 'humane'

Kurt Mitchell

By Laurie Freeman

Two members of the cosmetics and toiletries industry gathering this week in Boca Raton, Fla., the angry sign-carrying demonstrators will be a familiar sight.

People for the Ethical Treatment of Animals, a leading animal-rights activist group, plans another "major demonstration" at the annual Cosmetic, Toiletry & Fragrance Association meeting.

The PETA demonstration is but the latest installment in a long-running series to pressure marketers to end animal testing.

"Concern about treatment of animals . . . is related to a growing environmental consciousness among consumers," says Suzanne Grayson, an industry consultant and publisher of *The Grayson Report*.

An exclusive *Advertising Age*/Gallup Organization survey found 60% of consumers say they oppose animal testing on cosmetics and toiletries such as shampoo, lipstick and perfume *(see survey results on Page S-2)*.

Yet according to industry estimates, cosmetics and toiletries companies use only one-half of 1% of all laboratory animals and some 90% of those are rats and mice.

The position of the CTFA—and most health-and-beauty aids companies—is that animal testing is vital to ensure product safety.

Exclusive Advertising Age Gallup Organization survey of consumer attitudes on animal testing: Results on Page S-2.

"The last thing a company wants is a liability suit . . . for a product that wasn't tested," says David Williams, a consultant with the New England Consulting Group.

Still, the beauty-aids industry is "particularly vulnerable to consumer boycotts because it makes products that many consumers deem non-essential," says Henry Spira, coordinator of Animal Rights Coalition, New York.

The list of major cosmetics and toiletries marketers that have abandoned animal testing includes Revlon Inc., Avon Products and Unilever-U.S. subsidiaries Chesebrough-Pond's and Faberge Inc.

Mary Kay Cosmetics and Amway Corp. last year declared moratoriums on animal testing, and Procter & Gamble Co.'s Noxell Corp. subsidiary earlier this year decided to replace tests once performed on the eyes of live rabbits with laboratory tests.

None of the companies say pressure from animal-rights organizations has forced them to alter their positions. Instead, industry executives cite "increased confidence" in the reliability of alternative testing methods.

Not surprisingly, animal testing is a topic few companies want to discuss or advertise.

"It's not a matter of ignoring public awareness of animal testing," says NECG's Mr. Williams. "But it's not a viable marketing strategy for cosmetics, personal-care or household product companies that depend on new technologies and new products to

(Continued on Page S-2)

BAROMETER

Take a number

Top 15 cosmetic and beauty-aids brands by ad spending
($ in millions)

Advertiser	9 mos. 1989	89-88 % chng.
Oil of Olay Lotion	$21.6	31.7
Maybelline mascara	9.8	-17.3
Cover Girl make-up	9.8	-33.0
Bain De Soleil	9.3	83.3
Vaseline Intensive Care hand & nail form	9.3	77.1
Lee artificial nails	8.8	-29.7
Ponds cold cream	8.6	35.6
Jergens Ever Soft lotion	8.1	NA
Clarion skin care	8.1	NA
Vaseline Intensive Care lotion	7.8	-0.6
Loreal Mattique make up	7.7	NA
Parfum Bic Pocket Fragrances	7.6	NA
Cover Girl mascara	7.1	-16.6
Cover Girl Nail Polish	6.9	31.3
Estee Lauder Cosmetics	6.5	-12.1
Top 15	137.1	35.6
All other	343.9	2.8
Total	481.0	10.4

Source: LNA Arbitron Multi-Media Service

Take the pulse

Barometer assumes Tammy Faye Bakker, who reveals her make-up regimen on Page S-11, hasn't turned to surgery to enhance her appearance. So let's assess those who allegedly have.

Ivana Trump . . . Poor Ivana! *Only* $25 million and a mansion. She can always fall back on her "natural" assets to keep the party invitations coming.

Michael Jackson . . . As the recent Sammy Davis Jr. TV special showed, he's the "man" with 1,000 faces. Wasn't it Liz Taylor who said he looked like he "came from another planet"? Just too inhuman.

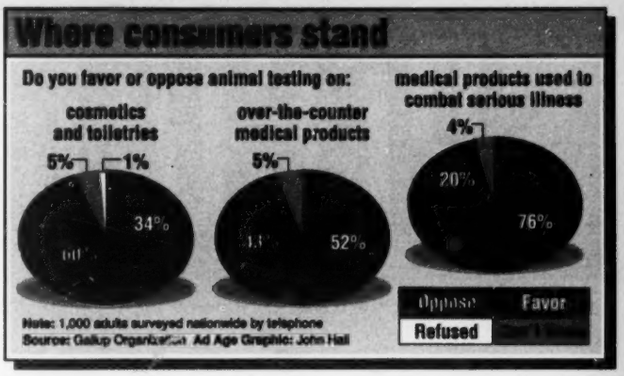
Liz Taylor . . . Compared with Michael Jackson, she's Earth Mother. But she's got a pretty good throwing arm for someone who lives in a glass house.

Barbara Hershey . . . Pucker power hits the big screen. Reworking just the lips—nice touch of subtlety in these days of top-to-bottom makeovers.

Jessica Hahn . . . Speaking of top to bottom. How about another trip to the doctor?

Consumers at odds with animal testing

Survey finds majority oppose it on beauty aids, but respondents lack information on merits



By Adrienne Ward

Consumers are giving a thumbs-down response to animal testing on cosmetics and toiletries.

In an exclusive *Advertising Age* study conducted by the Gallup Organization, 60% of the 1,000 adults surveyed claim they oppose animal testing on cosmetics and toiletries, and 89% say they would purchase products that are not tested on animals.

But while the majority oppose such testing procedures, nearly half of the respondents say they do not know if the products they use are tested on animals.

This dichotomy suggests marketers are not providing enough information in advertising and on packaging to influence consumers' buying decisions.

The results of the study could also reflect consumers' lack of understanding of the merits of animal testing.

The issue of animal testing on consumer products has grown steadily with the "green" movement.

As environmental concerns gain space in the media and importance among consumers, animal testing has become a marketing strategy with some cosmetics and toiletries companies.

But most marketers in this category do not discuss their testing procedures in advertising or packaging.

In the past year, Revlon Inc., Avon Products and Unilever-U.S. subsidiaries Chesebrough-Pond's and Faberge Inc. dropped animal testing while Mary Kay Cosmetics and Amway Corp. issued a moratorium on the practice. Most received extensive publicity in the media for their actions.

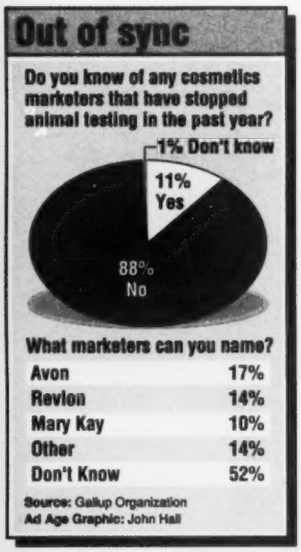
Even so, 88% of consumers surveyed by telephone say they are unaware of any cosmetics or toiletries marketers that have stopped animal testing in the past year. This suggests that while consumers may oppose animal testing, they are not dedicated to following the issue.

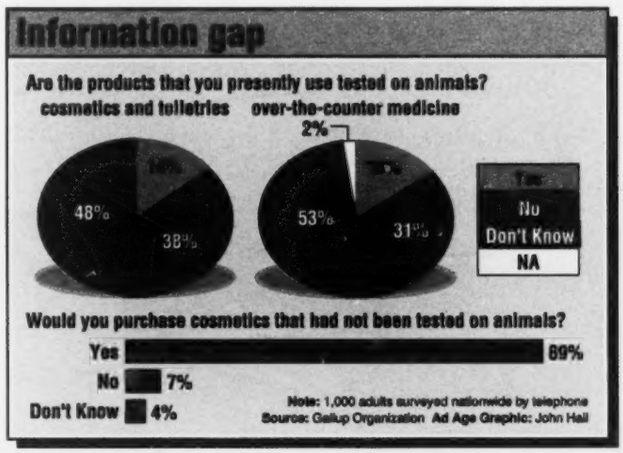
Only 5.2% could name a marketer that has stopped animal testing with Avon being cited most often, followed by Revlon and Mary Kay.

Women, the primary purchasers of cosmetics and toiletries such as shampoo, lipstick and perfume, are more opposed to animal testing on such products than men; 68% of women oppose it vs. 52% of men.

But 46% of women surveyed do not know if the products they presently use are tested on animals. Only 11% can identify a marketer that has stopped such testing procedures. Of the women who are aware of such bans, 28% cited Avon.

Consumers' reaction to animal testing is directed primarily at cosmetics and toiletries such as shampoo, lipstick and perfume: 76% of respondents say they favor animal tests on products used to combat serious illnesses such as cancer and AIDS, and 52% favor animal testing on medical products sold over the counter such as headache pills. □





Animal uproar

(Continued from Page S-1)

remain competitive."

Revlon this year is promoting its first 100% non-animal-tested product, Pure Skin Care, with a campaign by Tarlow Advertising, New York, that will tout the absence of animal testing.

But the industrywide lack of promotion shows up clearly in the Gallup study for *Advertising Age (see story and charts above).*

The results show that although most consumers oppose animal testing on cosmetics and toiletries, most also are unaware of companies' involvement with such tests.

The survey results reflect consumers' lack of understanding of the "complex" animal-testing issue, industry lobbyists say. "There hasn't been enough education out there to educate consumers that animal testing ensures human health and safety," says Irene Malbin, CTFA VP-public affairs. The CTFA has compiled informational kits designed to educate legislators and the media on why it believes testing must remain an option, she adds.

On the other end of the controversy, Kathy Guillermo, director of PETA's campaign to stop product testing on animals, says she believes the survey results "indicate there's a growing awareness of what's being done to animals in the name of beauty."

The results match similar data amassed by P&G, a favorite boycott target of animal-rights activists. "We find consumers assume products are safe, but they don't understand the process products go through to be safe," says a P&G spokeswoman.

Observers on both side of the issue agree P&G plays a leading role in developing alternatives to animal testing.

While the U.S. Food & Drug Administration does not explicitly endorse animal testing, the agency "strongly urges cosmetic manufacturers to conduct whatever toxicological or other tests that are appropriate to substantiate the safety of the cosmetics," an FDA spokesman says.

The absence of advertising related to animal testing reflects the fact that "companies don't want to remind consumers that animals at any time have played a role in making cosmetics," Mr. Spira says. "And for people who don't consider animal testing an issue . . . companies feel there's no benefit in mentioning the subject."

Yet marketers that promote beauty aids as being free of animal testing may reap big profits in the 1990s, which so far has developed a reputation for being the decade of environmental awareness.

"Once people know [about animal testing], they would very happily buy products that are not tested on animals," asserts PETA's Ms. Guillermo.

In a poll conducted by the Council on Economic Priorities, 78% of respondents say they had "switched brands" because of the council's "Shopping for a Better World" ratings. The guide rates corporate performance in 10 categories, including the environment and animal testing.

Most companies marketing "cruelty-free" products are small, and their products are found mainly in natural food stores or their own boutiques.

The Body Shop International, with 14 outlets in the U.S., asserts prominently in its stores and catalogs that animal testing is "Cruel, unncessary and rejected by The Body Shop."

Instead, The Body Shop uses volunteers and in-vitro procedures to test ingredients and products. "We have found, over time, that human testing is reliable," says Michael Waldock, president of Body Shop U.S. "There's no rational reason . . . to use animal tests."

Genesis Inc., a 6-month-old company, recently introduced in the U.S. a non-animal-tested line the company hopes will win mainstream distribution.

Genesis imports BWC, an extensive line of color cosmetics, skin treatment and hair-care items from Beauty Without Cruelty, based in Tonbridge, England.

The company plans to spend $30,000 to advertise BWC this year, primarily in magazines such as *Mother Jones* and *East-West Journal*. Shadorf & Hennessy, San Francisco, is the agency.

"Publicity on both sides of the issue have made consumers think about where they are going to draw the line, whether they want to buy products that have been tested on animals," says Scott Egide, Genesis VP. □

Is 'cruelty-free' for real?

Toxicologist questions authenticity

Cosmetics marketers that pitch their products as being "cruelty-free" could be playing a game of smoke and mirrors.

"Products that have not been tested on animals are made from formulations or slight variations of ones that have already been tested," says Dr. Alan Goldberg, director of the Johns Hopkins University Center for Alternatives to Animal Testing. "No one would market a product that hasn't been tested by someone."

Dr. Goldberg has been developing animal-testing alternatives since 1981, when he initiated the center at the request of the Cosmetic, Toiletry & Fragrance Association.

The center is developing in-vitro methods that are widely used as alternatives to animal tests. The testing methods involve collecting cells in a glass dish and growing a piece of tissue after adding the proper nutrients. Toxicologists can then test products or chemicals on the tissue.

"I believe it's essential to use fewer animals. That's doing the right thing," Dr. Goldberg says. "Bio-medical scientists . . . aren't cruel; we realize [laboratory animals] are living, breathing beings."

Still, Dr. Goldberg worries an alternative testing method will backfire someday, resulting in a product that has negative side effects on consumers.

A. Goldberg

"If untried methods are too rampantly pushed and then fail, that would set us back years and years," he says.

"Today, you don't have cosmetics causing blindness; 35 years ago, you did.

"There's been a change in Western society where you can walk into a store and buy something and you know it's safe. A brand stands for something now."

There is also the matter of money.

Testing a new chemical or ingredient on animals can cost $500,000 to $1.5 million, take two or three years and require the sacrifice of thousands of animals. "We don't have the space, money or time for that," he says.

—Adrienne Ward

Adrienne Ward contributed to this story.

MEDIAWORKS

JANUARY AD RESULTS

January a bleak start to first-quarter slide

January was dismal for magazines tracked by Publishers Information Bureau, with total ad page counts down 4.8% from a year ago to 10,399.89.

The slide was anticipated. December's ad page tally fell 1.7% from the same month in 1988, and publishers expected marketers to tighten their belts in the first quarter this year in anticipation of a weakened economy.

Although February and March are expected to be slow, magazines project ad pages will bounce back in the second quarter.

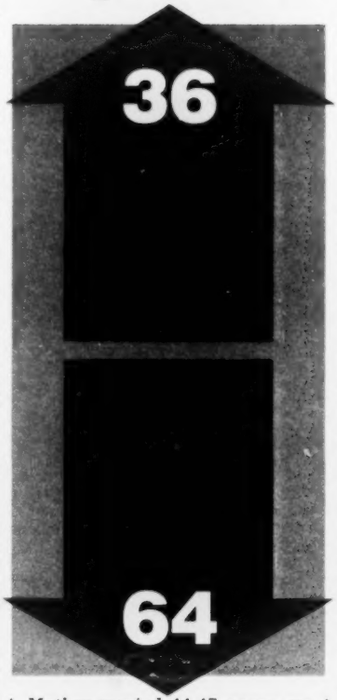
Time Inc. Magazine Co.'s weeklies were among the long list of titles taking strong hits. *People, Time* and *Sports Illustrated* all posted year-to-year declines for the month, coinciding with Time's launch of *Entertainment Weekly*, its most aggressive start-up in years.

But perhaps most battered by January's fallout were women's magazines, including the "Seven Sisters." *Family Circle* saw ad pages dip 35.6% to 61.8, while *McCall's* suffered a 25.3% drop to 55.89 pages.

Good Housekeeping's pages fell 19.5% to 75.98; *Redbook* fell 26.7% to 55.77 pages; *Better Homes & Gardens* carried 64.57 pages, a 13.2% dip; and *Woman's Day* posted a 21.4% decline to 74.74 pages. Meredith Corp.'s *Ladies' Home Journal*, led by new publisher Donna Galotti, was least affected. The magazine carried 83.19 ad pages, down just 1.6%.

Among other women's titles, *Cosmopolitan's* pages dropped 9.1% to 117.29; *Lear's* saw pages fall 29.5% to 49.15; and *New Woman* suffered a 15.3% decline to 52.94 ad pages.

In contrast, Lang Communications' *Working Woman* had a strong month with 87.62 ad pages, a 23.2% jump. Lang's *Working Mother* carried 44.47 pages, up 2.4%.



Vogue led the fashion magazine category with 101.85 pages, a 3% gain.

Men's magazines also posted poor January results. Category leader *GQ* carried 68.04 ad pages, down 17.5%, while *Esquire* carried 62.85, a 15% decline. *Playboy's* pages fell 40.8% to 58.11. *Penthouse* was up 2.9% to 56.87.

Among general sports books, Time Warner's *Sports Illustrated* carried 147.03 ad pages, down 23.2%. *The Sporting News'* pages fell 20.7% to 40.96. *Sport* carried 20.61 ad pages, down 10.6%.

Time led the Big 3 newsweeklies, with January pages down 0.1% at 187.99. *Newsweek* carried 145.94 pages, down 7.5%. *U.S. News & World Report's* pages dipped 6.7% to 111.27.

People saw pages fall 16.7% to 174.28. *TV Guide*, coming off a year in which its ad pages fell 7.2%, continued its slide. It carried 253.03 pages last month, down 17.6%.

TV Guide still came in second among all magazines, behind *Fortune* as No. 1. Time Warner's *Fortune* carried 257.83 ad pages, a 6.6% drop. *Forbes* finished third with 247.15 ad pages, a 9.6% increase. *Business Week*, 1989's ad page leader, was fourth with 241.52 pages, down 2.1%.

Rounding out the top 10 were *Entrepreneur* (220.95 pages, up 9.8%); *Yachting* (191.68, down 4.1%); *Time*; *Golf Magazine* (184.32, up 12.1%); *The Economist* (175.04, up 23.9%); and *People*.

Among the month's few shining stars were *The New Yorker*, with 166.49 pages, a 10.2% increase, and *National Geographic Magazine*, which carried 20.64 pages, more than double January 1989's 9.82 pages.

Architectural Digest bounced back after a weak December, carrying 116.85 ad pages, a 7.4% increase.

The highly competitive travel field remained strong for category leaders, but some second-tier books weakened. American Express Publishing Corp.'s *Travel & Leisure* carried 86.62 ad pages, up 27.8%. *Conde Nast Traveler* was up 7.2% to 57.19 pages. *National Geographic Traveler* continued its steady growth with 21.72 ad pages, a 43.4% climb. But *Endless Vacation* saw pages fall 44.8% to 37.14, and *Travel Holiday's* pages dipped 10.7% to 19.32. □

Written by Scott Donaton.

Magazine ad-page leaders

Publishers Information Bureau figures for January 1990.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Fortune	257.83	(6.6)	12,702,300	0.3
2	TV Guide	253.03	(17.6)	27,480,284	(9.1)
3	Forbes	247.15	9.6	10,690,034	16.2
4	Business Week	241.52	(2.1)	14,274,697	0.8
5	Entrepreneur	220.95	9.8	1,998,447	37.9
6	Yachting	191.68	(4.1)	1,061,261	(8.9)
7	Time	187.99	(0.1)	26,226,842	5.0
8	Golf Magazine	184.32	12.1	4,475,886	15.1
9	The Economist	175.04	23.9	1,409,018	36.0
10	People	174.28	(16.7)	16,415,500	(6.0)
11	The New Yorker	166.49	10.2	4,419,412	27.6
12	Salt Water Sportsman	165.58	(17.1)	926,228	(32.7)
13	New York Magazine	147.65	(15.1)	2,130,389	(15.1)
14	Sports Illustrated	147.03	(23.2)	17,729,673	(12.4)
15	Newsweek	145.94	(7.5)	16,028,655	0.6
16	Cosmopolitan	117.29	(9.1)	6,855,884	(3.2)
17	Architectural Digest	116.85	7.4	3,004,997	11.4
18	Ski	116.50	(12.9)	2,483,003	5.6
19	U.S. News & World Report	111.27	(6.7)	9,077,283	5.4
20	American Way	110.58	(13.0)	1,497,438	4.3
21	Golf Digest	103.16	17.0	4,070,440	(7.7)
22	Texas Monthly	102.25	6.7	966,981	13.3
23	Vogue	101.85	3.0	4,125,972	29.7
24	Popular Photography	100.57	16.0	2,509,828	31.1
25	Car & Driver	99.15	(6.5)	3,710,436	(5.7)
26	Muscle & Fitness	98.78	(30.5)	1,687,550	(3.0)
27	Southern Living	90.53	6.2	4,817,558	27.7
28	Town & Country	89.91	33.6	2,048,616	52.6
29	Working Woman	87.62	23.2	2,343,320	22.5
30	Travel & Leisure	86.62	27.8	3,301,540	32.0
31	Skin Diver	86.12	(16.2)	804,163	(13.2)
32	Money	84.99	(1.9)	5,328,589	2.9
33	Ebony	84.00	12.6	2,940,449	25.1
34	Ladies' Home Journal	83.19	(1.6)	5,830,537	6.7
35	Rolling Stone	79.87	(1.8)	2,881,042	(0.7)
36	Skiing	79.71	(5.0)	1,855,826	(9.2)
37	Smithsonian	79.63	17.0	3,080,200	18.3
38	Inc.	76.44	(7.6)	3,068,681	3.9
39	Jet	76.00	(16.9)	1,259,840	(8.9)
40	Good Housekeeping	75.98	(19.5)	7,868,228	(4.0)
41	Sunset	75.90	(13.3)	2,268,159	(2.7)
42	American Health	75.24	5.7	1,429,151	13.3
43	Woman's Day	74.74	(21.4)	5,783,804	(14.2)
44	Financial World	73.94	61.2	1,629,680	88.9
45	Spectrum	70.30	(13.6)	584,452	(12.9)
46	W	69.30	(20.9)	1,601,855	(9.5)
47	GQ	68.04	(17.5)	1,639,959	(17.1)
48	Mother Earth News	65.67	(10.0)	847,929	(4.2)
49	Four Wheeler	65.50	(8.9)	473,249	(3.2)
50	Mirabella	64.97	1,000.0	695,017	100.0
51	Better Homes & Gardens	64.57	(13.2)	8,037,299	(6.6)
52	Glamour	64.51	(17.6)	3,620,993	(10.5)
53	Elle	64.31	(11.8)	1,894,743	(14.4)
54	Parents	63.92	(16.1)	2,508,719	(18.0)
55	San Francisco Focus	63.56	(7.8)	405,114	(3.4)
56	Gourmet	63.41	9.9	1,560,726	14.2
57	Home Office Computing	63.13	19.1	950,010	42.6
58	Delta Sky	62.96	(18.8)	1,673,820	(3.1)
59	Esquire	62.85	(15.0)	2,001,897	(8.2)
60	Yankee	62.48	(0.4)	761,993	7.0
61	Road & Track	62.00	(27.5)	1,660,853	(27.4)
62	Self	61.93	(15.0)	2,433,615	4.8
63	Family Circle	61.80	(35.6)	5,339,784	(27.9)
64	Metropolitan Home	61.33	8.1	1,801,595	9.1
65	Child	61.23	0.8	678,286	43.1
66	Bassmaster	60.32	(16.2)	1,193,475	(11.0)
67	Southern Accents	60.13	(16.0)	627,210	(5.1)
68	Sports Afield	59.95	29.6	1,012,210	23.1
69	Premiere	59.32	22.1	1,032,865	50.2
70	Reader's Digest	59.10	(10.5)	5,505,313	(10.1)
71	Playboy	58.11	(40.8)	3,982,909	(33.2)
72	Life	57.96	(18.1)	5,273,105	(19.0)
73	Bon Appetit	57.91	(15.5)	1,750,489	(8.7)
74	Conde Nast Traveler	57.19	7.2	1,558,229	28.9
75	Art & Antiques	56.93	(1.0)	313,393	8.0
76	Penthouse	56.87	2.9	2,344,143	17.1
77	Cooking Light	55.93	13.3	835,823	45.8
78	McCall's	55.89	(25.3)	4,013,449	(6.4)
79	Redbook	55.77	(26.7)	3,838,130	(23.6)
80	Mademoiselle	54.70	(3.7)	1,899,381	4.4
81	Harper's Bazaar	54.33	32.4	1,533,407	41.6
82	Motor Trend	53.75	(20.2)	1,794,246	(17.9)
83	Seventeen	53.38	10.8	1,704,341	21.5
84	Essence	52.99	(25.4)	1,314,974	(16.3)
85	New Woman	52.94	(15.3)	1,312,585	(9.3)
86	Country Living	52.49	(19.6)	2,061,347	(16.8)
87	Vanity Fair	52.28	13.8	1,782,036	34.9
88	Connoisseur	50.79	(8.7)	785,627	(11.2)
89	Outdoor Life	50.13	(27.2)	1,557,800	(26.7)
90	Lear's	49.15	(29.5)	723,308	(30.9)
91	House & Garden	49.04	11.0	1,120,741	(0.5)
92	Field & Stream	48.88	(8.1)	1,993,271	(17.3)
93	Black Enterprise	48.32	45.3	683,790	65.4
94	Changing Times	47.72	0.2	1,287,488	7.0
95	Star Magazine	46.59	(17.9)	1,576,214	(11.5)
96	Harvard Business Review	46.39	(46.4)	642,488	(25.4)
97	Working Mother	44.47	2.4	934,848	25.5
98	True Story	44.11	14.1	644,666	11.1
99	Hot Rod	43.73	(47.1)	972,884	(43.2)
100	Popular Mechanics	43.70	(11.8)	1,500,693	(1.9)

Percent change is computed from January 1989 pages. Source: Publishers Information Bureau

LAUNCHING PAD

New publication launches.

'ChildCare'

Cara Communications will introduce in June *ChildCare, the Management Magazine*, a monthly targeted to professionals in the childcare industry. Controlled circulation is 125,000. A b&w page is $8,625; a color page is $10,125. Andrew Mooney and Linda Cottingham are publishers, Debra A. Steilen is editor and Michael Triunfo is advertising director. Offices are at 100 Court Ave., Des Moines, Iowa 50309. Phone: (515) 282-2888.

'Volleyball'

Western Empire Publications will introduce with a July/August issue *Volleyball*, an every-other-monthly for players of indoor and beach volleyball. Initial rate base is 30,000. A b&w page is $1,700; a color page is $2,425. Bob Mignogna is publisher, Dave Gilovich is editor and Peter Townend is advertising director. Offices are at 950 Calle Amanecer, Suite C, San Clemente, Calif. 92672. Phone: (714) 492-7873.

'At Home'

San Francisco Focus will introduce with an April issue *At Home*, a quarterly targeted to upscale homeowners in the San Francisco Bay area. Controlled circulation is 85,000. A b&w page is $3,925; a color page is $5,320. Susie McCormick is publisher, Mark Towelson is editor and Ron Evans is advertising director. Offices are at 680 Eighth St., San Francisco 94103. Phone: (415) 553-2800. □

MediaWorks is written by Scott Donaton, Wayne Walley and Janice Kelly.

Arbitron, Nielsen ready passports

Programming and business-side developments in broadcasting.

Passive invasion. Telemetric's passive people meters soon will be migrating to the U.S. from France by way of the Arbitron Co. The research company said the first shipment of Motivac meters is expected within the next two months. The meters could be in operation as early as 1991, pending evaluation and certification by Underwriters Laboratories and the Federal Communications Commission. Successive shipments will be integrated into its ScanAmerica service as well as local-market TV measurements, Arbitron said. The company will spend $150 million over six years to bring as many as 36,000 Motivacs here.

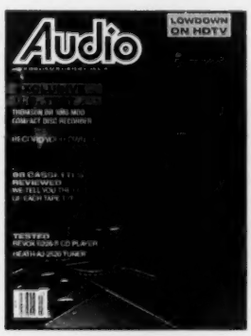
The boat sails both ways. A.C. Nielsen Co. was awarded the contract for pan-European TV audience measurement in 11 countries by Pan-European Television Audience Research. That group includes the BBC; RAI (Italian state TV); Sky Television; and two German-language satellite channels, RTL Plus and Sat 1. Included in the contract are cable households in West Germany, the Netherlands, Belgium, Switzerland, Austria, Norway, Sweden, Denmark, Finland, the U.K. and Ireland. Terms of the contract weren't disclosed.

Recycled news to go. Instead of allowing the nightly news to simply fade from memory, NBC News Productions is culling from its broadcasts and creating a new 1-hour monthly audio program recapping major news events. "NBC News Pulse," introduced by Tom Brokaw, includes reports on business, film, medicine, music, science, sports and special features. The network tested the tape last fall and is seeking corporate or special-interest group sponsors. NBC will distribute the cassette to the sponsor's targeted audience.

Betting on radio. Pete Rose may be banned from baseball but not from the airwaves. Cincinnati's WCKY-AM news/talk radio has added the record-setting hitter to its weekday on-air lineup. Starting March 19, Mr. Rose will give a 3-minute daily report, "On the Ball With Pete Rose," and will join local sportscaster John Popovich on Thursday evenings for "Pete Rose on Baseball," a 1-hour weekly conversation series. □

Print advertising opportunities.

Audio, New York, "15th annual car stereo directory" special editorial section, May issue; ad close: March 5. B&w page: $10,575; color page: $13,560.



Modern Bride, New York, "Bed and bath" special advertising section, June/July issue; ad close: March 9. Color page: $24,130.

Charleston, Charleston, S.C., "Spoleto" special advertising section, May/June issue; ad close: March 10. Color page: $2,500.

Atlanta Business Chronicle, Atlanta, "Advertising and public relations" special editorial section, March 19 issue; ad close: March 12. B&w page: $2,240; color page: $2,460.

Rolling Stone, New York, "20th anniversary of Earth Day" special editorial issue, May 13 issue; ad close: March 12. B&w page: $28,090; color page: $40,035.

Esquire, New York, "Father's Day gift guide" special advertising section, June issue; ad close: March 15. Color ¼-page: $8,000.

Southern Living, Birmingham, Ala., "Travel South" special advertising section, summer issue; ad close: March 15. B&w page: $6,820; color page: $9,240.

American Bar Association Journal, Chicago, "Automated management solutions" special editorial report, May issue; ad close: March 19. B&w page: $11,250; color page: $14,810. □

CONSUMER MAGAZINE AD LINAGE

	January 1990	January 1989
■ Auto/cycle/rec. vehicles		
AutoWeek (52X)	125.0	141.9
Car & Driver C.	99.2	106.0
Car Collector & Car Classics	19.5	18.0
Car Craft	47.5	53.1
Circle Track	61.4	55.6
Cycle	25.4	35.1
Cycle World	30.9	23.0
Dirt Rider	32.3	31.2
Dune Buggies & Hot VWs	67.1	69.4
Family Motor Coaching	149.9	196.0
4 Wheel & Off-Road	61.3	64.5
Four Wheeler C.	65.5	71.9
Hot Rod C.	43.7	82.6
Motorcyclist	18.2	21.0
Motor Trend C.	53.8	67.3
Motorhome	85.4	80.4
Rider	23.1	22.9
Road & Track C.	62.0	85.5
Trailblazer	36.0	44.0
Trailer Life	78.2	89.5
Total Group	**1,185.2**	**1,358.9**
% change	**-12.8%**	
■ Boating & yachting		
Boating	167.0	200.8
Chesapeake Bay	29.3	37.8
Cruising World	95.6	104.9
Lakeland Boating (11X)	81.0	90.0
Motor Boating & Sailing	138.0	188.0
Sail	173.4	106.6
Trailer Boats (11X)	73.9	88.7
Western Boatman (6X)	34.5	51.0
Yachting C.	191.7	199.9
Total Group	**984.4**	**1,067.7**
% change	**-7.8%**	
■ Civic/fraternal		
Elk (10X)	16.5	17.3
Kiwanis	25.8	14.2
Rotarian	15.8	11.2
V.F.W. (11X)	29.5	34.3
Total Group	**87.6**	**77.0**
% change	**13.8%**	
■ General		
American Health (10X) C.	75.2	71.2
American Legion	45.6	41.4
Art & Antiques (10X) C.	56.9	57.5
ARTnews (10X)	120.5	86.5
The Atlantic A. C.	41.7	66.2
Bon Appetit A. C.	57.9	68.5
Cable Guide C.	27.1	36.6
Changing Times C.	47.7	47.6
Conde Nast Traveler C.	57.2	53.4
Connoisseur C.	50.8	55.7
Consumers Digest (6X) C.	21.4	24.0
Ebony C.	84.0	74.6
Food & Wine C.	43.1	45.9
Golden Years (6X)	33.4	25.6
Gourmet C.	63.4	57.7
Harper's Magazine A. C.	33.8	31.7
Harrowsmith (6X)	50.0	60.9
Islands (6X)	51.7	56.5
Let's Live	45.0	45.0
Life C.	58.0	70.8
Money C.	85.0	86.6
Mother Earth News C.	65.7	73.0
National Geographic C.	20.6	9.8
National Geographic Traveler (6X) C.	21.7	15.1
Natural History C.	30.8	38.8
New Choices C.	19.7	30.4
Prevention C.	36.3	53.9
Psychology Today C.	30.1	41.5
Reader's Digest A. C.	59.1	66.0
Smithsonian C.	79.6	68.1
Town & Country C.	89.9	67.3
Travel-Holiday C.	19.3	21.6
Travel & Leisure C.	86.6	67.8
Travelhost	1,111.0	1,169.0
Vanity Fair C.	52.3	45.9
Yankee C.	62.5	62.7
Total Group	**2,934.8**	**2,994.9**
% change	**-2.0%**	
■ Home		
Americana (6X)	12.0	21.6
Architectural Digest A. C.	116.9	108.8
Better Homes & Gardens C.	64.6	74.4
Columbus Monthly-Homes (4X)	26.7	29.8
Cooking Light C.	55.9	49.4
Country Living C.	52.5	65.3
Family Handyman (10X) A. C.	23.3	36.2
Florida Home & Garden	55.8	107.8
Home C.	39.5	40.2
Home Mechanix C.	33.7	36.7
Horticulture	47.1	42.1
House Beautiful C.	42.0	44.8
House & Garden C.	49.0	44.2
Metropolis	61.9	64.8
Metropolitan Home C.	61.3	56.7
1,001 Home Ideas C.	43.1	50.0
Organic Gardening (10X) C.	40.3	54.1
Phoenix Home/Garden	56.8	66.3
Practical Homeowner (9X) C.	29.9	—
San Diego Home/Garden	57.8	57.7
Southern Accents (6X) C.	60.1	71.6
Southern Living C.	90.5	85.2
Sunset Magazine A. C.	75.9	87.6
Workbench (6X)	31.3	39.7
Total Group	**1,228.0**	**1,334.9**
% change	**-8.0%**	
■ In-flight & other passenger		
Aboard Group (6X)	37.7	35.3
Alaska Airlines	69.5	58.8
America West Airlines	81.3	69.0
American Way (24X) C.	110.6	127.1
East/West Network:		
Continental Profiles	50.8	51.3
Eastern Review	33.5	56.0
Pan Am Clipper	37.6	33.7
Southwest Spirit	47.8	54.7
TWA Ambassador	38.0	43.5
Vis 'A Vis	60.5	69.3
Halsey Publication: Delta Sky C.	63.0	77.5
Pace Communications: US Air Magazine	56.2	35.8
Spirit of Aloha	33.2	25.2
Total Group	**719.7**	**737.2**
% change	**-2.4%**	
■ Men's		
Esquire A. C.	62.9	74.0
Firehouse Magazine	35.9	36.8
Gentlemen's Quarterly A. C.	68.0	82.5
M Magazine C.	35.0	35.0
Muscle & Fitness C.	98.8	142.2
Penthouse A. C.	56.9	55.3
Playboy A. C.	58.1	98.1
Total Group	**415.6**	**523.8**
% change	**-20.7%**	
■ Metropolitan		
Aloha (6X)	45.4	29.7
Atlanta	54.8	55.0
Baltimore	47.1	50.0
Boston	90.7	119.2
California C.	36.8	34.9
Chicago	99.2	118.6
Chicago's North Shore	78.1	89.5
Cincinnati	32.5	34.1
Cleveland	38.9	39.3
Columbus Monthly	58.0	58.7
Connecticut	95.2	78.2
D/Magazine	43.6	55.0
Detroit Monthly	50.4	57.3
Grand Rapids	47.9	48.6
Honolulu	50.4	49.3
Houston Metropolitan Magazine	52.8	43.7
Inside Chicago (8X)	17.0	37.5
Los Angeles	120.6	121.3
Louisiana Life (6X)	30.6	27.5
Marlson	36.0	38.0
Memphis	47.1	61.2
Mid Atlantic Country	32.5	26.2
Milwaukee	45.0	40.7
Minneapolis/St. Paul	96.1	71.8
Minnesota Monthly Magazine	53.0	50.0
Nashville	58.0	52.0
New England Monthly	58.8	54.1
New Jersey Monthly	68.8	77.2
New Mexico	91.3	95.9
Ohio	56.5	53.0
Orlando	103.0	87.0
Pacific Northwest	38.0	34.9
Palm Beach Life	87.0	97.4
Palm Springs Life	170.8	178.4
Philadelphia	127.3	122.7
Phoenix	46.7	48.2
Pittsburgh	45.8	42.8
Rhode Island Monthly	50.5	43.7
Sacramento Magazine	58.8	46.6
St. Louis	35.4	41.7
San Diego	117.8	105.8
San Francisco Focus C.	63.6	68.9
Sarasota	106.0	93.0
South Florida Magazine	101.6	127.7
Texas Monthly C.	102.3	95.8
The Virginian (6X)	45.0	43.0
Washington (7X)	29.7	48.0
The Washingtonian	119.5	157.5
Total Group	**3,181.6**	**3,250.5**
% change	**-2.1%**	
■ Music/entertainment		
Audio	108.4	109.3
Dance Magazine	64.9	59.2
Playbill	39.5	40.6
Video Magazine	81.0	71.0
Total Group	**293.8**	**280.1**
% change	**4.9%**	
■ Outdoor & sport		
Alaska	35.9	33.5
The American Handgunner (6X)	54.0	54.0
American Hunter	16.5	15.8
American Rifleman	22.5	20.6
Bass Master (10X) A. C.	60.3	71.9
Cross Country Skier	49.5	47.0
Ducks Unlimited (6X)	22.6	29.6
Field & Stream C.	48.9	53.2
Fishing World (6X)	28.5	40.3
Florida Sportsman	133.5	125.9
Golf Digest C.	103.2	88.2
Golf Magazine C.	184.3	164.4
Gun Dog (6X)	38.2	40.0
Guns	43.0	34.0
Guns & Ammo	32.0	37.4
In-Fisherman (7X)	93.5	119.0
Outdoor Life C.	50.1	68.8
Outside Magazine	36.3	38.4
Petersen's Hunting	29.3	37.7
Runner's World (12X) C.	29.3	29.3
Salt Water Sportsman	159.7	194.5
Shooting Times	28.1	29.7
Sierra (6X)	29.0	53.4
Ski (8X) A. C.	116.5	133.8
Skiing (7X) A. C.	79.7	83.9
Skin Diver C.	86.1	102.7
Southern Outdoors (9X)	35.4	36.7
Southern Saltwater (8X)	48.1	58.3
Sport Magazine C.	20.6	23.1
Sports Afield C.	60.0	46.3
Surfing	64.0	55.9
Tennis C.	42.8	34.7
Waterski (9X)	93.3	96.5
Western Outdoors (10X)	30.1	31.1
Wildfowl (6X)	23.9	25.5
Wing & Shot (6X)	14.1	16.8
World Tennis C.	20.7	21.0
Total Group	**2,063.5**	**2,192.7**
% change	**-5.9%**	
■ Photography		
American Photographer C.	40.6	35.5
Petersen's Photographic	19.8	26.9
Popular Photography C.	100.6	86.7
Total Group	**161.0**	**149.1**
% change	**8.0%**	
■ Science/electronic/mech		
Discover C.	34.2	35.9
Home Office Computing C.	63.1	53.0
Omni C.	43.2	55.4
Personal Computing	151.0	196.4
Popular Mechanics C.	43.7	49.6
Popular Science C.	41.8	56.6
Scientific American C.	37.6	33.3
Spectrum C.	70.3	81.4
Total Group	**485.0**	**561.5**
% change	**-13.6%**	
■ Woman/fashion/service		
Beauty Magazine (10X)	18.7	—
Cosmopolitan A. C.	117.3	129.1
Elle C.	64.3	72.9
Essence C.	53.0	71.1
Family Circle (17X) A. C.	61.8	96.0
Glamour C.	64.5	78.3
Good Housekeeping A. C.	76.0	94.4
Harper's Bazaar C.	54.3	41.0
Health C.	30.3	34.4
Imagen	51.1	42.0
Ladies' Home Journal C.	83.2	84.6
Lear's C.	49.2	69.8
Mademoiselle C.	54.7	56.8
McCall's C.	55.9	74.9
Military Lifestyle (10X)	45.7	47.7
New Woman C.	52.9	62.5
Parents Magazine A. C.	63.9	76.2
Redbook C.	55.8	76.1
Savvy C.	30.1	41.8
Self C.	61.9	72.9
Seventeen C.	53.4	48.2
Shape C.	42.6	53.7
Soap Opera Digest (26X) C.	24.8	31.2
Teen Magazine	28.8	22.2
True Story A. C.	44.1	38.7
Vogue C.	101.9	98.8
W Magazine C.	69.3	87.6
Weight Watchers C.	34.3	33.3
Woman (10X) C.	17.7	—
Woman's Day (15X) A. C.	74.7	95.1
Workbasket	23.3	25.5
Working Mother C.	44.5	43.5
Working Woman C.	87.6	71.1
Total Group	**1,791.6**	**1,971.1**
% change	**-9.1%**	
■ Youth		
Boys' Life C.	19.0	19.8
Campus Life (10X)	47.0	52.2
Total Group	**66.0**	**72.0**
% change	**-8.4%**	
■ Business/national		
Barron's	132.7	136.9
Black Enterprise C.	48.3	33.3
Business Month C.	32.1	26.6
Business Week (52X) A. C.	241.5	246.7
Entrepreneur C.	221.0	201.3
Financial World (26X) C.	73.9	45.9
Forbes (26X) C.	247.2	225.5
Fortune (26X) C.	257.8	276.1
Frequent Flyer	32.0	30.4
Futures	38.3	40.5
Inc. Magazine C.	76.4	82.8
Industry Week (23X) A.	88.7	61.1
Nation's Business (12X) A. C.	26.9	39.1
Total Group	**1,516.8**	**1,445.8**
% change	**4.9%**	
■ Business/regional		
Advantage-Nashville's Bus. Mo.	66.0	52.0
Arizona Bus. Gazette (52X)	37.9	41.7
Baltimore Bus. Jrnl.	64.9	63.5
Bus. Jrnl.-Milwaukee	167.6	141.3
Bus. Jrnl.-Sacramento	69.6	68.9
Bus. North Carolina	25.0	18.2
Capital Dist. Bus. Review (52X)	58.8	68.1
Caribbean Business	49.2	64.6
Corporate Report Minnesota	52.4	60.8
Crain's Chicago Bus. (52X)	100.7	94.0
Crain's Cleveland Bus. (52X)	56.0	69.0
Crain's Detroit Bus. (52X)	76.2	66.0
Crain's New York Bus. (52X)	43.0	38.0
Florida Trend (13X)	42.3	56.7
Georgia Trend	31.8	48.3
Grand Rapids Bus. Jrnl.	23.3	30.3
Hawaii Business	41.5	37.8
Houston Bus. Jrnl. (52X)	62.0	57.0
Indianapolis Business Journal (52X)	118.0	133.2
Manhattan Inc. C.	21.8	27.8
New England Bus. (12X) A.	31.0	31.2
New Orleans City Bus.	52.6	44.9
Pacific Bus. News (52X)	87.0	97.4
Philadelphia Business Jrnl.	114.5	117.3
Pittsburgh Business Times (52X)	95.3	95.4
Providence Bus. News	62.6	70.0
Regardie's/Washington	138.0	162.0
St. Louis Bus. Jrnl. (52X)	90.0	118.5
Warfield Monthly Baltimore	58.4	43.3
Total Group	**1,937.3**	**2,017.0**
% change	**-4.0%**	
■ National Sunday mags		
Parade (52X) C.	50.2	58.1
USA Weekend (52X) C.	52.4	55.3
Vista Magazine (52X)	10.6	16.5
Total Group	**113.2**	**129.9**
% change	**-12.8%**	
■ Newspaper Sunday magazine		
Boston Globe	145.5	157.4
Chicago Tribune	64.4	52.2
Cleveland Plain Dealer	32.7	30.7
The Dallas Morning News	38.8	43.8
Detroit Free Press	26.0	33.0
L.A. Times C.	44.9	71.1
Louisville Courier-Jrnl.	18.0	35.0
New York Times Magazine C.	170.3	201.6
Philadelphia Inquirer	43.2	59.8
Seattle Times	55.0	54.0
St. Louis Post Dispatch	59.0	66.3
Toledo Blade Magazine	20.3	24.6
Washington Post	74.8	121.9
Total Group	**792.9**	**951.3**
% change	**-16.7%**	
■ Weeklies/bi-weeklies		
The Advocate (26X)	169.7	210.3
Army Times Military Group: Air Force Times (52X)	145.9	145.3
Army Times (52X)	138.9	136.4
Navy Times (52X)	153.9	158.6
Capper's (26X)	47.2	50.5
Commonweal (22X)	7.8	10.8
Golf World (40X)	156.1	118.5
Grit (52X) A.	40.3	45.0
National Journal (50X) C.	34.5	43.0
National Review (25X)	14.3	18.6
New Republic (48X)	41.2	41.2
New York Magazine (50X) C.	147.7	173.9
New Yorker C.	166.5	151.1
Newsweek (52X) A. C.	145.9	157.8
People (51X) C.	174.3	209.2
Rolling Stone (25X) C.	79.9	81.4
Sporting News (52X) C.	41.0	51.7
Sports Illustrated (52X) A. C.	147.0	191.5
Time (52X) A. C.	188.0	188.2
TV Guide (52X) A. C.	253.0	307.1
US Magazine (26X) C.	29.8	30.9
U.S. News & World Report (50X) A. C.	111.3	119.3
Total Group	**2,434.1**	**2,640.2**
% change	**-7.8%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

March 5, 1990 Not Filmed

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March 12, 1990

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Advertising Age

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Paul S. Howell/Houston Chronicle — Doug Goodman

Martin Sorrell's (r.) demands may have killed a deal between JWT and Frank Lorenzo's (l.) Continental.

Sorrell vs. Lorenzo

Conflicts over payment and clients kept JWT from deal with Continental

By Jennifer Lawrence

The sky was gray and overcast when Burt Manning flew into Houston on Friday, March 2—a fitting omen, as it turned out, for what was to happen that day.

Mr. Manning, chairman of J. Walter Thompson Co., was in Houston to try to win the $40 million-to-$50 million Continental Airlines account.

Pulling it off would bring together two of the toughest, most tight-fisted bosses in the world: Frank Lorenzo and Martin Sorrell.

Mr. Lorenzo, chairman of Continental and its parent, Texas Air Corp., was said to like JWT, New York, which had nearly won the account in 1986 when N W Ayer, now the fired incumbent, took home the prize.

Mr. Sorrell, WPP Group's chief executive, has been called the "Frank Lorenzo of advertising" by *The Wall Street Journal*. He was said to be pressuring WPP's JWT to improve its profit margins. A big win would help.

Mr. Manning's agency, previously ruled out of the running for the account because of a conflict with its Los Angeles office's Mexicana Airlines business, had emerged as a secret, last-minute contender.

Other agencies close to the competition were now saying a JWT/Continental alliance was almost certain.

Mr. Manning nonetheless touched down at the airport in Houston with a sense of foreboding. WPP, wary of Continental's financial condition, was insisting on something that could sour the deal: JWT would take on the account only if Continental agreed to, in essence, pay cash upfront rather than in 30 days as was done with Ayer and as is customary in the industry.

This arrangement would have amounted to WPP extending no credit to Continental. One source said it wouldn't be surprising for Mr. Sorrell to insist Continental be responsible for all media buys.

In fact, Robert Lerwill, WPP's chief financial officer, was also in Houston that day, dispatched by WPP to meet with Continental executives, presumably to lay down the payment terms.

At the fancy, marble-swathed Ritz-Carlton Hotel, Mr. Manning and his team waited for the Continental negotiators later that day.

Could he pull this off? Could he handle the delicate diplomacy needed to bring his boss, Mr. Sorrell, and the mercurial and equally demanding Mr. Lorenzo together?

Though neither Mr. Sorrell nor Mr. Lorenzo would be at the meeting, the wishes and indomitable will of each unquestionably overshadowed the talks, guiding each side's negotiators.

The Continental team—believed to be headed by John Nelson, exec VP-marketing, and James O'Donnell, senior VP-marketing—arrived. As the talks progressed, it became clear WPP's insistence on upfront payment had indeed become a stumbling block.

By nightfall, it looked grim, but not yet over. The dispirited JWT negotiators and their Continental counterparts parted company. By last Tuesday it was over.

It's still unclear even now who ended the talks. Partly, it appears, the conflict involving Mexicana was a factor. But it also appears certain payment terms really doomed the deal.

JWT now will watch on the sidelines as Continental chooses another agency—either Lintas:New York,

(Continued on Page 76)

WPP tops Saatchi in AA rankings

An Advertising Age roundup

WPP Group has become the world's largest agency group, surpassing Saatchi & Saatchi Co. in gross income and billings.

Figures submitted by both London-based companies showed WPP's 1989 gross income was $2.4 billion on billings of $16.05 billion. Saatchi reported $2.3 billion in gross income and $15.75 billion in billings.

The figures were submitted for *Advertising Age's* annual Agency Income Report, to be published March 26.

Ad Age's rankings are based on gross income. Last year, Saatchi was No. 1 and WPP ranked No. 3.

When examining figures for the two agency groups based solely on income from ad activities, however, Saatchi tops WPP. Saatchi claims 1989 gross income from advertising of $1.65 billion, while WPP only racked up $1.58 billion.

Advertising accounted for 71.7% of Saatchi's gross income and 71% of its billings. Advertising accounted for 65.9% of WPP's gross income and billings.

Saatchi's 1989 gross income grew 15.6% from 1988

(Continued on Page 76)

Promotions root around for seedlings

By Laurie Freeman and Scott Hume

The promotional marketing premium of the 1990s is . . . tree seedlings.

Companies such as McDonald's Corp., Ralston Purina Co., Dayton Hudson Department Stores Co. and Quintessence plan to give out seedlings this spring in promotions tied to Earth Day, Arbor Day or other environmental awareness events.

Many other marketers have held back on using this promotion for a simple reason: The demand has been so great, there aren't any seedlings left.

"The demand has been enormous this year," said Rich Hankinson, seedling sales manager for Weyerhaeuser Co.

"We're at the bottom of the barrel already," the executive added.

He estimates Weyerhaeuser this year will provide

(Continued on Page 76)

LAST MINUTE NEWS

K/D/P office for sale

NEW YORK—Della Femina, McNamee WCRS is negotiating to buy Keye/-Donna/Pearlstein's office here, sources close to the talks said. The office opened more than a year ago and has about $10 million in billings. The office's vice chairmen-directors of creative services, Tod Seisser and Jay Taub, both worked at Della Femina earlier in their careers. Los Angeles-based K/D/P executives wouldn't comment on the negotiations but denied speculation the rest of the agency is for sale because of the loss of the Suzuki auto account. Della Femina Chairman Jerry Della Femina declined comment at press time but previously said his agency was interested in acquiring another New York shop.

Dentsu, U.S. shops talk

CHICAGO—Dentsu executives from Tokyo and New York met last week with Bernard Miller Jr., chairman of Columbian Advertising here, a promotion agency specializing in point of purchase. Mr. Miller said Dentsu "was interested in getting an introduction to our agency, meet with our executives and review the work we've done. We may work together on some projects, wherever that might lead." Sources also said that Dentsu is getting closer to a marketing partnership with FKB Group, London, which has U.S. headquarters in Stamford, Conn. (AA, Dec.

(Continued on Page 3)

INSIDE

Smokeless magazines ..... P. 3
Magazines prepare for life without tobacco ads.

Beauty works ..... P. 16
Georgette Mosbacher succeeds in the business world as ceo of La Prairie.

Lack of faith ..... P. 20
Advertiser confidence in ad agencies declines again.

New Mac ups power

But Apple still needs low-end PC

By Bradley Johnson

Apple Computer will break separate ad campaigns around the world March 19 to launch its most powerful and costly Macintosh ever.

The U.S. campaign will break with a four-page ad in *The Wall Street Journal*.

Different ad campaigns will break simultaneously around the world.

The first three pages of the U.S. ad will be devoted to the power and ease of use of the new Macintosh IIfx. The fourth page shows how the new entry fits into Apple's broad Macintosh lineup.

"The power to be your best" continues as the theme line.

To fight the perception that Macintosh is only a graphics machine, ads will play up its abilities as a general, heavy-duty business computer.

BBDO Worldwide, Los Angeles, handles the U.S. account. BBDO offices also serve most of Apple's foreign markets.

The new Macintosh, priced at about $10,000, will target large corporate and government accounts for such uses as engineering and database management.

The Macintosh IIfx will compete with top-of-the-line personal computers from IBM Corp. and with the low end of the burgeoning electronic workstation category, which includes entries from Sun Microsystems and Next Inc.

This is the first major product and ad move from Apple since it underwent a highly publicized management and personnel shake-up earlier this year to counter slowing growth.

The new machine bears the imprint of two now-departed executives: Allan Loren, former president of Apple's U.S. division and a big advocate of getting Apples into big business, and Jean-Louis Gassee, former president of Apple Products, who believed in pushing the power of Macintosh onward and upward.

But it does nothing to solve Apple's biggest problem—the lack of new machines to replace the aging, below-$2,000 Macintosh Plus and Apple II computers intended for the massive home, small-business and educational categories.

International Data Corp., a market research company, estimated the overall PC and workstation market at $28 billion this year. About half the PCs sold in the U.S. will be priced at under $2,500.

A low-end Macintosh rumored for introduction before Christmas could prove a pivotal product.

"The key issue for Apple over the next 12 months is going to be filling that gap," said David Carnevale, VP and analyst at InfoCorp., a consultancy. □

Departures hit Riney

By Alice Z. Cuneo

SAN FRANCISCO—The exodus from Hal Riney & Partners escalated last week as four VPs bolted to form their own agency.

The latest departures follow the exit of three top Riney creatives from the office here and resignations from other offices.

Since last August, at least 10 executives have left Riney.

Leaving last week were Tom Bedecarre, 34, VP-management supervisor on the Perrier Group and the Stroh Brewery Co. accounts; Kirk Citron, 33, senior VP and senior writer; Jeff Atlas, 33, VP copywriter; and Matt Haligman, 31, VP-art director.

Their agency here will be called Atlas Citron Haligman & Bedecarre.

Mr. Riney, who formed his own agency in 1986 from the former Ogilvy & Mather San Francisco office, has seen people under his direction form three shops. The other two are Goodby, Berlin & Silverstein (1983) and Mandelbaum Mooney Ashley (1988).

Mr. Bedecarre said he and his partners "have thought about starting our own group for years and had it in the works." The timing—in the wake of other departures, rumors about the agency's sale and the Perrier recall—is "purely coincidental," he said.

J. Atlas

K. Citron

Mr. Riney expressed no concern over the departures.

"It happens all the time," said the agency's chairman-ceo, adding that "there's something flattering" about being considered "the father of creative directors."

One Riney official who asked to remain anonymous called the departures "a gift of some additional housecleaning. In a dynamic business like this, you have to freshen the pool."

The other departures include:

- Peter Murphy, San Francisco creative director, who joined Backer Spielvogel Bates, New York, as exec VP-copywriter.
- Dan Mountain, senior VP-associate creative director, who left last month to become senior VP-co-creative director at Hill, Holliday, Connors, Cosmopulos, Marina del Rey, Calif.
- Mike Leonard, senior VP-creative director, who went to Foote, Cone & Belding as senior VP-group creative director.

Also, Riney's Chicago office lost two top creatives, Ron Hawkins and Bob Taylor, to DDB Needham Worldwide in Chicago (AA, Jan. 8).

Last August, Bob Cox, senior VP-executive creative director of the New York office, resigned.

Though Mr. Riney is known to be difficult to work with at times, none of the departees said they were unhappy with their old jobs.

"It was an opportunity I couldn't refuse," said Mr. Leonard, who created award-winning work at Riney for the United Way of the Bay Area. "Hal has taught me a great deal, and I've gotten a lot from him."

Mr. Mountain said he took his new job because "it was an offer that was awfully good—it would have been silly to turn it down."

Mr. Murphy said he had wanted to return to New York. □

TV nets risk glut of sports

By Wayne Walley

The Big 3 networks, along with ESPN and Turner Broadcasting System, could be forced into creating a two-tier price structure to sell the massive amount of sports inventory resulting from the latest round of TV contracts.

ABC, CBS, NBC, ESPN and Turner have spent more than double the previous TV contract renewals, shelling out about $8 billion over the past 18 months to secure rights to Major League Baseball, the National Basketball Association, the National Collegiate Athletic Association basketball tournament, the 1992 and 1994 Winter Olympics, the 1992 Summer Olympics and the National Football League.

Last week, CBS wrapped up the latest football deal, spending an estimated $1 billion for a package of Sunday afternoon National Football Conference games, playoffs and the 1992 Super Bowl, a 76% increase.

NBC also completed its four-year, $753 million deal for Sunday afternoon American Football Conference games, playoffs and the 1993 Super Bowl, a 57% increase.

Earlier this month, ABC spent $950 million in a four-year deal for rights to "Monday Night Football," two wild-card playoff games each year and the 1991 Super Bowl, a 61% increase.

The spending spree adds up to what advertisers and agency executives believe will be a glut of inventory, softening the marketplace and bringing opportunistic buys back to sports.

"CBS made a presentation for time available in the NCAA tournament and the Final Four a week before the games started. That's unprecedented," said Steve Auerbach, senior VP-director of network programming at Ally & Gargano, New York.

"People are going to start waiting for the pendulum to swing back

(Continued on Page 73)

IN THIS ISSUE

TV tally: General Motors and Sears help broadcast TV pull in record ad revenues in 1989. 4

Political review: The National Advertising Division considers reviewing political ads. 23

Ad Age roundtable: Agency executives discuss the myths and miracles of computer technology in the ad industry. 28

Local launch: Knight-Ridder expands into local trade and desktop publishing with *Runways*. 40

An amazing story: Fisherman's Friend hooks the No. 1 slot in cough lozenge unit sales in drugstores. 67

VIEWPOINT

Considerations 42
Editorials 42
Forum 44
Letters 46
James Brady 49
The Next Trend 49
Joe Winski 49
Brady's Bunch 50

House & Home A tour of the "House of the 1990s," including looks at decor, the home office, busy rooms, plus Martha Stewart sets the table for the decade.

Global Gallery 54

MEDIA

MediaWorks 61

PEOPLE

PeopleWorks 62
People Moving 63
Photo Review 64

Seattle Pacific Industries' new "Soviet" jeans' commercials are a flop because they attempt to transfuse a new image of social understanding into a piece of apparel.

U.S. NewsWatch 12
Corrections & Clarifications 46
Classified 68
For the Record 73
Index to Advertisers 78

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The weight of tobacco ads

Percentage of overall ad revenues from tobacco advertising among the top 25 magazines in terms of 1988 circulation.

Magazine	Tobacco advertising (in millions)	Tobacco advertising as a % of overall ad revenue
Star	$6.7	43.4
Penthouse	5.1	25.3
Field & Stream	5.9	15.9
Life	6.2	12.7
McCall's	7.0	11.2
Sports Illustrated	35.0	10.8
TV Guide	30.5	10.8
Redbook	7.0	10.2
Popular Science	2.0	9.3
People	27.5	9.0
Playboy	7.7	8.9
Ladies' Home Journal	7.0	8.4
Glamour	6.2	7.1
Cosmopolitan	7.9	6.9
Newsweek	16.6	6.9
U.S. News & World Report	8.6	6.7
Better Homes & Gardens	10.1	6.6
Time	22.9	6.5
Family Circle	8.3	6.2
Woman's Day	6.9	6.0
Southern Living	3.1	5.0

Note: Four magazines in the top 25 do not accept tobacco advertising.
Source: 1990 Leadership Council on Advertising Issues

John Hall

Publishers bracing for smoke-free pages

By Scott Donaton

Magazine publishers are girding themselves for life after tobacco.

Amid a growing number of legislative threats to tobacco advertising, publishers are fighting harder than ever to keep the category in their pages. But they're also starting to form contingency plans for their publications minus tobacco ads.

Time Warner's *Entertainment Weekly*, which made its debut last month, went so far as to exclude tobacco advertising from its business plan, though it does accept it. Tobacco is expected to account for at least 10% of the title's launch-year revenues.

"If you're going to start publishing a new magazine in 1990, you would be irresponsible not to look at the case where tobacco advertising wouldn't be around in five years," said Michael Klingensmith, *Entertainment Weekly* publisher. "If the magazine wasn't viable without tobacco, you wouldn't want to start it."

Publishers of more established titles insist they don't have a grand plan for dealing with the disappearance of tobacco ads. But industry experts say that behind the scenes, magazines are scrambling to bring in new categories and pressing marketers in existing categories to boost spending.

"Even though publishers haven't given up the fight, the expectation is that within five years, tobacco will be gone," said PaineWebber analyst J. Kendrick Noble. "A lot of magazines just aren't budgeting for tobacco when doing long-term planning."

Other new magazines such as Forbes Inc.'s *Egg*—an ideal vehicle for tobacco marketers—are trying to avoid an addiction to tobacco pages from the start.

"We don't see tobacco as a prime category," said *Egg* President Timothy Forbes. "I'm happy to have it, but I don't see it as a cornerstone the way I see liquor, fashion, entertainment and beauty. We won't live or die by it."

Proposed bans on tobacco advertising have surfaced in the past, but 1990 may be the year the issue is put to its toughest test. A growing number of bills that would restrict or ban the promotion and advertising of tobacco products are pending in Congress *(see related stories on Page 6)*.

Among the most feared is a bill from Sen. Edward Kennedy (D., Mass.) that would repeal the federal pre-emption of state restrictions on tobacco advertising. If the bill passes, it could result in a de facto ban on national tobacco ads.

In addition, Health & Human Services Secretary Louis

(Continued on Page 78)

Y&R grooms Pollak, Burandt for future

By Jon Lafayette

NEW YORK—The future leaders of Young & Rubicam emerged last week from the agency's reorganization.

Tim Pollak and Gary Burandt are seen as leading candidates to be the next-generation management team at privately held Y&R.

Mr. Pollak has been mentioned as a possible successor to Alexander Kroll when the 51-year-old chairman-ceo of Young & Rubicam decides to step aside.

That isn't likely to happen soon. "We're all pretty young, it's probably premature to talk about my successor," Mr. Kroll said.

But Mr. Kroll, who succeeded Ed Ney as chairman in 1986, had been tapped as a candidate for the agency's top spot several years before the move.

Mr. Pollak, the 43-year-old ceo of HDM Worldwide, Y&R's joint venture with two other international agencies, last week was named president-ceo of Y&R's flagship New York office.

Gary Burandt, 46, now ceo of Y&R Sovero in Moscow, was named to replace Mr. Pollak at HDM.

The moves place executives being groomed for leadership roles into key positions, Mr. Kroll acknowledged.

"It's perfectly appropriate at this time," he said. "We've given some younger people a chance to really flex their muscles and given them new challenges."

Dentsu, Tokyo, and Eurocom, Paris, Y&R's partners in HDM, "were very pleased for Tim getting a chance to run our flagship company," Mr. Kroll said. During Mr. Pollak's tenure, HDM grew 30% annually.

The HDM partners "were also delighted about Gary," Mr. Kroll said. "He has all the credentials."

With the reorganization last week, Mr. Kroll appears to be fine-tuning the classic Y&R "whole egg" approach of providing a supermarket of services for each client.

In the new arrangement, Y&R companies including Cato Johnson/Y&R and Landor Associates are no longer part of Y&R Advertising, enabling each to develop its own management and strength

(Continued on Page 74)

Pepsi yawning over relaunch plans for Coke II

By Patricia Winters

Pepsi-Cola Co. is taking the high road and likely will ignore Coca-Cola Co.'s announced relaunch of new Coke as Coke II.

A Pepsi-Cola spokesman called Coke II—designed to take young consumers from Pepsi—another "validation of the great taste of Pepsi."

That reaction provides a hint of Pepsi's possible marketing strategy should its competitor roll national with Coke II.

"Pepsi should treat this the same way they treated new Coke," said Al Ries, partner at Trout & Ries marketing consultants. "They should pooh-pooh it; it's another attempt to launch a me-too product."

But Coke II, which will go into an undisclosed test market within the next few months, could create a strategic problem for Pepsi-Cola.

Already, Coca-Cola is using Diet Coke to attack Pepsi, claiming consumers are switching from sugared Pepsi to sugar-free Diet Coke. That positioning, targeting Pepsi's 25-to-49-year-old base, has been lauded as a way to attack Pepsi without dragging flagship Coca-Cola Classic into the fray.

But Pepsi's core strength is with "the new generation"—preteens and young adults, and it's that group Coca-Cola wants to attract with Coke II.

In 1989, Coca-Cola Classic had a 20% share of the estimated $43 billion soft-drink market, followed by Pepsi with 18.3%, according to *Beverage Digest*, an industry newsletter. New Coke was far behind with a 1.4% share.

In supermarket sales—where consumers have a choice of brands—the two leaders are even closer. In December, for instance, Pepsi and Coca-Cola Classic were tied with 15.8% of the market. Classic and new Coke combined had 16.6%.

Coca-Cola's attempts to attract Pepsi's young consumers with new Coke failed, at least partly because of the brand's ambiguity and the stigma it still carries from its birth as a reformulated Coca-Cola in 1985.

The brand never established its

(Continued on Page 78)

TURTLE SHILLS

Tie-ins will give boost to Mutants' movie

By Marcy Magiera

They're lean, green and soon they'll be on movie screens, K mart shelves and Burger King displays.

"Teenage Mutant Ninja Turtles," the live-action movie, opens nationally March 30, backed by an estimated $8 million promotional campaign by the film's distributor, New Line Cinema.

MOVIE MARKETING

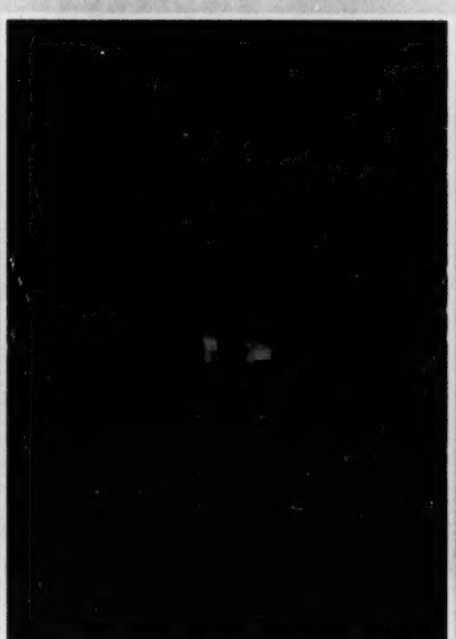
But that's just the start. Advertising and promotion dollars spent by other marketers, directly or indirectly tied in to the movie, could push spending for "Ninja Turtles" into the $30 million range.

New Line and marketers including K mart Corp., Ralston Purina Co., ConAgra Consumer Frozen Food Co., Kraft General Foods Group and Burger King Corp. are hoping to tap the interest of kids who are already watching Group W Productions' syndicated "Teenage Mutant Ninja Turtles" cartoon and buying a slew of merchandise from some 300 Ninja Turtles licensees.

"We get a lot of inquiries about possible tie-ins such as this, [but] we found this one intriguing," said K mart VP-Marketing Michael Wellman.

"In so many of the others, the product is brand-new and quite often products tied to movies aren't very successful. This product already has a track record," he said. "The movie is following the success of the [licensed merchandise] and the cartoon."

K mart on April 1 will launch an in-store promotional campaign and sweepstakes tied to the movie. The retailer also will devote part of its 72 million circulation newspaper insert to the "Ninja Turtles" promotion on April 1. Ross Roy Inc., Bloomfield Hills, Mich., is K mart's agency.



New Line Cinema brings Ninja Turtles to screen.

Other marketing tie-ins include the following:

(Continued on Page 77)

Automakers, Sears fuel gain in TV spending

By Wayne Walley

NEW YORK—Sears, Roebuck & Co.'s big TV ad budget promoting its "everyday low price" strategy and the automotive industry's fourth-quarter spending spree helped broadcast TV reap a record $21.3 billion in 1989 ad revenues.

The total represented a 3.6% gain despite a drop of more than $100 million in political ads from 1988, said the Television Bureau of Advertising, which compiled the figures from Broadcast Advertisers Reports.

The automotive industry topped all ad categories for the first time. Automakers spent a combined $2.97 billion on network, spot and national syndication in 1989, a 14% increase, and also helped fuel the record network upfront selling season last summer.

The auto industry's total of $2,969,741,100 edged ahead of 1988's top-spending category, food and food products, by close to $600,000.

National syndication showed the largest percentage increase among the TV media, jumping 42.9% to $1.3 billion. Network TV revenues, without national elections or the Winter and Summer Olympics, remained flat at about $9.6 billion.

Top-rated NBC led the Big 3 networks with revenues of $3.7 billion in 1989, down about 3.7%. ABC's revenues initially dipped by more than 25% without the influx of Winter Olympic sales revenue in the first quarter, but the network finished the year with $3 billion in ad revenues, almost equal to 1988.

CBS was the only Big 3 network to show improvement in 1989 with revenues increasing about 4% to $2.85 billion.

General Motors Corp. led all advertisers in network TV spending with $506.5 million, up 14%. Sears' spending shot up 118% to $187 million to rank ninth among network advertisers. Sears also upped its local/retail TV ad budget by 210%, spending $46.5 million to rank seventh among local/-retail advertisers.

In syndication, Philip Morris Cos. remained the top advertiser, spending $106 million, up 21%. Procter & Gamble Co. spent almost $88 million in syndication, a 39% increase, while Kellogg Co. more than doubled its syndication spending to $50.6 million from $23.4 million.

National and regional spot TV ad revenues totaled $5.4 billion, up 2.3%, TvB reported. Local TV spending increased 4.5% to nearly $5.1 billion.

The automotive companies, including dealer associations and all products and services, particularly helped push up the spot business.

GM ($350 million), Ford Motor Co. ($180 million), Chrysler Corp. ($166 million), Toyota Motor Sales USA ($164 million), Nissan Motor Corp. USA ($121 million) and American Honda Motor Co. ($86 million) all ranked among the top 10 national and regional spot buyers. Their spending increases ranged from 8% to 41%. □

Top 25 network television advertisers—1989

Rank	Advertiser	1988	1989	% chg
1	General Motors Corp.	$506,513,500	$443,402,300	14.2
2	Procter & Gamble Co.*	441,419,100	408,816,900	8.0
3	Philip Morris Cos.	368,373,000	388,601,800	(5.2)
4	Kellogg Co.	324,822,800	297,739,800	9.1
5	McDonald's Corp.	252,066,200	245,388,500	2.7
6	Ford Motor Co.	201,371,700	175,687,800	14.6
7	Kohlberg Kravis Roberts & Co.*	198,356,400	230,777,800	(14.0)
8	Unilever*	189,906,100	197,265,000	(3.7)
9	Sears, Roebuck & Co.*	187,511,300	85,900,600	118.3
10	Anheuser-Busch Cos.*	181,467,000	207,363,700	(12.5)
11	American Home Products Corp.*	176,182,800	180,449,000	(2.4)
12	Johnson & Johnson*	169,945,300	175,669,700	(3.3)
13	PepsiCo.	168,815,000	145,047,900	16.4
14	AT&T Co.	162,749,500	173,912,300	(6.4)
15	Grand Metropolitan*	148,215,600	95,822,600	54.7
16	General Mills	144,974,500	137,450,100	5.5
17	Chrysler Corp.*	140,580,800	163,229,600	(13.9)
18	Eastman Kodak Co.	137,517,300	144,751,100	(5.0)
19	Bristol-Myers Squibb Co.*	133,870,000	121,264,800	10.4
20	Toyota Motor Sales USA	110,846,900	64,193,100	72.7
21	Quaker Oats Co.	104,414,800	123,327,100	(15.3)
22	American Honda Motor Co.	101,012,500	91,884,400	9.9
23	Warner-Lambert Co.	100,825,600	111,071,700	(9.2)
24	Coca-Cola Co.*	98,905,500	119,090,700	(16.9)
25	Nestle*	89,891,800	72,700,100	23.6

*1988 data adjusted to reflect mergers, acquisitions, divestitures in 1989. Source: Television Bureau of Advertising from Broadcast Advertisers Reports data.

WHO SHOOK UP LAWRY'S 17 WAYS?

The same techniques that helped develop new Salt-Free 17 for Lawry's, Brownie Sundae™ for General Mills, Water Babies™ for Coppertone, The Magic Mushroom Air Freshener for Airwick, and new Cherry 7Up can spell success for you.

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- Our success rate;
- We're sensitive to your needs.

SALT-FREE 17: The brand new salt alternative from the #1 name in flavored salt, Lawry's.

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To find out more, call or write Sonia Kallen (914) 631-8800. 55 South Broadway, Tarrytown, NY 10591.

Schoenfeld, Chapman & Pearl

New Products/Brand Leveraging Consultants

Paint makers stir up ads

By Kate Fitzgerald

Rival paint marketers are about to splatter one another in a spring battle for America's walls.

Glidden Co. fires first with a $10 million network TV campaign breaking today.

Sherwin-Williams Co.'s Dutch Boy brand will counterattack in May with a major network TV campaign, upping its ad budget to $15 million from $4 million last year.

Both want a bigger share of the $2.5 billion consumer paint industry. Competition has intensified as use of house paint has fallen, while other types of surfaces gain popularity, marketers say.

Yearend figures showed Glidden edging ahead of Sears, Roebuck & Co. with a 13.5% market share. Sears' Weatherbeater, Easy Living and other brands had 11.8% and Dutch Boy had 6.9%. Overall, Sherwin-Williams brands have about 20% of the market.

Both Glidden and Dutch Boy are previewing their ads at the Home Center Show in Chicago this week, vying to increase distribution of their products through the fast-growing do-it-yourself retail channel.

"The paint market is suffering from the loss of paintable surfaces," said Charlie Carpenter, Glidden VP-marketing services. "More new homes are being built with various wall coverings, along with more wood paneling, acoustical surfaces, solar panels and windows. There are fewer walls around to paint."

Glidden's four 15-second TV spots—its first new creative in two years—claim more people have switched to Glidden in the past five years than to any other brand.

Against original versions of "Stormy Weather" and "Whole Lotta Shakin' Goin' On," Glidden's new spots stress durability. Print starting May 1 supports. Meldrum & Fewsmith, Cleveland, handles.

"Dutch Boy and other paint marketers are going after yuppies, but yuppies don't buy paint," Mr. Carpenter said. "The biggest market is people between 35 and 55 who are rehabbing homes they already own."

Dutch Boy's TV campaign takes a "more positive" approach to marketing paint, said Pete Balint, director of advertising and marketing.

"The other paint marketers have turned people off to painting their homes through negative ads that talk about paint peeling, cracking and wearing out," he said. "Our approach is to make people really look forward to painting their homes—to want to paint."

The five new 15- and 30-second spots show a group of young people joyously painting a huge old home, with before-and-after glimpses. The spots are themed "The look that gets the looks."

Support in consumer magazines is planned. Griswold Inc. handles.

Dutch Boy also expects to see its market share grow through increased distribution.

Sears agreed to distribute Dutch Boy in its stores nationwide, starting March 1, as part of its move to offer more national brand names. □

WORLD NEWS ROUNDUP

■ **London—Burger King,** part of Grand Metropolitan Retailing, broke a $16 million TV campaign last week via D'Arcy Masius Benton & Bowles.

■ **Sao Paulo—MTV: Music Television** will be launched here this summer via a new UHF channel owned by Editora Abril Publishing. Duailibi, Petit, Zaragoza Propaganda will handle the $1.5 million campaign for MTV's first Latin American venture.

■ **London—TSB Banks** moved its $24 million account to Dewe Rogerson from J. Walter Thompson Co.

■ **Hamburg—Stern** magazine, published by Gruner & Jahr, moved its account to Backer Spielvogel Bates subsidiary Scholz & Friends from Michael Schirner GmbH, Duesseldorf.

■ **Canberra—Cigarette** ads at televised Australian sporting venues have been threatened by a Federal High Court decision convict-

(Continued on Page 56)

SPECIAL REPORT

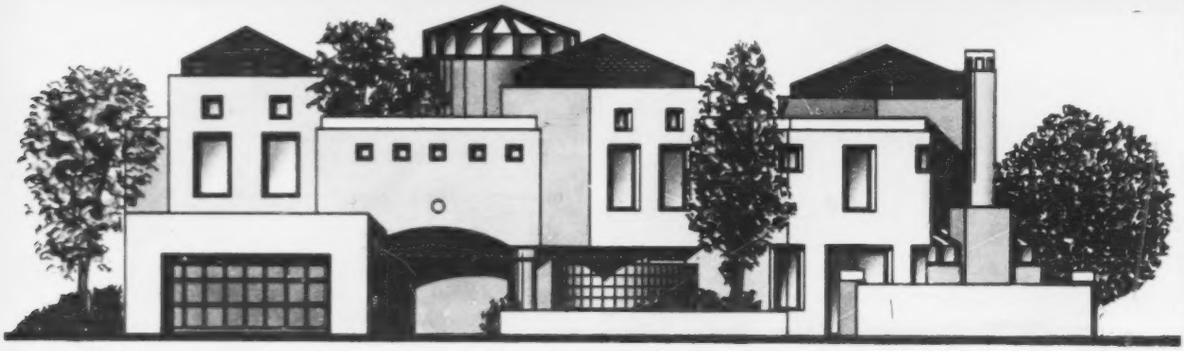
House & Home

Edited by Therese Kauchak

More in less S-2
Space-saving, efficient appliances due.

Country books still chic S-6
But other home categories emerge.

Homebody S-8
Martha Stewart sets the table for '90s.



House of the '90s opens up

Kitchen major ingredient in new product, marketing plans

By Lori Kesler

The house of the '90s may look like its Ozzie and Harriet ancestors from the exterior, but the interior will feature an openness and dedication to form and function that George Jetson might find comforting.

Interior structure will undergo drastic changes as rooms are redefined and merged in patterns that owe more to pragmatism than tradition, as shown on this page in the 5,000-square-foot "House of the 1990s" designed by Berkus Group Architects.

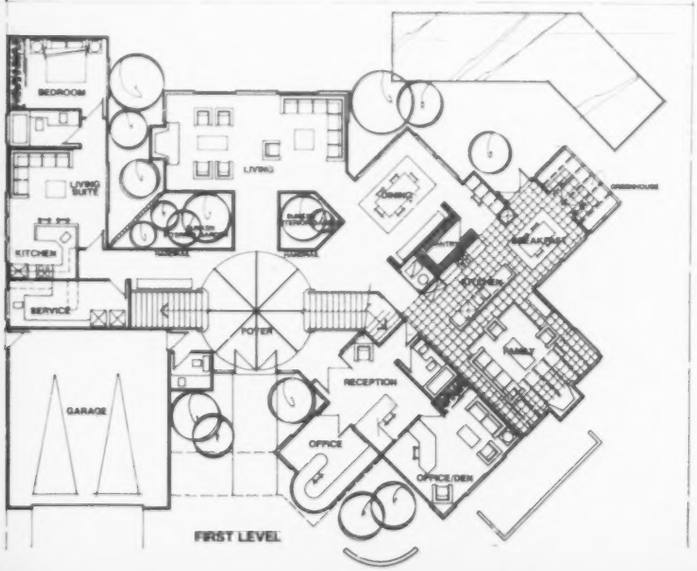
Home furnishings and appliances marketers will adapt to this spacial redefinition with products that allow for more flexible use. Formal furniture and sterile kitchen appliances will take on a more relaxed style, so they will be at home as much in a living room as in a kitchen.

The hub of family life will be a warmer, friendlier kitchen with an adjoining family living area, says Pamela Sutcliffe, publicist, Berkus Group.

Other experts agree, hinting at sweeping changes in home design and home product marketing.

Dorothy Kalins, editor in chief of *Metropolitan Home*, says the kitchen will be the family's prime gathering spot because it's a magnet for family members in the early evening.

SECOND LEVEL



FIRST LEVEL

"Working families these days are very busy," says Tom Jackson, building and environmental editor of *Better Homes & Gardens*. "When they collide in the house at 5 p.m. or 6 p.m., they want to make the most of the time they have together."

With people spending more time in the kitchen, appliance and furnishing design will change to make the room "more homey and less like an insecticide factory," says Ms. Kalins.

"In the 1970s and '80s, we wanted the cool European-style kitchens," says Joseph Ruggiero, editor in chief of *Home*. "Now we're going back to Grandma's house, with a fireplace in the kitchen, maybe a wood-burning pizza oven, a home-canning center and a vegetable garden outside the back door."

The Berkus Group house includes a kitchen with a self-contained living and dining area. This reflects a trend in home design "to bring the family together rather than scatter them in all directions," says Mr. Jackson. He adds that kitchen and family areas will be separated only by half-walls and pass-throughs.

"The kitchen will spill out into the family room, and the living and dining rooms will flow into

(Continued on Page S-2)

Berkus Group Architects' "House of the 1990s" includes apartments for live-in kids and grandparents, anticipating demographic shifts and the return of the nuclear family.

BAROMETER

Go to your room!

How many times have you heard that as a child, or said it as a parent?

Far from being a place sent to for punishment, the bedroom is viewed as a sanctuary, according to results of an exclusive Gallup Organization/*Advertising Age* survey of 1,000 adults.

And while futurists say the kitchen will become the center of the household, the living room currently commands top billing.

And if you're a creative director trying to picture where your ads are being seen, heard and read, look below. Context can be everything.

In which room do you spend the most time:

Watching television?
57% living room
15% family room
11% den

Listening to radio?
26% living room
26% bedroom
20% kitchen

Reading newspapers?
43% living room
18% kitchen
11% family room

Reading magazines?
44% living room
18% bedroom
11% family room

Together as a family?
48% living room
14% family room
10% kitchen

Eating?
55% kitchen
26% dining room
12% living room

Talking on the telephone?
36% kitchen
25% living room
13% bedroom

Arguing?
23% living room
22% kitchen
8% bedroom

In which room:

Do you spend the most time by yourself?
33% bedroom
22% living room
9% kitchen

Does your spouse spend the most time alone?
18% bedroom
18% living room
7% kitchen

Do your children spend the most time alone?
28% bedroom
7% living room
2% family room

Which room is your sanctuary?
41% bedroom
19% living room
7% den

Source: Gallup Organization/*Advertising Age*
Note: Top three responses to each question provided.

Doug Goodman

Louis Oliver Gropp

PEOPLE TO WATCH

Combine a new concept in shelter publishing with the *Elle* name and what results? Readers and advertisers.

The premiere March issue of *Elle Decor*, a Diamandis Communications publication based on the concept that readers want a magazine that presents a less regimented, more personal approach to interior design, carried 60 pages from such upscale marketers as Chanel and Mercedes-Benz. The initial rate base is 200,000; more than 30,000 already have subscribed.

The real challenge in launching any magazine is for the finished product to somewhat resemble the vision that inspired it.

That's where Louis Oliver Gropp comes in.

Mr. Gropp returned to publishing in January when he left his post as VP-design and creative services at fabric manufacturer WestPoint Pepperell to become *Elle Decor's* editor in chief.

The 54-year-old journalist is no stranger to the shelter magazine field. In fact, he's a grizzled 30-year veteran best known for his early-to-mid 1980s stint as editor in chief of Conde Nast Publication's *House & Garden*.

Contacted by Diamandis execs late last year, Mr. Gropp accepted the *Elle Decor* post without hesitation.

"Their vision of the magazine was one that I could easily embrace," he says. "It was a very good fit for me."

The typical member of the *Elle Decor* audience, says Mr. Gropp, is "an *Elle* reader who was never a shelter book reader, who will find in this book the kind of coverage she was accustomed to as a young *Elle* reader.

"The thing that sets *Elle Decor* apart from its fellow travelers in the shelter field is that it's going to be an interesting combination of wonderful rooms and homes and gardens and the connection to those things that make them magical. If we do a piece on gardens, we might do a separate story on colorful flower pots."

—*Scott Donaton*

Country as chic as it ever was

But while the niche turns into a groundswell, other categories are emerging, with traditional and personal leading the way for publishers

By Scott Donaton

HOME READING

In magazine publishing, 12 years is a long time for one niche to stay hot, but country magazines have somehow managed to do just that.

Since the debut of Hearst Corp.'s *Country Life* in 1978, at least 30 titles have crowded the niche, which is still growing. Hearst will test the upscale *Countryside* this fall.

Despite country's lasting success, magazine publishers and editors are looking ahead, wondering what niche will next set the home magazine category on fire.

Two subcategories mentioned most often as likely contenders are traditional, actually an extension of the country category, and personal, which is named as both a new niche and a style that can be translated to existing home magazines.

"I believe the move is on towards traditional," says Jerry Ward, publisher of Meredith Corp.'s Better Homes & Gardens Special Interest Publications group. Mr. Ward, who also serves as publisher of Meredith's *Traditional Home*, admits he is biased, but says, "Traditional just seems to be the most important movement right now and it parallels the whole resurgence of traditional values and ideas."

Several publishers echo Mr. Ward's theory.

"There seems to be great interest in things traditional," says Thomas Losee Jr., publisher of Knapp Communication's *Architectural Digest*. "The stage is set from a sociological standpoint. People are hungering for more traditional values."

The traditional category includes *Traditional Home*, country books and any home magazine devoted to a basic lifestyle. Industry observers say people were interested in reading about such a lifestyle in the 1980s but are now ready to live it.

The second category they predict will heat up is less clearly defined: It is dubbed, for lack of a better word, "personal."

For example, Diamandis Communications' *Elle Decor*, which debuts in March, maintains that an individual's personal taste will play a larger role in interior design decisions in the coming decade.

"There will be a growth of individual styles of decorating," says Stephen Burzon, publisher of Meredith's *Metropolitan Home*. "I see an eclectic or personal style, a fashionable way of decorating that mixes country and contemporary, traditional and classic."

"Each [home] magazine in the market has a very specific style. It might be country or contemporary," says *Elle Decor* Publisher Polly Perkins. "What is unusual about *Elle Decor* is you can put it

Gimme shelter

Top 10 home decorating magazines

Title	1989 Ad pages	% change
Architectural Digest	1,892.32	2.7
Metropolitan Home	**1,228.31**	**15.1**
Country Living	1,106.38	-1.2
HG	**998.32**	**-11.8**
House Beautiful	818.30	-4.4
1,001 Home Ideas	**699.74**	**2.5**
Home	675.68	-7.3
Country Home	**453.14**	**25.2**
Victoria	417.95	145.0
Colonial Homes	**358.82**	**-2.6**

Source: Publishers Information Bureau

Genius

(Continued from Page S-2)

vices at researcher LINK Resources. "By the end of the '90s, we'll see 40-inch flat-screen sets for about $4,000."

Mr. Rosen estimates only high-end consumers, representing about 3% of the TV-buying market, will be active targets for these high-priced sets. "Prices will have to be $500 to $700 for the rest of society to jump in," he says.

Some industry sources suggest the price drop will occur much earlier if the right production technology is found.

The most imminent technological improvement for TV is Improved Definition Television, which uses digital technology to produce better pictures and allow picture-in-picture features.

IDTV sets priced for less than $2,000 will be out within the next two years, says David Bolotsky, consumer electronics market analyst for Goldman, Sachs & Co. "But I don't see the product taking off until the price point becomes less than $1,000."

Enhanced Definition TV, which requires FCC approval, also may be out before HDTV.

The market potential for both IDTV and EDTV depends "to a great extent on pricing," says Mr. Bolotsky. "There's no reason, if the pricing is right, why sometime down the road [sales of IDTV and EDTV sets] couldn't be half the market or more."

Laser discs, once considered dead, have returned because their resolution is considered superior to tape's and combination units that also play audio CDs have become available.

"Laser discs didn't have an auspicious beginning, but sometimes timing changes things," says Mr. Hametz.

Sony Corp. is expected to push personal video products that combine TVs with VCRs, but it's difficult to predict whether they will catch consumers' fancies as did the original Walkman.

Sony's Video Walkman, which

Golden goose of '90s: Home office items

By Jacquelyn Bivins

OFFICE IN THE HOME

The long-predicted advent of the "electronic cottage" may finally be at hand. The concept of home businesses may not be new, but the anticipated explosion in the number of people working out of their homes in the future is.

The Berkus Group prototype design of the home of the '90s shown on Page S-1 allows for such an eventuality: It includes his-and-hers offices and space for a receptionist.

Manufacturers are preparing for an increased demand for high-tech home office equipment, confronting primarily a logistical problem of better targeting ad messages to home workers.

The numbers are compelling. By 1993, close to 38.5 million people may be working at home, according to LINK Resources' National Work-at-Home survey, up 55.2% from 1988. Home-based workers will make up 30.6% of the total U.S. labor force by 1993, according to the survey.

Growth in home office product sales are outdistancing the overall consumer electronics market, according to the Electronic Industries Association. In 1989, home office products (including cellular phones) represented $6.9 billion of the $32.2 billion industry. Home office product sales jumped 15% from 1988 to 1989 while total industry sales grew 6%.

The home office is not just a spin-off of big-city business, says Tom Lauterbach, VP-communications for EIA. "It is no longer a Chicago, New York or L.A. phenomenon," he says, but is affecting "more 'C' and 'D' counties."

It also is spreading beyond home workers simply adding an extra phone line and a word processor. "Whether it is because you are a salesman, a two-income family doing some work at home or an entrepreneur, five years from now most people with a home office will have a [personal computer], use a fax and do desktop publishing," says William Kopp, Panasonic Co.'s VP-communication products. "You won't be able to survive with a four-function calculator."

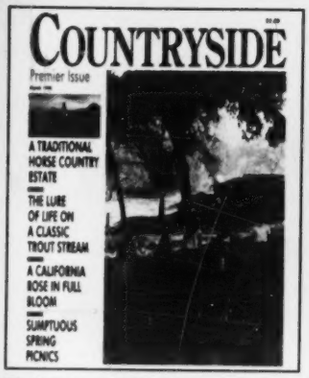
Panasonic is expanding its line of home office products, says Mr. Kopp. New facsimile and answering machines announced in January offer additional features tailored to home office needs.

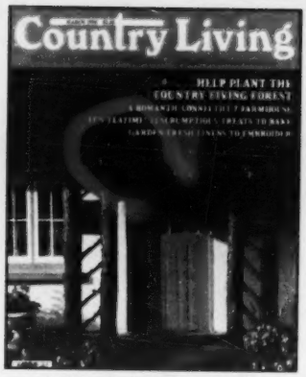
Few suppliers currently are targeting advertising to home workers because of a lack of targeted media, says Jack Nilles, president of JALA Associates, a research company studying the market. Most home-based workers, heavily dependent on computers, "read one or more of the computer publications, but when it comes to advertising, there is very little there for them," he says.

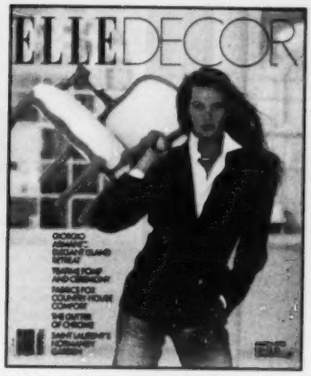
Mr. Nilles says he expects home office product advertising to develop within a few years. "We're already seeing some shift in how companies are looking at advertising to this market. Magazines such as *Home Office Computing* and the support they are receiving by some companies, particularly Japanese marketers, shows how they are now starting to better target this market," he says.

"I expect to see other [print] vehicles being developed to reach this market. These vehicles will be more effective than current direct-mail efforts," Mr. Nilles says. □

Jacquelyn Bivins is a free-lance writer based in Caldwell, N.J.


COUNTRYSIDE
Premier Issue
A TRADITIONAL HORSE COUNTRY ESTATE
THE LURE OF LIFE ON A CLASSIC TROUT STREAM
A CALIFORNIA ROSE IN FULL BLOOM
SUMPTUOUS SPRING PICNICS





The home magazine category continues to expand; titles include: *Countryside, Country Living, Elle Decor* and *Metropolitan Home*.

in a room with three people [each with different design tastes] and each will tell you it's a magazine for them."

Elle Decor seems to have hit a nerve. A test issue of the monthly published last fall carried 64 ad pages. And the magazine has pulled in more than 30,000 subscriptions prior to its launch.

While magazine executives admit the personal field may not become as crowded as country, it is likely existing titles will add the personal philosophy to their editorial formulas, adopting to some degree *Elle Decor*'s "imagination, not imitation" slogan.

Existing titles such as *Metropolitan Home* already are positioning themselves as competitors to *Elle Decor*. And *Architectural Digest* is talking about the move to more personal style.

"It's now OK to mix different things in the house," Mr. Losee says. "In the past people were structured, but now there's so much more freedom of expression and a willingness to experiment."

Mr. Losee will not say whether *AD* will address the personal niche editorially, but acknowledges, "We try to react as best we can to trends."

But industry observers say the personal category is limited and question how many magazines it can support.

For one thing, the personal-style segment is not likely to attract new advertisers to home magazines, say insiders, leading to greater fragmentation of the advertising universe.

However, the personal segment is attracting a new type of product to shelter publications, says Ms. Perkins.

While the traditional and personal subcategories grow, industry observers predict the country category will stay hot in the '90s and continue to expand.

"Everything that's beginning sociologically is adding to the country fires," says John Mack Carter, editor in chief of *Good Housekeeping* and director of magazine development for Hearst. "People . . . feel they've lost something in the past, and they've found they can restore that through the country style."

Mr. Carter and others say the new generation of home magazines will likely approach country design from a less whimsical, more European-influenced angle, attracting a different class of shelter book advertiser.

Countryside, for example, is actually modeled after the British *Country Living*. He expects *Countryside* will attract advertisers of more sophisticated, high-end products. □

combines an 8mm VCR and small TV, is selling "for about 20 times the price of the audio Walkman—about $1,999," says Mr. Bolotsky. "But if marketed properly, portable video or TV could be very big."

"If marketed properly, portable video or TV could be very big."

He says the products' biggest obstacles are price, portable video's traditionally poor picture quality and lack of films available in 8mm format.

With marketers seeing lower growth in most segments, they will look to niches, such as the one Sony has targeted with My First Sony children's line.

"You will see more lifestyle-oriented product," says Mr. Mehrotra.

After seeing TV sales grow from 11 million to 22 million in the past decade, marketers will have to look for growth from new marketing techniques, he says.

"Instead of thinking of televisions as boxes, we will have to come up with added-value marketing ideas." While he would not disclose specific plans, Thomson's recent participation in tie-in promotions with McDonald's Corp. indicates what may be a big trend in consumer electronics in the near future. □

Exclusive Listing: Gr. Location. Qlty. Construction. Good Neighborhood. Real Value. Won't Last.

One of the best values on the real estate market this year doesn't have any doors or windows or a mortgage at any rate. It's the U.S.News Homeowner's Guide–our cover story on the state of the housing market.

The Homeowner's Guide covers all the bases including: Buying and selling. Home financing. Renovations and repairs. Renting. Home technology.

For home market advertisers it's a real find. The Homeowner's Guide will reach more adults who own quality homes* than House & Garden, Architectural Digest and Practical Homeowner combined.

So, if you're serious about reaching the home market, don't miss the best buy in the market this year–the U.S.News Homeowner's Guide coming April 9.

Issue Date: April 9 **Closing Date: March 23**

Contact Special Sections Manager, Susan Rafter, (212) 326-5304 about the special cable tie-in and bonus circulation.

U.S.News & WORLD REPORT
NEWS YOU CAN USE

Source: MRI, Fall 1989
*Adults who own a home worth more than $100,000

ADREVIEW

An unwanted comrade jumps on 'Soviet chic' bandwagon

(Rating: ★ ½)

By Bob Garfield

Garfield

"Soviet" brand jeans from Seattle, huh? Now there's an econopolitical mixed metaphor for you.

Jumping on the Big Thaw like a cheap suit, Seattle Pacific Industries is taking the ultimate symbol of Western bourgeois culture, the blue jean, and marketing it in the U.S. with a brand name signifying the very building blocks of the Red Utopia.

Karl Marx is probably turning in his grave, and so is Levi Strauss, I'll wager. We're talking after all about the quintessential American garment, the Western consumer product which—as a black-market staple most epitomizing the U.S.S.R.'s subterranean economy—contributed as much as the Strategic Defense Initiative to the current collapse of Soviet communism.

Scenes of confrontation, and the out-of-context use of the Russian language, make for a striking and extremely obnoxious introduction to Soviet sportswear.

Ochen stranniy, tovarishch.

Yes, comrade, very strange indeed. Apart from the fact that the marketing of "Soviet" sportswear is basically a Western enterprise, and beyond the irony of exploiting communist iconography for its profit potential, there is a central illogic to the whole thing—like an M.C. Escher print that seems at first glance to defy the physical limitations of 3-D space.

And that's before you even get to the advertising, which pits Japanese against American and black against white in order to deliver the *glasnost*-referencing Pollyannaism: "Work it out."

One of three 30-second spots from McCann-Erickson Worldwide, Seattle, depicts a fenced-in manufacturing plant of some kind. It's apparently a Japanese-owned plant in the U.S., and the American workers for some reason are locked outside the gate. After some shouting—in Russian, and don't ask me why—the Japanese steward opens the gate to let the Americans in.

In another spot, set on a New York street corner, a pair of Italian youths walk into a pair of black youths. Menacing glares are exchanged before they mutter something to one another—again in Russian—and pass without incident.

The third spot involves a confrontation between a black city gang and a rival gang member. I don't know what happens; the action is too confusing, but they do WORK IT OUT.

Penetrating social commentary from America's fashion industry.

"The spread of drugs, gang warfare, racism, etc. are a legacy of the 1980s that we hoped would go away but didn't," press-released Creative Director Jim Walker of McCann. "The phrase 'Soviet' reflects the attitude of the '90s, an international attitude, an attitude of hope. 'Work it out' sums up not only the attitude, but the work clothes' design principle behind the label."

Gag me with a spoonski.

Quick, notify the Ministry of Ideology and alert the People's Deputy Commissar for the Defense Against Counterrevolutionary Trivialization. Tell him an American company has hired Soviet fashion designers to help make mockery of the East-West peace process, the stakes of which are nothing less than the future of civilization.

Or call David Letterman and have him stoke up the Top 10 machine. Do something, because the last thing we need in the volatile midst of geopolitical turmoil is some pretentious blue-jean company spewing puerile moralisms at us.

It's all well and good that American marketers are moved to acknowledge major geopolitical changes and the prospects for deliverance from the nuclear guillotine. Maybe Quintessence and AT&T Co. seemed excessively ardent, or out of place or even crass in posing by the Berlin Wall, but you sensed that their heart was probably in the right place.

Not so here. While you can't blame Seattle Pacific for trying to make a big American buck off of Soviet chic, you can absolutely blame them for dishing out this insufferable pseudo-commentary—philosophical pablum that contaminates and overwhelms what otherwise would be unusually stunning work.

Chris Blum's cinematography is splendid. Norman Durkee's cello/piano/electric guitar/percussion music is riveting. And the notion of Russian words tumbling from proletarian American mouths would have been wonderful—in another context. Inscrutability in fashion advertising works. Sermonizing does not.

But, heck, as long as we're preaching to one another here, and in the spirit of global understanding, here's some advice to Seattle Pacific:

Throw it out. □

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

Magazine tobacco ads

(Continued from Page 3)

Sullivan recently asked publishers to start carrying public service messages warning about the dangers of smoking.

"You'd have to have your head in the sand not to realize that with people like Kennedy and Sullivan, there's going to be a lot of excitement in Washington," said James Guthrie, exec VP-marketing development for the Magazine Publishers of America.

"When the opposition is this strong, smart businessmen have to consider their options," he said.

A recent study sponsored by the Leadership Council on Advertising Issues--a coalition of advertising, agency and media executives—detailed the possible consequences of a ban on tobacco advertising.

According to the report, as many as 165 magazines would fold without tobacco advertising. Magazines most likely to be seriously wounded include large-circulation general-interest titles, such as *Time, Sports Illustrated, People, Newsweek* and *TV Guide*, the report indicates *(see chart on Page 3)*.

Resistance to anti-tobacco legislation is by no means waning, however. The MPA said it recently asked its members to lobby Congress, and representatives of the Freedom to Advertise Coalition testified at hearings last month in opposition to Sen. Kennedy's bill.

"I firmly believe reason will prevail," said Reginald K. Brack Jr., chairman, president and ceo of Time Inc. Magazine Co. "There is still enough compelling evidence offered at the hearings for these bills that it is unlikely legislators will render a legally sold product illegal to advertise."

However, during a speech in January before the Advertising Club of New York, Mr. Brack told his audience, "You know about the numerous legislative threats to tobacco advertising. If, and hopefully a big if, they reach the floor of the House, any one of them would pass with a landslide."

Mr. Brack insisted Time Warner has no formal plan for dealing with a tobacco ban.

"We do, in all of our planning, try to be conservative," he said.

The MPA's Mr. Guthrie pointed out that publishers have already been forced to lessen their dependency on tobacco in recent years.

According to Publishers Information Bureau figures, tobacco spending in magazines—which totaled $401.5 million last year—has been basically flat since 1983, rising a total of less than 1%. In the same period, total consumer magazine ad revenues rose 69% to $6.4 billion.

In 1983, tobacco was the second-largest magazine ad category in terms of revenue. Last year, it ranked sixth, behind No. 1 automotive, No. 2 toiletries and cosmetics, No. 3 business/consumer services, No. 4 direct response and No. 5 food.

The flat spending resulted from tobacco companies shifting spending from magazines to trade and consumer promotions, outdoor and regional efforts. Adding to the trend was R.J. Reynolds Tobacco Co.'s decision to cut magazine spending by more than 25% in 1990.

"The long-term trend has been a downward appearance of tobacco advertising," said Bill Kerr, president of The New York Times Co. Magazine Group, publisher of *Family Circle* and *McCall's*, among others. "Tobacco is a market that will dwindle over time, so we have to work hard to bring in new categories, new lines of revenue."

"We recognize the possibility that tobacco advertising may be legislated away at some point," said Joseph Cece, president-publisher of *TV Guide*. "There's no grand plan, but it's in the back of every publisher's mind. What happens if this advertising goes away entirely?" □

Coke II

(Continued from Page 3)

own personality and wasn't supported by many Coca-Cola bottlers.

"It's a good brand, but a lot of people didn't give it a fair chance," said Morris Strickland, VP-sales and marketing at Quachita Coca-Cola Bottling, Monroe, La. "It has a stigma that it has to overcome. But once it's born on its own, then it's going to be possible as a fighting brand. . . . I'm excited about it. We're clearing the air for once and for all."

Coke II is the same formula as new Coke with a new package, a new name and new advertising via McCann-Erickson Worldwide, New York. The package is red with white lettering outlined in blue—the colors of the Pepsi can.

A Coca-Cola spokesman said Coke II will be positioned as having "real cola taste plus the sweetness of Pepsi," but he declined to discuss specifics about the advertising campaign.

Coke II is likely to turn the tables on Pepsi by making Pepsi appear old-fashioned. That's the same strategy Pepsi has been using on Coca-Cola Classic for years. Ads also are expected to name and directly attack Pepsi.

Some industry observers said Coca-Cola is making the changes to exorcise itself from the new Coke fiasco, which is raised each time the company tries to promote the brand.

"It's become a corporate embarrassment," one executive said.

Marketing executives were divided over whether Coke II is a good idea.

Mr. Ries of Trout & Ries said it's not a good strategy.

"Leaders ought to be leaders; they shouldn't be introducing me-too products," he said.

Some industry observers said Coca-Cola is making the changes to exorcise itself from the new Coke fiasco, which is raised each time the company tries to promote the brand.

But Allen McCusker, principal of the Canaan Parish Group, called the strategy a great idea. He said it will enable Coca-Cola to draw in young consumers and gain their loyalty early.

"It's always easier to move a consumer to another brand in the family than to get them to switch from one brand to another," he said. □

INDEX TO ADVERTISERS

AAF . . . 53
ADR Management . . . 12W
Advertising Age . . . 23,39,52,55,59
Aladdin Litho . . . 74
Beemak Plastics . . . 77
Brides Magazine . . . 5
Catalina Marketing . . . 67
Chief Executive . . . 73
Colonial Homes . . . 24/25
Comedy USA Industry Guide . . . 74
Cooking Light . . . 80
Country Living . . . 7
Crain's New York Business . . . 60
Diamond Vision . . . 74
Family Handyman . . . 21-22
Fasteners for Retail . . . 74
Forbes . . . 79
Fortune . . . 65
Game Show Placement, Ltd. . . . 67
Garbage Magazine . . . 77
Graphic Calculator Company . . . 75
Hammermill Paper . . . 47-48
HA! . . . 13,14/15
Hearst Corporation . . . 18/19
Home Magazine . . . S-3
Home Office Computing . . . 8
In Health . . . 66
Information Publishing Corporation . . . 57,77
Will Jordan . . . 57
Ladies' Home Journal . . . 10/11
Life . . . 27-38
Los Angeles Magazine . . . 43
Men's Health . . . 61
Midwest Decalcomania Co. . . . 74
Movies USA . . . 75
Namelab . . . 58
Namequest . . . 58
National Association of Realtors . . . 50
Nickelodeon . . . 45
People . . . 17
Perrygraf . . . 46
Pro-Tel Marketing . . . 12E,12MW
Rayod House . . . 67
Schoenfeld, Chapman & Pearl Inc. . . . 4
Sounds of Chicago . . . 12MW
Turner Broadcasting System . . . 40/41
TV Guide . . . S-4/S-5
University Microfilms International . . . 58
US Magazine . . . 9
U. S. News & World Report . . . S-7
Victoria . . . 51

NEWSPAPER

Advertising Age

March 19, 1990

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LAST MINUTE NEWS

Heublein, Y&R split

FARMINGTON, Conn.—Heublein and Young & Rubicam announced Friday they will part ways effective June 15 on the estimated $15 million-to-$17 million Heublein account. A Heublein spokesman said the company wants "a new strategic direction for the brands as the beverage alcohol business becomes increasingly competitive." The account includes Jose Cuervo tequila, Finlandia vodka, Mouton-Cadet wines, Christian Brothers brandy, Heublein cocktails, Truffles liqueur, and Beaulieu Vineyard, Lancers and Inglenook wines. Cuervo was earlier rumored to be in jeopardy at Y&R, but Heublein denied it (AA, Oct. 8). Heublein hasn't begun a review but is "exploring all options" and hasn't ruled out going to a boutique shop. The company also said it hasn't decided whether it will appoint more than one agency for the brands. McCann-Erickson Worldwide, New York, is Heublein's other main agency.

Former exec hits RSCG

LONDON—KLP International Managing Director Gerry Postlethwaite said last week he's been fired by RSCG, which recently acquired KLP Group. Mr. Postlethwaite is threatening legal action against RSCG for breach of contract. He said he's also trying to recoup money owed to him through both a service contract and a separate sales contract arising from the 1988 sale of his 25% stake in KLP International to KLP Group. RSCG didn't return calls.

Fox studio names finalists

LOS ANGELES—20th Century Fox Film Corp. said finalists for its estimated $30 million spot media-buying account are incumbent J. Walter Thompson USA, BBDO Worldwide, Bozell, Campbell & Wagman and Young & Rubicam, all here. A decision is expected April 2.

Continental nears pick

HOUSTON—Continental Airlines today may select Lintas:New York or

(Continued on Page 8)

INSIDE

Get animated ..... P. 4
Fox Broadcasting's "The Simpsons" moves into the merchandising spotlight.

Riney talks ..... P. 68
Hal Riney says forget an agency sale. . . . but maybe a merger.

See P. 30

Ad-tax fight moves north to New York

By Jon Lafayette and Steven W. Colford

A plan to apply a 4% sales tax to advertising has surfaced in Madison Avenue's own back yard.

The proposal, still in the preliminary stages, from New York state Assemblyman Edward Sullivan (D., Manhattan) would tax newspaper, TV and radio advertising but not creative services. The tax would raise an estimated $252 million.

Assemblyman Sullivan floated his trial balloon in a letter to fellow lawmakers. The letter also raised the notion of taxing a list of other professional services.

"Tax-raising proposals such as Assemblyman Sullivan's require even greater vigilance from the ad community because the chief sponsor is a committee chairman," said Dennis Brown, executive director of the industry's State Advertising Coalition.

Assemblyman Sullivan, 56, chairman of the Committee on Higher Education, may see the tax as a means of providing more funds for education in the state.

New York is but the latest battleground for a growing number of tax initiatives aimed at advertising. The state appears to be picking up the baton barely a week after Kentucky Gov. Wallace Wilkinson backed down from his ad-tax legislation.

In addition to the Sullivan letter, New York Assemblywoman Nettie Mayersohn (D., Queens) has introduced a measure into the New York Assembly that would levy a 7% sales tax against creative services used to produce tobacco advertising.

"A sales tax will help to discourage the advertisement and sale of printed material that promotes and induces the use of cigarettes and other tobacco products medically proven to cause cancer," said a state memorandum attached to the Mayersohn bill.

The measure has been assigned to the Ways & Means Committee, but no hearing has been scheduled.

Nearby Rhode Island appears to be another hotbed of ad-tax legislation.

Sen. Richard Patterson (D., Providence) has introduced a measure to attach a 6% sales tax to classified advertising. The bill is under consideration by the Senate Finance Committee.

Sen. John Bevilacqua (D., Providence) is chief sponsor of a bill to repeal advertising's exemption from sales taxes.

Russell Dannecker, fiscal adviser to the state Senate, said that proposal could raise

(Continued on Page 67)

Shops to clients: Pay up

4A's members call for an end to free services

By Jon Lafayette and Cleveland Horton

PALM DESERT, Calif.—Ad agencies are demanding that clients pay for services formerly provided free, and are getting even tougher with financially troubled clients.

The clarion call for this new get-tough attitude was sounded at the American Association of Advertising Agencies' annual meeting here by Martin Sorrell, chief executive of WPP Group.

"In every other business I know, marketing strategies of this kind demand huge and totally justified prices," Mr. Sorrell said. "In the agency business, however, we give them away with the ads."

He warned that agencies risk becoming little more than "ad factories" unless they start charging for the marketing and analysis they provide.

Mr. Sorrell's comments were in sharp contrast to Chrysler Corp. Chairman Lee Iacocca's call in 1987, when he asked the Four A's membership: "What have you done for us [clients] lately?"

"The worm has turned," Robert L. James, chairman-ceo of McCann-Erickson Worldwide, New York, said in an interview during the meeting. "Now we tell clients who want us to, say, put on a sales meeting for them, that they'll have to pay for it. It's not a trend yet, but it's the beginning of a trend."

Jack Kraft, Leo Burnett Co. vice chairman, said agencies are getting more "businesslike. . . . They are not as ashamed to talk about money."

He said Procter & Gamble Co.'s decision a year ago to pay agencies "fairly" for all services is a big factor in getting other clients to follow.

The other services include public relations, sales promotion, direct marketing and package design—all part of what Four A's President John O'Toole called "the new advertising."

The Four A's new chairman, DDB Needham Worldwide Chairman-CEO Keith Reinhard, said he hopes to invite some marketers to join a committee that would study examples of situations where integrated marketing has worked and where it hasn't.

"Structural reforms might be suggested on both sides, and compensation reforms might be indicated," Mr. Reinhard said. "If we can get our act together, we can build brands quicker. It would bring more revenues to the members and more

(Continued on Page 66)

Doug Goodman

Keith Reinhard (l.), new chairman of the American Association of Advertising Agencies, with Alexander Kroll (c.), newly elected vice chairman, and John O'Toole, Four A's president.

'Green' monster

Cry goes up for uniform ad standards

By Bob Geiger

ST. PAUL, Minn.—A cry for national ad standards for "green" marketing rose from the first environmental marketing forum.

Virtually every marketer who testified at the March 14-15 forum said national ad standards are needed to clear up the confusion.

The forum, drawing nearly 100 marketers, special-interest groups and representatives of state and federal governments, proved even advertisers disagree about claims that products are biodegradable or environmentally beneficial.

Kari Kamena, director of governmental affairs and public relations for Dow Chemical Co., said Dow has found that biodegradable plastics won't break down completely in landfills.

"I don't necessarily buy [Dow's finding], OK?" said Susan Shelton-Foley, VP-marketing of RMED International, marketer of "biodegradable" TenderCare disposable diapers.

Representatives of American Enviro Products, Archer Daniels Midland Co., First Brands Corp., James River Corp., Procter & Gamble Co., Webster Industries and others spoke before a panel that included representatives of eight state attorneys general and the Federal Trade Commission's Bureau of Consumer Protection.

"The fact that so many companies are here suggests the industry itself recognizes that there's confusion," said Barry Cutler, director of the FTC bureau. "I would be disappointed if private industry didn't act to establish [environmental marketing] guidelines and regulations."

Minnesota Attorney General Hubert H. Humphrey III, head of the group of attorneys general calling for environmental ad standards, opened by saying, "The promise of this green revolution is too important to squander. But already it is at risk—at risk from confusion, at risk from half-truths and innuendo, at risk from deception."

Green marketing is expected to sprout in the 1990s, fueled by concern for the earth's ozone layer and decreasing landfill capacity.

Phrases such as "environmentally friendly," "safe for the environment," "biodegradable" and "recyclable" presumably would require marketers to prove claims.

But definitions must be established before any federal or state regulations can be set. For example, First Brands' Glad plastic trash bags carry the claim "safe for the environment."

That doesn't mean they're biodegradable, said Patrick O'Brien, First Brands director of solid-waste issues management. He said it means Glad bags won't harm the environment if they're put in a landfill.

Robert Barrett, Mobil Chemical Co. general manager of solid-waste management solutions, acknowledged that advertisers are sending confusing messages to consumers. He also said he's disappointed Mobil isn't seen as a solution to the problem because it manufactures products included in the controversy.

Mobil's Hefty degradable trash bags are packed in a green box displaying an eagle and pine tree. On the back of the package is copy explaining that natural elements will break Hefty bags into "harmless particles" even after landfill burial. Packaging also contains a claim that Hefty bags are "a step in [Mobil's] commitment to a better environment."

But Mr. Barrett said Mobil doesn't promote Hefty bags as a solution to the landfill problem and could cite no studies about the rate of the bags' decomposition or safety in landfills.

P&G spokesman Robert Viney said his company avoids environmental symbols and isn't marketing degradable plastics because P&G determined that even so-called degradable plastics wouldn't degrade.

"We're taking what we call the high ground," he said, adding that P&G's solution to the landfill crisis is composting and other alternatives to landfill disposal of disposable diapers.

The task force represents the states of California, Massachusetts, Minnesota, Missouri, New York, Texas, Washington and Wisconsin. □

Saturn 'Springs' to action

By Raymond Serafin

Will "Spring in Spring Hill" be Saturn Corp.'s springboard into the marketplace this fall?

Advertising Age last week obtained a 65-second version of "Spring," the 23-minute film created last year by the agency for internal Saturn use. The tape was obtained through sources not directly connected with the company or agency Hal Riney & Partners.

The commercial-length version would seem to fit the requirements for a teaser spot.

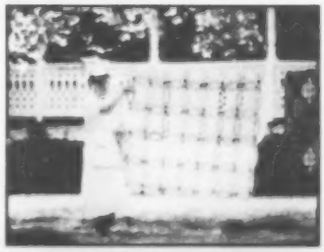
A teaser campaign would likely break on the West Coast, possibly about the first week of September, two months before the launch of the first two Saturn models.

Officials at General Motors Corp.'s Saturn unit and San Francisco-based Riney deny that creative direction has been decided.

"We're looking at a number of different options. ... There are probably 100 different ideas spinning around through the agency," said Thomas Shaver, director of marketing services for Saturn.

However, Mr. Riney, contacted at the annual meeting of the American Association of Advertising Agencies, said, "We'll probably be doing something like that."

The folksy footage obtained by *Ad Age* is adapted directly from the longer version about the start-up of Saturn's manufacturing complex in Spring Hill, Tenn.



The Saturn tape shows shots of the Tennessee countryside, townspeople hanging out laundry and a backlit shot of a Saturn car.

Visuals range from shots of the Tennessee countryside and townspeople painting the church and hanging out laundry, to backlit shots of a Saturn car.

"Pretty much the same as any spring ... but there is a difference," says Mr. Riney's voice-over, in a transition from shots of the rural town to industrial shots of the Saturn project.

"The events in this tiny town would sooner or later touch the lives of millions of Americans everywhere," the voice-over says, "because in Spring Hill, Tenn., they're making a brand new car. And it's not just a brand new car. It's a brand new car made in a brand new way."

The 23-minute version was first shown to the news media last July. At that time, Mr. Shaver acknowledged it could be used in initial Saturn advertising, though he said it was created primarily to address dealers, suppliers and employees.

Dealers have been enthusiastic about the film. One said recently he showed it to his bankers to help convince them to grant him a loan to build his new Saturn dealership.

Saturn and Riney officials in the past have expressed a desire to communicate the unusual Saturn story in advertising, presumably as a way to boost awareness and generate positive feelings about the brand before the first

(Continued on Page 67)

IN THIS ISSUE

NEWS

Agency farewell: Rosenthal, Greene & Campbell closes its doors after eight years in the business and a raft of advertising awards. ... 14

Act II: Actmedia tries to rejuvenate sales with new electronic in-store promotion programs. ... 18

Clean scene: The quality of prime-time TV has improved, according to a new study by Lintas:USA. 53

McRussian hello: McDonald's gets an enthusiastic welcome from Soviet customers and employees. 61

Fat free: Kraft introduces no-fat salad dressings to boost declining market share. ... 62

Saatchi show: Maurice Saatchi wins sympathy from stockholders at his company's annual meeting. 65

VIEWPOINT

Considerations ... 21
Editorials ... 21
Brady's Bunch ... 22
Forum ... 22
Letters ... 26
James Brady ... 27
Rance Crain ... 27
The Next Trend ... 27

Global Gallery ... 42
Los Angeles-based In-N-Out Burger compares the classic grille work of a '57 Chevy Bel Air to the grill work of its Double Double burger.

RETAIL MARKETING NEWS 46

MEDIA

MediaWorks ... 48

PEOPLE

PeopleWorks ... 49
People Moving ... 49
Photo Review ... 50

AD REVIEW 54

Domino's Pizza erases its hot-rodder delivery man image with a series of commercials that project a concept of hard-working, responsible young people hustling to make a buck.

EXTRA

U.S. NewsWatch ... 12
Corrections & Clarifications ... 26
Classified ... 58
For the Record ... 63
Index to Advertisers 68

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Levi's Spikes 501 ads

Hot young director is Dektor's successor

By Marcy Magiera

Levi Strauss & Co. is replacing award-winning director Leslie Dektor with Spike Lee of Nike fame.

The filmmaker, known for "Do the Right Thing" and "She's Gotta Have It," will direct a back-to-school campaign for Levi's 501 jeans, sources said.

Mr. Lee's new commercial work and his new movie, "Variations on the Mo' Better Blues," will hit about the same time this summer.

Levi's confirmed that agency Foote, Cone & Belding, San Francisco, was talking to Mr. Lee but denied a contract had been signed with the director.

"I know that [FCB] has been talking to Spike Lee," said Dan Chew, Levi's marketing manager. "It's true to form for them to be out there trying to do something cutting edge."

The marketer "hasn't seen FCB's final recommendations," Mr. Chew said, adding that any new campaign will continue under the "Levi's 501 USA" theme.

Levi's broke "Levi's 501 USA" last July as a change of venue, from urban to rural settings, rather than a change of direction. Created by Mike Koelker, FCB exec VP-creative director, and Mr. Dektor, the radio and TV effort kept the look and feel of the long-running "501 blues" ads.

But the look might change significantly now, Mr. Dektor said.

"My look is so observational and very objective; Spike Lee's style is very subjective," said Mr. Dektor, who said he will no longer be involved with 501. "If they're going with Spike Lee, the work will be right opposite. It won't be observational; it'll be right in your face. . . . I think that's what they'll do."

Mr. Dektor said he was offered assignments on other Levi's products but declined because he's shooting other commercials through July and then will direct a feature film.

Mr. Dektor attributed the change in the Levi's campaign to the fact a new creative team is working on 501.

Though Mr. Koelker oversees all Levi's work, the campaign will be under the direct supervision of FCB Group Creative Director Peter Angelos.

Mr. Angelos and Alan Jewett, FCB's VP-management supervisor on the account, weren't available for comment.

Mr. Lee's only other advertising work is Nike's Air Jordan campaign from Wieden & Kennedy, Portland, Ore., which he directs and appears in as Mars Blackmon, a character he created for "She's Gotta Have It."

He reportedly won't appear in the Levi's campaign. □

Universal Pictures/Shooting Star

Spike Lee's Levi's work will make its debut this summer.

Budweiser pools promotion efforts

Anheuser-Busch will give away 100 pools featuring the Budweiser logo.

By Ira Teinowitz

Anheuser-Busch is tossing away its traditional series of Budweiser summer promotions in favor of what the company says is the biggest single-theme promotion in A-B history.

The promotion, touting Bud, Bud Light and new Bud Dry, revolves around a giveaway of 100 full-size, built-in swimming pools adorned with giant Budweiser labels, similar to those featured in some earlier Bud TV spots.

Comedian Jeff Altman will be featured in TV spots for the promotion.

Spending for the promotional effort will top $30 million, in addition to the estimated $65 million A-B will spend on Bud Dry's introduction starting April 2.

D'Arcy Masius Benton & Bowles, St. Louis, is handling advertising for the promotion; Waylon Co. handles promotional efforts.

A-B is jettisoning such past promotional staples as its "Pick a Pair" effort for Budweiser and Bud Light and giving up its 3-year-old sponsorship (with *USA Today*) of Major League Baseball's all-star game balloting.

Instead of unrelated Memorial Day, July Fourth and Labor Day promotions, A-B will run point-of-purchase efforts for those holidays tied to the main pool theme.

A-B officials declined to reveal a break date or spending level for the promotion. However, the company's spending on past summer promotions has exceeded $30 million annually.

Tom Sharbaugh, group brand director, said A-B hopes using one promotional theme will reinforce the individual efforts.

In formally unveiling Bud Dry's rollout last week, August A. Busch IV, Bud Dry brand manager and son of the company's chairman, said ad spending for the introduction will be

(Continued on Page 68)

Tobacco ad ban for EC members clears first hurdle

By Andrew Rosenbaum

A proposal to ban tobacco advertising in the European Community—a move that could cost the ad industry hundreds of millions of dollars—edged closer to becoming law last week.

The European Parliament voted 170-111, with 17 abstentions, to ban all tobacco advertising and sponsorship. A majority of the 12-member Council of Ministers, expected to vote within three months, must approve the proposal.

If approved, the law would prohibit tobacco marketers from advertising their products in any medium or using any tobacco product logo in sporting or cultural events. The measure would take effect Jan. 1, 1991.

Should that happen, the European Advertising Tripartite, a Brussels-based ad industry organization, would fight the ban in the EC Court of Justice, said Alastair Tempest, the group's director general.

Final approval of the proposal isn't certain, Mr. Tempest said. West Germany, Greece and the U.K. have already come out against the bill, he said. He also believes Denmark, the Netherlands and France would oppose it.

Still, he conceded that passage by the European Parliament is a significant step.

Ironically, the proposed ban isn't the result of anti-tobacco lobbying. Instead, it's an effort to establish a uniform tobacco ad regulation as part of the EC's preparations for dropping all trade barriers by 1992.

Although all EC members have already banned most forms of tobacco advertising on TV, regulations differ greatly on print advertising. The EC legislators fear if a total ban isn't imposed, one country might impound foreign magazines and newspapers that don't conform to its regulations.

Industry experts fear the bill, if approved, could threaten many

(Continued on Page 68)

Pert Plus pops to No. 1

P&G brand beats own Head & Shoulders

By Laurie Freeman

Procter & Gamble Co.'s Pert Plus is an overnight sensation, after 10 long years.

The combination shampoo and conditioner has taken the No. 1 position in the $1.4 billion shampoo category, supplanting P&G's longtime leader, Head & Shoulders. And the brand is still gaining strength, industry sources say.

Observers are calling Pert Plus one of the biggest success stories ever in the category.

"This is a case where the technology works, the advertising clearly defines the image and consumers pick up on it," said Suzanne Grayson, a marketing consultant.

Pert Plus was originally introduced in 1980 as Pert and was what P&G executives called a "problem brand" until 1987.

At that time, P&G reintroduced it with the two-in-one technology, combining shampoo and conditioner; the new name; and new advertising with a $20 million budget. It has since climbed the ladder rapidly in the fiercely competitive business.

By the end of last year, Pert Plus held a 12% share, assuming the top spot from Head & Shoulders, with 9.5%. During that year, Pert Plus' share soared from the 6.5% recorded at the end of 1988, when it was No. 2.

The 5.5-point jump, sources say, is due to a favorable review last year in *Consumer Reports*, plus the August '89 introduction of a dandruff-control version.

Another factor was the continuing strong media support from P&G for an ad campaign via Leo Burnett USA, Chicago, that's changed little since 1987.

"Pert Plus' strategy is simple," said Jay Freedman, household products analyst at Kidder, Peabody & Co. "It appeals to active men and women who don't have a few extra minutes to spend

(Continued on Page 63)

Who's on top in haircare

Procter & Gamble Co.'s Pert Plus last year toppled its own Head & Shoulders as the No. 1 shampoo in the competitive $1.4 billion U.S. category.

Rank	Brand name	Company	1989 share	% chg*
1.	Pert Plus	Procter & Gamble	12.0	84.6
2.	Head & Shoulders	Procter & Gamble	9.5	(9.5)
3.	Suave	Helene Curtis	8.5	13.3
4.	Finesse	Helene Curtis	5.0	0.0
5.	Prell	Procter & Gamble	4.5	0.0
	Salon Selectives	Helene Curtis	4.5	28.6

*Computed from 1988 share figures. Source: Advertising Age and Kidder, Peabody & Co.

RETAILING.

Burned by '89, retailers pare ad hikes: survey

By Alison Fahey

Faced with cooling consumer spending and a lukewarm economy, retailers plan to increase ad budgets less in 1990 than in 1989.

Overall ad spending, excluding cooperative efforts, will rise an average of 2% in 1990, according to the Retail Advertising & Marketing Association's second annual survey of members' retail ad plans. The RAMA study was mailed to 380 members and had a response rate of 20%.

Despite pressure to cut operating costs, retailers said in 1989 they would boost ad spending nearly 4% over 1988.

Co-op budgets also appear to be thinning, with retailers predicting a meager 2% increase in 1990 compared with an estimated 6% last year.

Leo J. Shapiro, president of a marketing research company that bears his name, said retailers ended up increasing budgets more than the projected 4% last year, and that an overabundance of advertising was devoted to promoting price reductions and sales.

"It's like a New Year's resolution," he said. "Most retailers got burned last year [by heavy price promoting] so it's more of a reaction to mistakes of last year than a promise for 1990."

Doug Raymond, RAMA president, said retailers are diverting ad funds and co-op dollars from traditional media into special events, in-store merchandising and promotions.

Projected ad spending increases

Type of store	1990	1989
Large dept. stores	2.0%	3.0%
Small dept. stores	2.0	(1.1)
Mass merchandisers	(1.0)	5.2
Specialty clothing	0.0	1.0
Home furnishings	3.0	3.9
Home hardware	3.0	8.0
Other specialty	7.0	3.1
Other retail	1.0	8.6
Total	2.1	3.9

Source: Retail Advertising & Marketing Association

"There's a certain amount of trepidation with everything that's happened in the last 12 to 18 months," he said, referring to some retail chains' financial woes, most notably Campeau Corp.'s Federated Department Stores and Allied Stores Corp.

The RAMA survey found ad spending plans vary greatly by retail category.

For example, women's, men's and children's specialty stores reported flat spending for 1990, while other specialty stores, which include optimistic toy retailers, reported a boost of 7% in 1990.

Mass merchandisers reported a 1% budget decrease in 1990, while large department stores said they would increase spending 2%.

"We have entered a very frugal shopping climate," said Kurt Barnard, publisher of *Retail Marketing Report*.

Spending plans also varied by media type, with broadcast advertising on the upswing. In 1990, retailers plan to spend 12% of their overall ad budget on broadcast TV, up from a projected 10.8% in 1989.

"TV spending reduces the number of items that you can cut prices on," Mr. Shapiro said. "When you begin to cut prices in newspaper [ads] you tend to feature a lot of products."

But newspapers are still the favorite advertising medium, with retailers spending 36% and 17% of their overall 1990 ad budget on newspaper run-of-press and inserts, respectively. □

RETAIL DETAILS

Catalogers feeling the squeeze: Retailers' heavy promotional activity is eating away at catalog sales. Catalogs started losing appeal during last year's holiday season, according to a recent study by the NPD Group's Home Testing Institute. Thirty-six percent of survey respondents said they were using catalogs less during last year's holiday season than they did the previous year; only 12% said they were using catalogs more.

Units is expanding beyond knitwear with new fabrics and styles for the '90s.

Units stretches out: To make sure one of the hottest fashion trends of the 1980s keeps pace with the '90s, Units is extending its modular knit apparel line to include new fabrics, styles and accessories. The J.C. Penney Co. subsidiary this spring has added woven fabrics, such as voile, to its collection, as well as scarves, lace collars and leather belts. The new items will be showcased in print ads in the April and May issues of *Glamour* and *Ladies' Home Journal*. Ads are handled in-house.

Promotion blooms at Bloomies: Despite the mounting troubles of parent Federated Stores, Bloomingdale's is forging ahead with several major marketing partnerships.

Nissan Motor Corp. USA's Infiniti division will sponsor a promotion heralding the fall reopening of the retailer's men's department. Magazine inserts, newspaper ads and a major catalog will support. Separately, this month Du Pont Co. and Bloomingdale's broke a promotion for Lycra, including newspaper ads and a catalog. And in April, it will join American Express Travel Related Services for a seven-week promotion celebrating Broadway theater.

Gordon Cooke, Bloomingdale's exec VP, said the chain is committed to keeping its aggressive marketing posture. "If anything, we've decided to embellish our activities, not restrict them," he said. Despite the Chapter 11 bankruptcy filing by Federated, a unit of Campeau Corp., Bloomingdale's still plans to spend $50 million on advertising this year, up 3% to 5% from last year, Mr. Cooke said.

Grey Advertising, New York, handles broadcast advertising; print is handled in-house.

The phones won't stop ringing.
The Tampa Bay buy was due hours ago.
You've already met with every sales rep in town and now another hammerhead is waiting in the lobby!

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all you need in Tampa Bay

CBS signs Ford

Winter Olympic ad deal worth $43M

By Wayne Walley

Ford Motor Co. has agreed to pay CBS a combined $43 million in commercial time for the 1992 and 1994 Winter Olympics, sources say.

Neither Ford nor CBS would comment on the deal, but industry sources say Ford is buying $20 million in ad time for the '92 Games in Albertville, France, and $23 million for the '94 Games in Lillehammer, Norway.

Ford joins Chrysler Corp., which closed the first Winter Olympics ad deal with CBS earlier this year, agreeing to buy a combined $106 million in commercial time (AA, Jan. 29).

The two automakers will account for 70% of the Olympic inventory set aside by CBS for the automotive category. The network has pitched most import car marketers but has yet to strike a deal for any of the remaining ad time in the category.

Sources say a major stumbling block for CBS among imports is the $63 million price tag the network is seeking for the remaining 30%.

Some importers also believe their customers watch baseball, basketball and football, and thus concentrate sports buys there instead of the Olympics.

In addition, CBS' refusal to offer ratings guarantees for the Olympics may be causing import car marketers to hesitate.

"The guarantee situation is subject to negotiation, but if you don't have a 'grandfather clause' on guarantees, [CBS Marketing President] Tom Leahy's position is no guarantees on all sports," said a buyer who requested anonymity.

As with Chrysler, Ford likely will take advantage of such marketing support programs as print ads in Olympic guides and Olympic-themed free standing inserts produced by CBS.

With auto category sales almost complete, CBS will now target official Olympic sponsors.

As stipulated in its broadcast rights agreements with the International Olympic Committee, CBS must give official Olympic sponsors "full access to Olympic broadcasts," offering them a right of first refusal for category exclusivity.

Official sponsors include marketers signed by the International Olympic Committee for The Olympic Program, as well as others that buy sponsorships for specific countries.

Sponsors of The Olympic Program—including Coca-Cola Co., Eastman Kodak Co., 3M, Ricoh Corp., Matsushita and the U.S. Postal Service's international express mail service—aren't required to buy airtime, but most do to leverage the more than $14 million fee charged to be an official sponsor. □

Team One ticking on

By Cleveland Horton

Team One, the Saatchi & Saatchi DFS division established to handle Toyota Motor Sales USA's Lexus division, will unveil its first non-car creative effort this week.

The El Segundo, Calif., agency recently picked up the $2 million Artime USA account, and this week will launch a national print, spot TV and outdoor campaign for Artime's Sector Sport watches.

The ads attempt to create a brand awareness for the Swiss-built timepieces by focusing on their logo: an eagle.

Print ads, appearing in April issues of *Esquire*, *GQ* and *M*, feature a large photo of an eagle with the headline, "If you're lucky, it will land on your arm."

The 30-second TV spot that broke this week in New York during sports programming on CBS uses the same theme. The commercial opens with slow-motion footage of a tawny eagle in flight. The picture of the bird dissolves into an extreme close-up of the face of the watch, with the sweep-second hand ticking by.

"It's important to brand the name," said Marcia Bernhardt, VP at the company. "It makes a connection with the logo. I don't care if they forget the Sector name, as long as they go into the store and say, 'I want the eagle watch.' "

Sector Sport watches, distinctive by their rugged, thick look, are priced between $300 and $900.

Saatchi's Team One and Artime USA give the company's eagle logo life in an attempt to build brand awareness for the Swiss timepieces.

Artime, the U.S. marketing arm of Italy's oldest watch company, is trying to tap into what it sees as a growing market for timepieces as fashion accessories.

About 200 million watches are sold in the U.S. each year; 72% of all watches are priced less than $75. Some 200 brands compete for share. Artime USA has set a sales goal of 50,000 units this year.

Currently, Sector is distributed to independent and chain jewelry stores as well as several jewelry showrooms within department stores.

Artime USA also markets watches under the Lucien Rochat (price range: $8,500 to $18,000) and Tabbah ($2,500 to $90,000) brands. Team One is handling media and creative for Lucien Rochat, and buys media for Tabbah.

Although not necessarily in size, the Artime account represents a model client for Team One, said Shirley Dion, senior VP-business development.

The agency wants to trade on its knowledge of the upscale market, gleaned in its work for Lexus, in attracting other marketers of upscale products and services, she said. □

Pert

(Continued from Page 3)

washing and conditioning their hair."

Industry sources also say P&G's two-in-one shampoo and conditioner technology is winning increased share in international markets. The technology is in a brand called Rejoy in Japan, Rejoice in mainland Asia, Pert 2-in-1 in Australia, Vidal Sassoon Wash & Go in the U.K. and continental Europe and Pantene Plus in parts of Europe.

In Japan, Rejoy leads the two-in-one segment with a 6% share. Two-in-one products now account for almost 25% of the Japanese shampoo market, industry sources say. Overall, Shiseido Co. has a 9% share with three brands: Rinpoo, Men's Rinpoo and Morning Fresh Speedy.

While share data for Europe were unavailable, industry sources said Vidal Sassoon Wash & Go's share in the U.K. is in the mid-teens.

Not only is P&G exporting the two-in-one technology, but the company is using virtually the same ad strategy, sampling program, copy and format in every country where the product is marketed.

Burnett's offices or affiliates handle the combination product worldwide.

TV commercials airing in the U.K. resemble those in the U.S. In both countries, spots appropriately titled "Locker" show either a man or a woman in a locker room explaining that they no longer tote both shampoo and conditioner to the gym. Instead, they "wash and go" by using Pert Plus (in the U.S.) or Vidal Sassoon Wash & Go.

Burnett has done 11 versions of the same commercial, "one for every country [in which] they sell" it, an agency source said. □

David Kilburn and Laurel Wentz contributed to this story.

FOR THE RECORD

GENERAL FOODS USA is running a new network TV campaign for ground roast Maxwell House coffee. The effort substitutes "America loves Maxwell House" for the disputed theme line, "America prefers the taste of Maxwell House." The change comes following rival Procter & Gamble Co.'s complaint to the networks that the original campaign saying Maxwell House won out over P&G's Folgers in taste tests was unfair. D'Arcy Masius Benton & Bowles, New York, handles Maxwell House.

NABISCO BRANDS last week settled a dispute with 10 state attorneys general over ad campaigns for Fleischmann's margarine, Nabisco 100% Bran and Nabisco Shredded Wheat. The states contended the ads contained misleading health claims. Nabisco didn't declare guilt but agreed to give $135,000 to pay for the investigation. A spokesman said all the ads had been off the air since at least August. FCB/Leber Katz Partners, New York, is the agency.

CENTURY 21 REAL ESTATE CORP., Irvine, Calif., last week put its $30 million account up for review. A list of contenders is expected within a month. The company said it wants to check other options but isn't dissatisfied with incumbent McCann-Erickson Worldwide, Los Angeles, which is in the review.

COCA-COLA CO. in mid-May breaks a $100 million marketing program for Coca-Cola Classic featuring a specially patented can that contains up to $200 or a prize voucher for trips, tickets or other giveaways. The MagiCans are indistinguishable from other Coca-Cola Classic cans, though they contain water rather than soft drinks. The prize pops up when the can is opened. Included in the promotion are a cruise sweepstakes and multimedia ads using the pop group New Kids on the Block. Coca-Cola said this is the biggest promotion ever for Coca-Cola Classic. McCann-Erickson Worldwide, New York, is Coca-Cola Classic's ad agency.

FEDERAL COMMUNICATIONS Commission is giving the TV networks and Hollywood studios a chance to work out their dispute over the financial interest and syndication rules. Under the FCC timetable, the two sides have until June 14; then, the commission will decide what changes, if any, should be made in the rules. Hollywood wants to keep rules that prohibit the networks from producing and selling their own shows into syndication. The networks say they're suffering financially from the ownership and profit-participation prohibitions.

FALLON McELLIGOTT, Minneapolis, led the nominations for the Magazine Publishers of America's Kelly Award with four. Wieden & Kennedy, Portland, Ore., picked up three nominations. The winner of the $100,000 first prize will be announced May 23 in New York.

BURGER KING CORP. CEO Barry Gibbons set no timetable for replacing **C. Ronald Petty**, 45, who stepped down last week as president-chief operating officer. Mr. Gibbons will assume responsibilities of the president until a successor is named.

PEPSI-COLA CO.'S 1987 "Apt. 10-G" spot featuring Michael J. Fox was picked as the best TV commercial of the past 30 years in the International Broadcasting Awards competition sponsored by the Hollywood Radio & Television Society. BBDO Worldwide, New York, created it. A series of three 1967 spots for Bristol-Myers Co.'s Excedrin via Young & Rubicam won the radio award.

FIVE MAJOR DAILIES on Nov. 4 will launch "Entertaining," a Sunday supplement patterned after last October's "Good Health." The participants are *The New York Times*, *The Boston Globe*, *Chicago Tribune*, *Los Angeles Times* and the Atlanta *Journal & Constitution*. The rate base will be 5.7 million. A b&w page is $82,674, and a color page is $110,378.

NEW CAMPAIGNS: Sears, Roebuck & Co. broke a network and spot TV, radio and print campaign March 18 featuring home-improvement expert Bob Vila. Weekly newspaper inserts support. Ogilvy & Mather, Chicago, handles. . . . **Bil Mar Foods** today breaks a spot TV commercial for Mr. Turkey prepackaged turkey products. A free standing insert supports. Lintas:Campbell-Ewald, Warren, Mich., is the agency.

ACCOUNT ACTION: Toys "R" Us, Rochelle Park, N.J., to **J. Walter Thompson USA**, New York, from Scali, McCabe, Sloves, for the creative broadcast portion of its $15 million account. Bohbot Communications keeps media buying. . . . **New York Racing Association**, New York, to **Backer Spielvogel Bates** from AC&R for its $8 million account. . . . **TDK Electronics Corp.**, Port Washington, N.Y., to **HDM Worldwide**, New York, from Margeotes Fertitta & Weiss for its estimated $7 million account. . . . **Procter & Gamble Co.**, Cincinnati, to **Grey Advertising**, New York, from Gilbert, Whitney & Johns for the estimated $5 million Lestoil household cleaner account. . . . **Computer Associates International**, Garden City, N.Y., to **Schell/Mullaney**, New York, from J. Walter Thompson USA for its $12 million account. . . . **Pep Boys-Manny, Moe & Jack**, Philadelphia, next month will start reviewing its estimated $5 million auto parts and supplies account after splitting with J. Walter Thompson USA, Detroit.

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NEWSPAPER

Advertising Age

March 26, 1990

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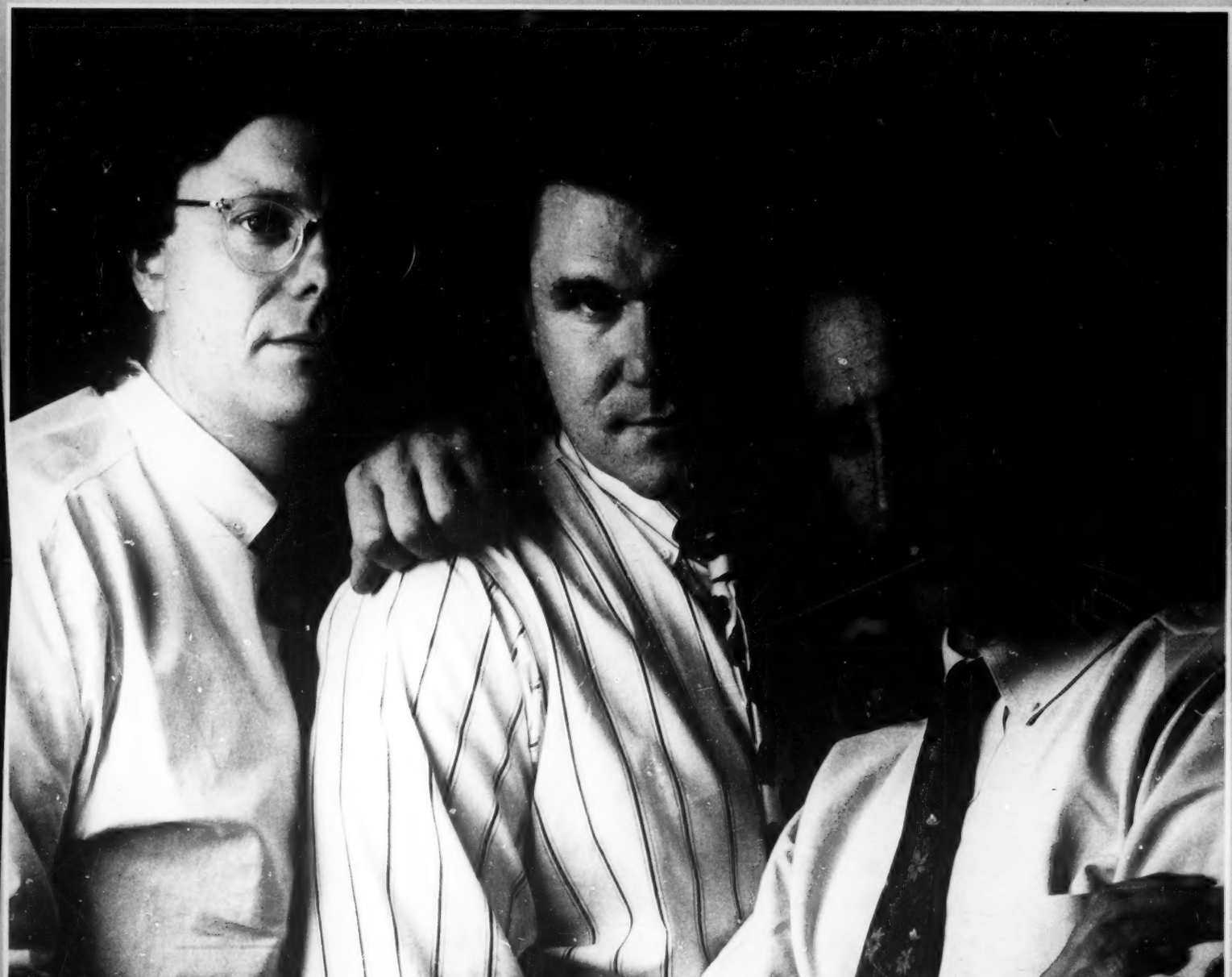

Jeff Goodby, Andy Berlin and Rich Silverstein

Photo by Mark Ostow

U.S. AGENCY OF THE YEAR
Goodby, Berlin & Silverstein: Creativity from the West

INTERNATIONAL AGENCY OF THE YEAR
Spain's Contrapunto tangos to the top

AGENCY INCOME
Worldwide advertising agency income report

GM splits on quality pitch

LAST MINUTE NEWS

Big Mac, Big G team

OAK BROOK, Ill.—McDonald's this week will add cold cereal and bran muffins to its breakfast menu in selected markets, including Chicago. The cereal effort involves single-serving boxes of General Mills' Cheerios and Wheaties. Chicago Bulls star Michael Jordan's role as ad spokesman for both McDonald's and Wheaties influenced the choice of the cereal, sources said. Kellogg, with a much larger foodservice division than General Mills, has been discussing a similar venture with McDonald's for the past several years. Leo Burnett USA, Chicago, handles McDonald's.

Campbell sets shop cuts

CAMDEN, N.J.—Campbell Soup Co. will inform shops this week about its finalized agency consolidation and incentive compensation system. Core shops are Backer Spielvogel Bates, BBDO Worldwide, DDB Needham Worldwide and Ogilvy & Mather, all New York; W.B. Doner & Co., Southfield, Mich.; and Hal Riney & Partners, San Francisco. Measured media spending is estimated at more than $500 million.

Clorox tests beauty soap

OAKLAND, Calif.—Clorox is testing Satine beauty bar soap, its first move into health & beauty aids, in Pittsfield, Mass.; Midland, Texas; and Eau Claire, Wis. Satine targets women 30 and older with spot TV, print and free standing inserts via Foote, Cone & Belding, San Francisco.

Toblerone up for grabs

ZURICH—Jacobs Suchard is hearing presentations from four to five agencies for a planned consolidation of its estimated $30 million worldwide Toblerone chocolate account. Believed to be pitching are European offices of Bozell; DDB Needham Worldwide; Saatchi & Saatchi Advertising; Roux, Seguela, Cayzac & Goudard; and Young & Rubicam, sources said. Most of those shops already handle parts of Jacobs Suchard in certain countries. The company recently awarded the U.S. Toblerone account to Hill, Holliday, Connors, Cosmopulos, New York.

Ragu Fresh under fire

GREENWICH, Conn.—Chesebrough-Pond's Ragu Fresh Italian pasta sauces are being targeted by competitors, consumers and state government groups. They've asked the Food & Drug Administration to investigate what they say is Ragu's claim that the jarred, heat-packed sauces are "fresh." Chesebrough said its

(Continued on Page 8)

INSIDE

Health claim alert P. 2
FDA prepares to send regulatory letters to several food marketers.

Lamaze delivery P. 4
Lamaze tests a "Seal of Support" and looks for product sponsors.

Juicy battle P. 12
Tropicana and Minute Maid debate who's on top in the orange juice market.

By Raymond Serafin

General Motors Corp.'s plans for a corporate ad campaign targeting quality has touched off a controversy at the No. 1 automaker.

The estimated $40 million effort is designed to bring back customers who bought GM vehicles when their quality lagged behind that of competitors. But its direction and origin is creating heated exchanges between division and corporate executives, sources say.

Already angered by forced cuts estimated to be at least $80 million in division ad budgets, some division executives are sore at the usurping of marketing responsibilities by corporate headquarters.

More important, however, some division executives believe a campaign trumpeting GM quality gains isn't only premature, but will draw unwanted attention to how far GM quality had slipped.

The drive, themed "GM puts quality on the road," is expected to start about the second week of April. McCann-Erickson Worldwide, New York, created the campaign and is developing it with regular corporate agency N W Ayer.

"If you say you improved your quality, it's like saying you stopped drinking and abusing your wife. If you talk about 99% reliability, the customer wonders about the 1%."

"We're trying to send a message to people who've said they'd never buy another GM car that we're worth another look," said one source familiar with the effort.

GM corporate officials have declined comment on the campaign, but interviews with divisional and agency officials, who spoke on condition of anonymity, provided a glimpse into the internal debate.

"The statistics they're talking about using in the campaign can be perceived very negatively," one source said. "If you say you improved your quality, it's like saying you stopped drinking and abusing your wife. If you talk about 99% reliability, the customer wonders about the 1%."

An agency source echoed the theme.

"If you say you're 40% better, are you

(Continued on Page 50)

Costly controversies

Nissan turbo, Reebok bungee spots off the air

By Pat Sloan and Cleveland Horton

Reebok International may have to eat sizable production costs if the Chiat/Day/Mojo-created bungee-jumping TV spot never bounces back onto the airwaves.

But Reebok won't be alone.

Nissan Motor Corp. USA, another Chiat client, has agreed not to run a pricey 300ZX Turbo spot anymore, even though it was directed by Ridley Scott.

So far, Reebok's commercial has run four times; Nissan's ran once. That means the two advertisers may have spent more than $1 million combined in production fees for commercials that received little airtime and a lot of controversy.

Reebok's bungee spot was pulled after consumer complaints; Bob Garfield's Ad Review talks about why—Page 52.

The Nissan spot cost an estimated $750,000 to produce.

The Insurance Institute for Highway Safety, a lobbying group, last week claimed a victory when it received a letter from Nissan Motor Co. Chairman Takashi Ishihara assuring that the Turbo spot "will not air again."

Institute President Brian O'Neill had called the Turbo spot one of the worst examples of speed advertising he'd ever seen.

The institute said it was joined by 18 other safety groups in its efforts to oppose the commercial.

A Nissan spokesman said, "I have to

(Continued on Page 52)

Sponsors shine at Oscars

By Wayne Walley

It's not the Super Bowl, but it's close.

Tonight's 62nd annual Academy Awards telecast on ABC will be an advertising launch pad second only to pro football's extravaganza.

Most of the gala's nine sponsors, including AT&T Co., General Motors Corp., Revlon, McDonald's Corp. and Coca-Cola USA will use the Oscars to showcase new commercials.

"The Academy Awards is there to honor the best, so it's a very nice environment for a [campaign] launch," said Dannielle Colliver, Chevrolet's advertising manager-passenger cars.

The only sponsors that aren't expected to air at least one new spot during the telecast are Prudential Insurance Co. of America, caught in the middle of an agency change; Eastman Kodak Co., waiting till June to launch a new promotion tied to Disney characters; and Campbell Soup Co. The ninth sponsor, J.C. Penney Co., plans at least one new execution of a repositioning campaign that broke on the program last year.

Each 30-second spot in the live telecast, starting at 9 p.m. (ET) and hosted this year by comedian Billy Crystal, sold for $425,000, a 13% increase from 1989.

With the hoopla surrounding the Best Picture, Best Actor and Best Actress awards and the best-dressed attendees, the Oscars year in and year out offer advertisers a vehicle usually only surpassed by the Super Bowl —or, in some years, the Grammy Awards—for introducing major new campaigns or products.

Last year's telecast on ABC, panned by TV critics worldwide for its laborious mu-

(Continued on Page 50)

Who's advertising on the Academy Awards
Coca-Cola Co.
Revlon Group
General Motors Corp.
J.C. Penney Co.
Eastman Kodak Co.
McDonald's Corp.
AT&T Co.
Prudential Insurance Co.
Campbell Soup Co.
■ Cost of a :30 in 1990: $425,000.
■ Cost of a :30 in 1989: $375,000.
One of Chevrolet's new spots shows a car stopping in front of a giant pendulum.
Revlon's new spot shows the Charlie girl taking center stage in an awards ceremony.

FDA readies notices on errant food claims

By Laurie Freeman

WASHINGTON—The Food & Drug Administration is poised to send regulatory letters to several food marketers it believes are making claims outside the boundaries of proposed rules on label health messages.

Food marketers making claims for oat bran and no-cholesterol products head the FDA's hit list.

"It won't be today and it won't be tomorrow, but it will be very soon," FDA Chief of Staff Joseph Levitt said last week before a food industry conference. "We are in the process of collecting labels to see which we should call manufacturers' attention to."

The FDA letters will "explicitly demonstrate the areas we believe exceed the boundaries" for health claims on food labels, Mr. Levitt said.

The chosen companies will be "examples" of how the FDA will enforce its health claims policy in the interim period before the proposed food-label guidelines become final, he said.

"We urge all companies to check these examples against their own [product] labels," Mr. Levitt said.

Since no health claims rule has ever been finalized, the FDA has the authority to challenge any such claims under existing regulations.

Although Mr. Levitt declined to identify the companies during a conference held by the independent Food, Drug & Law Institute, other FDA officials hinted that the first enforcement actions could be taken against oat bran products.

Ed Scarbrough, acting director of FDA's Office of Nutrition & Food Sciences, said claims for oat bran, especially in some cereals, doughnuts, cookies and pretzels, "are inappropriate based on the level of oat bran present" in those foods.

"We intend to take action soon against the most egregious claims," he said.

"We urge all companies to check these [food label] examples against their own [product] labels."

Food industry executives believe the FDA will target high-fiber cereals and foods such as peanut butter and cooking oils that make no-cholesterol claims even though many may contain high amounts of saturated fat.

"Nearly every example they [FDA] give when they talk about health claims is either oat bran cereals, psyllium-based cereals or no-cholesterol/saturated-fat products," said a food company executive who requested anonymity.

The proposed new policy would allow health claims only about fiber and colon cancer; fiber and heart disease; fats and cancer; fats and heart disease; sodium and high blood pressure; and calcium and osteoporosis.

The 60-day comment period on the proposal closes April 9, but the FDA expects companies and interested organizations will file petitions to extend the comment period.

The new policy could take a year to implement after the final rule is published in the Federal Register. Marketers' comments will be taken into consideration before the final rule is published.

The proposed regulations would require marketers to support all claims with FDA-approved summaries of scientific evidence. The FDA said it will rely primarily on the 1988 Surgeon General's Report on Nutrition & Health and research endorsed by the National Academy of Sciences in evaluating claims.

The FDA's Mr. Scarbrough, however, admitted the agency won't know "how much or what kinds of evidence" will be needed to substantiate health claims until the FDA starts enforcing the policy.

Quaker Oats Co., which aggressively advertises the beneficial aspects of its oatmeal and oat bran cereals, intends to defend its position in comments to the FDA.

Thomas Howell, Quaker's VP-general corporate counsel, said the marketer's comments will emphasize that the "overwhelming body of research on oats and cholesterol reduction meets the [FDA's] test for significant scientific agreement" and that the company should be allowed to continue making that claim. □

'Newsweek' taps Eldredge

By Scott Donaton

NEW YORK—The appointment of Peter Eldredge as U.S. publisher of *Newsweek* shows the publication wants a more aggressive presence on Madison Avenue, industry observers say.

Mr. Eldredge, 45, VP-group sales at Murdoch Magazines since last December, will join *Newsweek* April 2.

He previously was publisher of *Premiere*, publisher of the *Star* and ad director at *New York Magazine*.

The Washington Post Co. newsweekly also announced last week that Worldwide Publisher Howard Smith, 55, a 25-year veteran, will retire at yearend.

Mr. Eldredge and Peter Luffman, president of *Newsweek International*, will report to Mr. Smith until his retirement. After Mr. Smith leaves, both executives will report directly to *Newsweek* President Alan Spoon.

Industry insiders speculate Mr. Spoon, who assumed the president's post last September, wants a greater role in the title's day-to-day operations.

"Alan Spoon had an understanding with [Washington Post Co. Chairman] Katharine Graham that he was going to be a cowboy and do things his own way," said one source close to the company.

"I suspect it has to do with Alan Spoon," added Joseph Ostrow, exec VP-worldwide media director at Foote, Cone & Belding. "It may well be he's putting his own team in place."

P. Eldredge

Referring to speculation that Mr. Spoon forced Mr. Smith's retirement, Mr. Ostrow said: "If you look at the performance of the magazine, it's not exactly skyrocketing, and sometimes when the team's not playing well, the manager gets the boot."

But Mr. Smith insisted the decision was his own.

"After 25 years of running around the world, I'm getting tired and that's the honest truth," he said. "Alan's been vociferous in his efforts to get me to stay."

Mr. Spoon was out of the country at press time and couldn't be reached for comment. In a prepared statement, he said, "Howard Smith's contributions to *Newsweek*'s success have been both far-ranging and of fundamental importance. We'll miss him greatly."

Newsweek, despite record ad revenues of $255.9 million last year, a 5.9% gain, is perceived by many in the ad community as the most vulnerable major newsweekly.

The magazine's ad pages were flat in 1989 for the second straight year at 2,495.3, Publishers Information Bureau figures showed. Through February, ad pages were off 13.7% to 308.5. Ad revenues were down 5.7% for the same period to $33.2 million.

Before joining Murdoch in 1984, Mr. Eldredge was at Time Inc. Magazine Co.'s *Money* for eight years, serving in posts ranging from corporate ad director to special projects director.

"I think Peter brings two things to the *Newsweek* organization," Mr. Ostrow said. "One, he's an old Time Inc. man and a little of that understanding can do *Newsweek* good. Two, his knowledge of how to deal with advertisers and agencies, his street smarts, will help them. He's going to be out in the streets, pushing and selling."

Page Thompson, exec VP-media director at DDB Needham Worldwide, labeled Mr. Eldredge's appointment to the vacant post "an excellent move."

"Peter's a great publishing person with a varied experience. I don't think they could've picked a better person," he said.

Mr. Eldredge referred queries to *Newsweek* and said only, "This is a great opportunity to work for a very prestigious organization. It will be a real exciting challenge." □

IN THIS ISSUE

- **Wells, Rich, Greene** lands Continental Airlines account after J. Walter Thompson USA ducks out. 4
- **Anheuser-Busch** tests cold-filtered draft beer to compete with Miller's fast-growing Genuine Draft. 12
- **Ad packaging** gives MTV's soon-to-be-launched Ha! network a leg up in cable comedy. 40
- **Anything goes** as suncare marketers roll out all types of tanning lotions. 44
- **Alamo launches** a new car-rental campaign to counter unlimited-mileage claims by Hertz and Avis. 46
- **Outdoor board** companies try to stop the growing number of whitewashed tobacco and alcohol ads. 47
- **The New York Times Co.** creates value-added combination packages for magazine advertisers. 49

VIEWPOINT

Considerations 16
Editorials 16
Brady's Bunch 20
Forum 20
Letters 22
James Brady 24
The Next Trend 24
Joe Winski 24

INTERNATIONAL NEWS

- Global Gallery 29
- JWT restructures, wins Heineken 30

MARKETING TO HISPANICS

- New agency network guns for business 32

MEDIAWORKS

- Bridal magazines top list of ad-page leaders 34
- Consumer Linage 35

PEOPLE

- Malcolm S. Forbes Jr. lacks his father's extravagant style but not his business sense as he starts the third-generation rule of Forbes Inc. 36
- People Moving 37
- Photo Review 38

- Reebok's new Pump basketball shoe commercial plunges to its death in a desperate attempt to surpass Nike.

U.S. NewsWatch 10
Corrections & Clarifications 22
Classified 41
For the Record 45
Index to Advertisers 52

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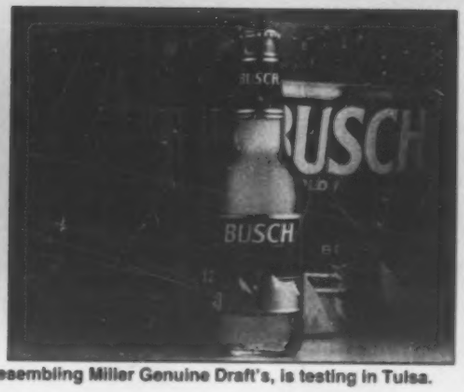

Busch Cold-Filtered Draft (r.), complete with bottles resembling Miller Genuine Draft's, is testing in Tulsa.

Draft beer look-alike

A-B brings out another rival to Miller

By Ira Teinowitz

Anheuser-Busch is testing what may be the ultimate weapon—a look-alike—in its fight to seize the initiative from Miller Brewing Co.'s fast-growing Miller Genuine Draft.

The No. 1 brewer last week began test marketing Busch Cold-Filtered Draft in Tulsa, Okla. Unlike Busch Light Draft, which rolled out last month, the new entry is packaged in a clear bottle and has a black label. Those are prominent features of Miller Genuine Draft.

One difference is that Busch is priced lower than Genuine Draft.

A-B in the past has marketed all its beers in brown bottles. The company has said light streaming through clear bottles could affect the hops and that the only alternative was to switch to chemically altered hop extracts that were less sensitive to light.

Since then, A-B has developed six-pack packaging that completely blocks out light, and its research has shown people like clear bottles.

Initial advertising for Busch, from DDB Needham Worldwide, Chicago, will be in newspapers, but long-term marketing decisions haven't been made yet.

This is A-B's third—and most direct—attack on Miller Genuine Draft this year.

Earlier this year, A-B expanded Busch Light Draft, its first packaged draft beer, to distribution in the 46 states in which Busch beers are distributed.

Also, A-B executives recently acknowledged that one of the targets for Bud Dry, a draft product now being introduced nationally, is Miller Genuine Draft.

Miller claims Genuine Draft, now the 10th best-selling beer in the U.S., is continuing to grow at double-digit rates that make its growth pace the fastest among the nation's leading brews.

Backer Spielvogel Bates Worldwide, New York, handles Genuine Draft.

Last year, Genuine Draft sold 4.7 million barrels, up 20.5%, reported *Beer Marketer's Insights*. □

Minute Maid claims OJ lead

By Jennifer Lawrence and Judann Dagnoli

Coca-Cola Foods is juicing up Minute Maid, claiming the brand has moved into first place in the $3 billion orange juice market.

A letter to the Coca-Cola Co. unit's employees from President-CEO Harry E. Teasley Jr. said Nielsen Marketing Research Group's ScanTrack data show Minute Maid as the "undisputed" leader.

But Tropicana Products disputed the claim and said Arbitron/SAMI figures show that Tropicana, a unit of Jos. E. Seagram & Sons, is No. 1.

Martin Gutfreund, Tropicana VP-administration, questioned the timing of Mr. Teasley's letter and its release to the media, citing Tropicana's annual three-day meeting with citrus growers that starts March 27.

"Could [the letter] be part of a plot to steal thunder from our upcoming event?" Mr. Gutfreund asked.

Pierre Ferrari, Coca-Cola Foods' senior VP-consumer marketing, readily admitted there's no coincidence.

"We're puzzled by [Tropicana's] continuing assertion that they are No. 1," he said. "We are by far the larger producer and marketer of OJ. We are getting a little irritated" with Tropicana.

Tropicana said its numbers would support the company's leadership claim, but the data couldn't be supplied to *Advertising Age* by press time.

Mr. Teasley's letter recaps Minute Maid's 1989 performance, citing the figures based on ScanTrack data:

- Minute Maid orange juice retail volume was up nearly 19%.
- Minute Maid's share of the U.S. retail orange juice business for the 52 weeks ended Jan. 27 was 23.4%, "up 1.3 points from a year earlier and [plus] 0.3 points vs. our nearest competitor." The market is made up of frozen concentrate and chilled, ready-to-drink OJ.
- Minute Maid narrowed the gap with the chilled segment leader (Tropicana) "with a 21.8% share for Minute Maid, up 2.7 points from a year earlier and [plus] 1.3 points vs. the leader."

The company is "making progress toward our goal to become No. 1 overall in chilled orange juice," Mr. Teasley said in the letter. ". . . Coca-Cola Foods, through the Minute Maid brand, is the undisputed leader of the orange juice business in the U.S., and that lead is increasing." □

AdWatch survey of advertising awareness Top 10 in February

In February, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 2/90	Rank 1/90	Advertiser	Agency
1	4	Coca-Cola	McCann-Erickson Worldwide
2	1*	Pepsi-Cola	BBDO Worldwide
3	1*	Ford	J. Walter Thompson USA
4*	3	Budweiser/Bud Lite	D'Arcy Masius Benton & Bowles/-DDB Needham Worldwide
4*	9	Diet Coke	Lintas:New York
6	5*	McDonald's	Leo Burnett USA
7	7	Chevrolet	Lintas:Cambell-Ewald
8*	5*	Infiniti	Hill, Holliday, Connors, Cosmopulos
8*	—	Automobiles (general)	Various
10	10	Toyota	Saatchi & Saatchi DFS/Pacific

*Indicates tie

Coke, Pepsi take top ad-recall spots

By Kate Fitzgerald

The latest round of cola wars made Coca-Cola and Pepsi-Cola solid winners in last month's ad recall race.

Coca-Cola was No. 1 on the list of the best-recalled advertising for February, closely followed by Pepsi-Cola, *Advertising Age's* monthly adWatch survey found. Both cola marketers broke major campaigns during the Jan. 28 Super Bowl.

Diet Coke made its first appearance ever among the 10 best-recalled ads in January and last month moved up to fourth place, tied with Anheuser-Busch's Budweiser, from ninth.

Infiniti, riding on the fumes of its mysterious "rocks and trees" campaign, made the top 10 again, though the luxury cars from Nissan Motor Corp. USA slid to eighth from fifth place.

AdWatch is a joint project of *Ad Age* and the Gallup Organizaton. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the

(Continued on Page 44)

AA picks Best Print ads

CHICAGO—Ten finalists have been selected in *Advertising Age's* Best Print Ads of 1989 competition.

The Best Magazine Ad and Best Newspaper Ad, selected from entries submitted by agencies, advertisers and *Ad Age* staffers, will be announced at the fifth annual *Ad Age* Awards Dinner, hosted by comedian Jerry Seinfeld April 26 at the Chicago Marriott Downtown.

Best Magazine Ad finalists:

- **Eastman Kodak Co., b&w film (Rumrill-Hoyt)**—Striking close-up photo by Gregory Heisler of Luis Sarria, former masseur to Muhammad Ali, shows wonderful facial detail. Photo plus the headline, "The soul of black and white," underscore quality of Kodak's b&w film.
- **Procter & Gamble Co., Pepto-Bismol tablets (Leo Burnett USA)**—Color photo of restaurant's chalk-printed "slate" menu lists greasy foods—hamburger, chili dog, bratwurst, cheese nachos, onion rings, etc. The lower right-hand corner has a picture of a box of Pepto-Bismol tablets and the line, "The one that coats is the only one you need."
- **Donna Karan New York, hosiery (Arnell/Bickford Associates)**—Striking b&w photo showing only a woman's crossed, hose-clad legs as she reclines on a chair. Reminiscent of photographer Man Ray's style.
- **Blue Diamond Growers, almonds (Saatchi & Saatchi DFS/-Pacific)**—Humorous color spread depicts purported gourmet treats featuring almonds: "Amande Suisse" (almond with chocolate sauce dabbed on it); "Pasta alle Mandorle" (almond with one strip of pasta wrapped around it); "Nachos y Alemdaras" (almond and cheese on nacho), etc.
- **Stanley Tools (Della Femina, McNamee WCRS)**—Page ad headlined "Some rules aren't made to be broken" has a 25-foot, yellow metal tape measure winding through long copy that stresses durability of Stanley tools.

Best Newspaper Ad finalists:

- **Midway Airlines (Campbell-Mithun-Esty)**—Partial page b&w ad with liberal use of white space is headlined "Avoid the ORDeal," using a baggage tag from Chicago's O'Hare International Airport (ORD) as part of the headline. The point, underscored in copy, is that the carrier flies from the more accessible, less crowded Midway Airport.
- **American Honda Motor Co. (Ketchum Advertising)**—"Where is your car parked?" asks a b&w spread with scroll ranking cars by J.D. Power & Associates Customer Satisfaction Index. Honda's Acura is No. 1, with Mercedes-Benz second. Honda, Toyota and Cadillac round out the top five. In all, 15 are shown in the photo.
- **Monsieur Henri Wines, Stolichnaya Russian vodka (Calet, Hirsch & Spector)**—B&w page with minimal copy features illustration of a Stoli bottle with two warships inside, bearing the U.S. and Soviet flags. Headline is "Here's to smooth sailing." Body copy explains that the countries the next day begin their historic summit at sea. Advertising congratulates "both countries on creating warmer waters."
- **Girl Scouts USA (Chiat/Day/-Mojo)**—Headline, created from unmatched and askew cut-and-paste letters, is "Sex and drugs and cinnamon roll." Body copy: "Learn how to deal with the first two, and how to bake the third. The Girl Scouts—as great as you want to make it."
- **Steinway & Sons (Kelley & Wallwork)**—Silhouette of figure at grand piano against white backdrop with the headline: "A Steinway will never sound quite the same again." At the bottom of the ad: "Vladimir Horowitz 1903-1989."

At the awards dinner, *Ad Age* will also honor the Best Business-to-Business Ad of 1989, as selected by sister publication *Business Marketing*.

The winning print execution, for Hunter Associates Laboratory (by KSK Communications), shows a photo of a cross-eyed, green-faced little girl staring at a soda with weirdly colored scoops of ice cream. The adjoining copy says such bad color reproduction can be avoided by using Hunter's Printed Image Color Control System.

Tickets to the dinner are $200 per person. For more information, call (312) 649-7794. □

March 26, 1990

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Advertising Age

Crain's International Newspaper of Marketing

1989 EDITION

FIRST RANKING OF THE WORLD'S TOP 100 AGENCIES
Dentsu grabs the crown; Young & Rubicam takes the U.S.

William Coupon

U.S. AGENCY OF THE YEAR

Bringing Advertising Age's U.S. Agency of the Year honors to San Francisco for the first time are the three partners of Goodby, Berlin & Silverstein (from left): Jeffrey Goodby, Andrew Berlin and Richard Silverstein.

Santos Cinto

INTERNATIONAL AGENCY OF THE YEAR

Contrapunto's top creatives, Jose Maria Lapena, co-chief creative director, Teo Marcos, president, and Juan Mariano Mancebo, co-chief creative director, give Spain its first Advertising Age International Agency of the Year award.

Ad Age 500 grows 9.7%; billings top $85 billion

Dentsu, with gross income of $1.32 billion, remains the world's biggest shop, comfortably ahead of Saatchi

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By R. Craig Endicott

Dentsu Inc. defended its crown as the world's largest advertising agency by pushing its gross income from advertising to $1.32 billion, far outdistancing pesky Saatchi & Saatchi Advertising Worldwide, a unit of Saatchi & Saatchi Co., according to *Advertising Age's* 46th annual Advertising Agency Income Report.

Growth in both U.S. and international gross income and billings of U.S.-based agencies comprising the *Ad Age* 500—a barometer of the ad community worldwide—slipped both domestically and abroad to 9.7% in 1989 from 16.9% growth worldwide in '88. Worldwide gross income in 1989 was $12.4 billion on billings of $85.4 billion.

The components of the worldwide gains demonstrate again that growth for the *Ad Age* 500 remains weighted to activity abroad. U.S. results in '89 advanced 6.8% to $7.3 billion in gross income on $51.5 billion in billings, while international returns for the year grew by 14.2% to $5.3 billion in gross income.

In 1988, the international rate was a formidable 29.9% because of a weaker dollar.

The power of international returns—foreign billings of the *Ad Age* 500 accounted for 39.6% of the index's worldwide billings—coupled with the frenzied growth in the global ad community influenced the ranking of the world's Top 100 agencies.

This year, agencies qualified for the ranking regardless of their country of origin. In the past, *Ad Age's* major ranking was worldwide gross income of U.S.-based agencies.

The new ranking *(see Page S-6)* proves the industry dwells in a global ad village, albeit one heavily influenced by U.S. multinationals.

Of the world's Top 100 agencies, 28 were from the Pacific's western rim, 18 were European and 46 were U.S.-based. Parent agencies were ranked by their consolidated totals; their majority-owned subsidiaries, if accounted for in the parent's totals, were not given a separate ranking.

Dentsu's lead in the world's Top 100 was so commanding the real drama in the worldwide race was who would finish second. Saatchi & Saatchi Advertising, for the first time ever, squeezed past No. 3 Young & Rubicam by recording a 20.2% annual growth, to $890 million in gross income worldwide compared with Y&R's $865.4 million, up 14.2%.

Y&R drew $409.5 million of its gross income from the U.S., a 9.9% increase, to keep its tenuous grip on the No. 1 spot in the U.S., narrowly repelling fast-charging Saatchi & Saatchi Advertising with U.S. gross income of $395.2 million, up 21.1%.

Saatchi's parent, London-based Saatchi & Saatchi Co., tumbled from the top spot among agency holding companies worldwide. Acquisition-loaded WPP Group, also London, unseated Saatchi & Saatchi with $2.4 billion in worldwide gross income, up 18%, on billings of $16.1 billion.

WPP overtook Saatchi on the basis of its acquisition last year of Ogilvy Group. Ogilvy Group ranked No. 5 among the world's mega-groups in 1988 returns with $865 million in gross income.

Saatchi, which had gross income of $2.3 billion, up 15.6%, on billings of $15.8 billion, had led all mega-groups since overtaking Interpublic Group of Cos. in 1986.

Saatchi did, however, draw more of its business from media-related advertising than WPP.

Holding companies are so dominant in the ad business that aside from Dentsu, Y&R and No. 10-ranked Hakuhodo, Tokyo, all the other top 10 positions on the world's Top 100 went to the New York-based multinational agencies of either Saatchi & Saatchi Co., WPP, Interpublic or Omnicom Group. Omnicom is the parent of BBDO Worldwide and DDB Needham Worldwide.

Backer Spielvogel Bates Worldwide, the other agency network under the Saatchi & Saatchi Co. umbrella, finished fourth on the world's Top 100 chart with gross income of $759.8 million, up 10.2%, on billings of $5.1 billion.

McCann-Erickson Worldwide, an Interpublic agency, claimed the No. 5 spot with gross income of $715.5 million, up 8.9%, on billings of $4.8 billion; Ogilvy & Mather Worldwide took No. 6 with $699.7 million gross income, up 10.1%, on billings of $4.8 billion; BBDO Worldwide finished No. 7 with $656.6 million gross income, up 12.1%, on billings of $4.6 billion; WPP's J. Walter Thompson Co. claimed No. 8 with $626.4 million gross income, up 12%, on billings of $4.4 billion; Lintas:Worldwide, another Interpublic shop, finished No. 9 with $593.3 million gross income, up 10.4%.

The Japanese, the most powerful force on the chart apart from the U.S. multinationals, field 22 places and produced a composite gross income of $3.2 billion on billings of $24.6 billion.

The 46 U.S. agencies among the Top 100 turned in an aggregate $10.5 billion in gross income on billings of $70.1 billion. The top 15 U.S. agencies, largely the multinational contingent from the U.S., have their tentacles everywhere. Their international operations accounted for 631 of the 1,006 agencies from 76 countries reporting in the international section of this issue.

Growth, compared with prior years, was relatively modest among Japanese agencies in 1989, even though most came in above 10%.

A slowdown in the Japanese economy and a decline of 3.1% in the yen against the stronger dollar in 1989 were contributing factors. And apart from Dentsu and Hakuhodo, no other Japanese agency finished in the top 20.

The Japanese results came largely from client bases indigenous to Japan. These agencies are poised to expand, however; they are being forced to do so as their multinational clients cover the globe. For example, Hakuhodo, involved in joint ventures with McCann-Erickson Worldwide and Lintas:Worldwide, turned to TBWA Advertising, No. 28 worldwide, to help with the Nissan corporate account in Europe.

Others involved in joint ventures, particularly with U.S. and European agencies, that could evolve into business and new alignments elsewhere include Tokyu Agency International, Tokyo, with No. 15 D'Arcy Masius Benton & Bowles, New York; Daiko Advertising, Osaka, with No. 12 Foote, Cone & Belding Communications, Chicago, and No. 13 Grey Advertising, New York; Dai-Ichi Kikaku, Tokyo, with Omnicom's Kresser Craig/D.I.K., Rapp Collins Marcoa and No. 11 DDB Needham; No. 45 Orikomi Advertising, Tokyo, with Backer Spielvogel Bates; and even Dentsu, with HDM (in Korea) and Y&R's Burson-Marsteller.

The French, second to none in devising complex agency acquisition schemes, are well represented through No. 16 EWDB Worldwide, No. 17 Publicis-FCB Communications B.V. and No. 20, RSCG Group, Paris.

EWDB is a late 1989 merger of the agencies held by London-based WCRS Group and Paris-based Eurocom, two agency holding companies. The amalgamation is led by its top U.S. shop, Della Femina, McNamee; WCRS Mathews Marcantonio in the U.K.; Belier EWDB in

(Continued on Page S-2)

INDEX

Warmth and whimsy a hallmark of U.S. Agency of the Year.

Agencies of the year
S-4 SF's Goodby, Berlin & Silverstein hailed
S-5 Contrapunto engineers locomotion to top spot

Agency profiles
S-33 The world's top 100 agencies by gross income

Agency rankings
S-2 Mega-groups by gross income
S-6 Top 100 agencies worldwide income
S-10 How the top 50 U.S. agency brands line up
S-14 U.S.-based agencies by domestic gross income
S-24 Foreign agencies by country and gross income
S-44 Public relations' influence on top 10 agencies
S-56 Top 10 agencies by media
S-60 Top 100 U.S. based agencies by productivity

Charts & analysis
S-37 Top 25 U.S. cities by billings
S-42 Six-year gross income & billings review
S-56 U.S. media billings by category

Other information
S-20 Methodology to rankings
S-33 Reader's guide to profiles
S-58 Index to U.S.-based agencies

Contrapunto's storytelling wins a feather in its cap.

Advertising Age's top 10 agencies of 1989

Top 10 agencies worldwide

Rank	Agency	Worldwide gross income	% chg
1	Dentsu Inc.	$1,316.4	11.9
2	Saatchi & Saatchi Advertising Worldwide	890.0	20.2
3	Young & Rubicam	865.4	14.2
4	Backer Spielvogel Bates Worldwide	759.8	10.2
5	McCann-Erickson Worldwide	715.5	8.9
6	Ogilvy & Mather Worldwide	699.7	10.1
7	BBDO Worldwide	656.6	12.1
8	J. Walter Thompson Co.	626.4	12.0
9	Lintas:Worldwide	593.3	10.4
10	Hakuhodo Inc.	585.5	12.1

(See Page S-6 for a ranking of 100 agencies worldwide.)

Top 10 U.S. brand-name agencies

Rank	Agency	U.S. billings	% chg
1	Leo Burnett Co.	$1,945.3	10.2
2	J. Walter Thompson Co.	1,786.0	3.7
3	Saatchi & Saatchi Advertising Worldwide	1,706.3	4.7
4	D'Arcy Masius Benton & Bowles	1,595.6	19.3
5	Foote, Cone & Belding Communications	1,578.5	4.0
6	Young & Rubicam	1,453.9	(4.9)
7	Grey Advertising	1,434.1	30.1
8	Ogilvy & Mather Worldwide	1,419.2	14.4
9	DDB Needham Worldwide	1,316.5	4.5
10	McCann-Erickson Worldwide	1,299.8	7.0

(See Page S-10 for the top 50 brand-name agencies.)

Top 10 agencies by U.S. gross income

Rank	Agency	U.S. gross income	% chg
1	Young & Rubicam	409.5	9.9
2	Saatchi & Saatchi Advertising Worldwide	395.2	21.1
3	BBDO Worldwide	373.6	9.7
4	Backer Spielvogel Bates Worldwide	310.7	9.9
5	Ogilvy & Mather Worldwide	305.1	8.6
6	DDB Needham Worldwide	302.9	24.0
7	Leo Burnett Co.	288.8	9.6
8	Foote, Cone & Belding Communications	280.5	2.5
9	J. Walter Thompson Co.	266.5	3.5
10	Grey Advertising	240.7	5.6

(See Page S-14 for a ranking of the top U.S. agencies.)

Agencies

(Continued from Page S-1)

Paris; and Ball Partnership in Australia and Hong Kong.

The two holding companies exchanged stock and created in effect two EWDBs with different ownership structures. The alignment gives Paris indirect voting control amounting to 80% rather than the 60% controlled directly.

Publicis-FCB is what has been termed "an alliance" of the former Foote, Cone & Belding Communications' European shops and Publicis Communications' U.K. and continental shops. The exception is Publicis Conseil which contributes 30% (up from 20% in 1989) to the venture "directly."

Indirectly, however, the Paris shop is bound more tightly into the alliance than its share would indicate. Publicis-FCB in last year's issue had been a merger of Publicis Communications and Foote, Cone & Belding Communications. It was unbundled this year because FCB operates independently outside Europe.

The stronger dollar in 1989 in general reduced the growth rate (in dollars) of non-U.S. agencies. The German mark dropped 6.9% against the dollar, the British pound, 5.5% and French franc, 7.3%.

Despite these fluctuations, the international subsidiaries of agencies in the *Ad Age* 500 grew an exceptional 14.2% in billings.

Still, that hardly compares to annual growth rates in 1988 and 1987 of 30.6% and 55.9%, respectively, from the same agencies.

U.S. Top 100

While Y&R continued its mastery of the U.S. Top 100 and Saatchi & Saatchi a client shy of passing it, BBDO Worldwide bore down to claim third place with gross income of $373.6 million, up 9.7%, on billings of $2.7 billion.

Three more agencies topped the $300 million range: No. 4 Backer Spielvogel Bates with $310.7 million gross income, up 9.9%, on billings of $2.2 billion; No. 5 Ogilvy & Mather Worldwide with gross income of $305.1 million, up 8.6%, on billings of $2.1 billion; and No. 6 DDB Needham Worldwide with gross income of $302.9 million on billings of $2.4 billion.

DDB Needham made the biggest leap—from No. 9 in 1988—based on a phenomenal 24% year-to-year growth. Four acquisitions, including the San Francisco office of D'Arcy Masius Benton & Bowles, capped its strong year for account gains.

Because of the new policy of not ranking subsidiaries whose totals already are included in a ranked parent company, the U.S. rankings ran deeper into the ad community than usual.

Chicago's black-owned agency, Burrell Communications Group, secured No. 100 with gross income of $9 million, up 0.5%, on billings of $60.3 million. In previous years, the ticket to the U.S. Top 100 was $11 million in gross income.

Agency brands

Leo Burnett Co., No. 7 in U.S. gross income, built onto its lead as the largest U.S. "brand" agency in recording brand billings of $1.9 billion. An agency "brand" is the core agency minus billings from subsidiaries, specialty units, sales promotion and direct marketing.

Subsidiary tiering over the years has made it hard to define this agency core that still competes for business. J. Walter Thompson Co. replaced Saatchi & Saatchi Advertising as the No. 2 brand, still $159.3 million in billings short of Burnett.

Media kings

The *Ad Age* 500, represented as the top 500 agencies in the U.S., amassed total spending of $36.6 billion in U.S. media. Network TV claimed 28.8% of the total and was paced by Saatchi & Saatchi with spending of $918.6 million; next was Burnett at $855.1 million.

Saatchi led spot TV as well, with $622.4 million in spending; No. 2 spender was sister agency Backer Spielvogel Bates with $525.2 million.

Saatchi & Saatchi also claimed the consumer magazine title with $422.1 million in spending, far ahead of Y&R at $280.7 million.

DDB Needham finished ahead in newspapers, claiming billings of $240.5 million in the medium. JWT was second at $226.5 million. □

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Making equity equitable

HDM and multiple owners are best example of change

HDM Worldwide falls prey to *Advertising Age's* new method of compiling the world's Top 100 agencies.

HDM is a big agency. Strong in the U.S., it is even more powerful on the international front. HDM's problem is that it does not own itself.

To be ranked among the world's Top 100, an agency must hold at least 50% of its equity that is not held by other agencies on the same list. If it owns less, its billings fall into those of the parent agency based on the percentage the parent holds in the subsidiary. This procedure is to prevent double-dipping whereby a subsidiary claims itself and the parent's consolidated totals do likewise.

HDM has three parents—Eurocom, the French holding company; Dentsu Inc.; and Young & Rubicam. They hold varying equity percentages depending on four global regions: In all, Dentsu walks away with 27% of HDM's worldwide returns, Y&R with 32% and Eurocom, 41%.

Eurocom's cut is larger than the rest because of its weighted share in Europe—HDM's biggest theater of operations where Eurocom takes 51%.

Though missing on the world's Top 100 chart, HDM agencies nonetheless appear in the international country rankings *(beginning on Page S-24)*. HDM also ranks No. 35 on the U.S. Top 100, because Y&R only claims 30% of its U.S. total, leaving 70% of U.S. billings unclaimed by any other agency on the U.S. chart.

RANK: NR

HDM Worldwide

New York

Gross income: **$368.0** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	368.0	263.6	39.6
Volume	2,555.5	1,858.0	37.5
U.S.			
Gross income	30.3	28.6	5.9
Volume	247.3	228.9	8.0

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	3,387	2,528	33.9
Offices	103	62	66.1

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
HDM, New York	247.3
HDM Direct, Los Angeles	NA
Stone & Adler, Chicago	NA
Castellanos Latina, Los Angeles,(NE)	NA

Non-U.S. offices, location	Billings
HDM, Bangkok(MJ)	14.1
HDM, Kuala Lumpur(MJ)	14.8
HDM Belgium, Brussels(MJ)	60.1
HDM Dorland, Vienna(MN)	28.4
HDM DSH K.K., Tokyo(MJ)	17.7
HDM Exit Oy, Helsinki(MN)	16.0
HDM France, Paris(MJ)	728.4
HDM Germany, Duesseldorf(MJ)	260.5
HDM Group, Copenhagen(MJ)	24.8
HDM Hong Kong, Hong Kong(MJ)	45.5
HDM Korea, Seoul(JV)	NA
DM KK Japan, Tokyo(MJ)	291.5
HDM London, London(MJ)	108.8
HDM Marketing Kommunikation, Zurich(MJ)	65.2
HDM Mattingly, Melbourne(MJ)	188.1
HDM Mattingly, Auckland(NA)	24.0
HDM Portugal, Lisbon(MJ)	9.1
HDM Singapore, Singapore(MJ)	15.9
HDM Shanghai, Shanghai(MJ)	NA
HDM Spain, Madrid(MJ)	114.2
HDM Taiwan, Taipei(MJ)	5.1
HDM WE, Milan(MJ)	62.0
HDM-Alcantara, Manila(MN)	11.8
HDM/DYR Advertising, Beijing(MJ)	3.5
HDM/Folmar, Istanbul(MN)	3.3
HDM/IBK, Stockholm(MJ)	27.4
HDM/VW&A Advertising, Rotterdam(MJ)	34.9
Target Advertising, Athens(MN)	5.1

Annual review

HDM's international billings grew a dramatic 41.6%, led by its European operations where more than half of its billings emanate. New accounts in Europe included the $15 million EuroDisneyland prelaunch and Sony Corp.'s first pan-European advertising as well as Sara Lee's Douwe Egberts division oral care and detergents in Europe while it lost Beiersdorf AG's Cosmed division in European account consolidation. In the U.S., HDM became the first agency for the Fries Entertainment theatrical distribution account ($5-$10 million), it gained Federal Express international air services ($7-$9 million), Acapulco, Mexico area-hotel group tourism ($10 million), which helped offset the loss of Hewlett-Packard ($13 million). In early 1989 HDM Mattingly, Sydney, was formed as a joint venture between HDM and Mojo-Monohan Dayman Adams Group, a group formed in 1985 that was being dissolved after Mojo merger with Chiat/Day in 1989. In keeping with its plan to expand beyond traditional advertising, HDM Direct Marketing Group was formed in early 1989 as an umbrella company for HDM direct-response shops in Los Angeles, New York, Boston, Paris, Hong Kong and new acquisitions, including Stone & Adler in Chicago. In April, HDM Worldwide opened a Shanghai office, it second in China. Later it signed a non equity affiliate agreement with Hispani marketing agency Castellanos Latina Los Angeles. HDM Korea was opened i December as a joint venture with Oricon Co., Seoul, and was expected to bill $ million in its first year. HDM Worldwid is owned 40.8% by Eurocom, 32.1% b Y&R and 27.1% by Dentsu. Those por tions are included in each parent's re sults.

U.S. accounts

Gained: LA—Acapulco Tourism Board Federal Express, Los Cabos Tourist Board; NY—Christian Dior perfumes Citizen Watch; HDB WW Direct, LA—Pacific Bell Directory, Businessland Stone & Adler, Chicago—Navistar Financial, American Trucking Assn.

Lost: NY—Orangina.

International accounts

Gained: Air New Zealand—Auckland Sydney; Credit Suisse—Taiwan; Euro Disney—London, Paris; Federal Express—Hong Kong, Singapore, Taiwan; Hertz—Barcelona, Italy, Rotterdam, Tokyo Hewlett-Packard—Beijing, Barcelona Israeli Tourism—Barcelona; Jacobs Suchard—Taiwan; NEC—Hong Kong Kuala Lumpur; Sara Lee—Brussels London, Madrid, Rotterdam, Melbourne Warner-Lambert—Manila, Bangkok.

Officers

Alain Godard, chmn-Paris; Tim Pollak ceo-NY; sr exec vps—Shinzo Ueno Tokyo, Jean de Yturbe, Paris; exec vps—Alain Rousset, cfo-NY; Megumi Niimura dir WW Marketing—Tokyo; joint chmn—David Mattingly, HDM Mattingly, Melbourne; Malcolm Spry, HDM Mattingly Sydney.

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Mega-groups minus non-media advertising

Rank 1989	Rank 1988	Group	Worldwide gross income 1989	Worldwide gross income 1988	Worldwide gross income % chg	Worldwide billings 1989	Worldwide billings 1988
1	1	**Saatchi & Saatchi PLC**, London	$1,650	$1,474	11.9	$11,193	$10,087
2	5	**WPP Group PLC**, London	1,584	1,328	19.3	10,580	8,913
3	2	**Interpublic Group of Cos.**, New York	1,279	1,215	5.2	8,532	8,107
4	3	**Omnicom Group**, New York	1,151	977	17.8	8,255	7,013
5	NA	**FCB-Publicis***, Chicago/Paris	632	601	5.2	4,210	4,008
6	6	**Eurocom**, Paris	476	NA	NA	3,314	NA
7	8	**Lowe Group PLC**, London	200	173	15.6	1,365	1,166
8	9	**BJK&E**, New York	182	173	5.2	1,302	1,207
9	NA	**BDDP Group**, Paris	96	56	72.1	637	370
10	11	**Lopex PLC**, London	84	67	25.4	566	452
11	10	**GGK Holding AG**, Basel	80	82	(2.4)	550	554
12	7	**WCRS Group PLC**, London	58	NA	NA	441	NA
13	NA	**Gold Greenlees Trott**, London	56	NA	NA	398	NA

Notes: Dollars are in millions. * represents a combination of all of Foote, Cone & Belding Communications, Chicago & Publicis S.A., Paris.

Mega-groups by worldwide gross income

Rank 1989	Rank 1988	Group	Gross income: Worldwide 1989	Worldwide 1988	Worldwide % chg	U.S. 1989	U.S. 1988	U.S. % chg	Billings: Worldwide 1989	Worldwide 1988	U.S. 1989	U.S. 1988
1	3	**WPP Group PLC**, London	$2,404	$2,038	18.0	$1,243	$1,031	20.6	$16,052	$13,528	$8,347	$6,958
2	1	**Saatchi & Saatchi PLC**, London	2,300	1,990	15.6	1,136	921	23.3	15,753	13,529	7,954	6,316
3	2	**Interpublic Group of Cos.**, New York	1,355	1,260	7.5	480	464	3.4	9,035	8,402	3,200	3,095
4	4	**Omnicom Group**, New York	1,210	986	22.7	677	585	15.7	8,645	7,072	5,042	4,344
5	NA	**FCB Publicis**, Chicago/Paris	689	653	5.5	281	274	2.5	4,599	4,358	1,871	1,826
6	6	**Eurocom**, Paris	507	NA	NA	60	NA	NA	3,432	NA	497	NA
7	7	**WCRS Group PLC**, London	280	336	(16.6)	75	100	(24.8)	4,215	2,914	525	764
8	8	**Lowe Group PLC**, London	230	195	17.9	83	60	38.3	1,5[illegible]	1,316	555	404
9	9	**BJK&E**, New York	201	188	6.9	166	159	4.4	1,475	1,347	1,240	1,154
10	11	**Lopex PLC**, London	161	126	27.6	68	64	6.3	1,071	840	11	10
11	NA	**BDDP Group**, Paris	119	75	58.6	0	NA	NA	791	499	NA	NA
12	10	**GGK Holding AG**, Basel	82	85	(3.5)	26	561	(95.3)	570	188	181	NA
13	NA	**Gold Greenlees Trott**, London	67	NA	NA	20	NA	NA	470	NA	154	NA

Notes: Dollars are in millions. Only a groups' percentage ownership of agencies is included in its total.

U.S. Agency of the Year

SF's Goodby, Berlin & Silverstein hailed

Agency's style: freshness, wit, warmth

By Alice Z. Cuneo

Goodby, Berlin & Silverstein, just 7 years old and still, as one of its founders put it, "a David among Goliaths," is *Advertising Age's* Agency of the Year for 1989.

The first San Francisco agency to win the honor, Goodby beat out runners-up Ammirati & Puris, New York, and Wieden & Kennedy, Portland, Ore. *(see Page S-53)*.

The agency bills $40 million annually, and its work has won high praise. Despite that, it lacks a high-profile national account—its first national commercial, for H.J. Heinz Co.'s Skippy Premium dog food, ran last October.

"They have an excellent creative product," said Hal Riney, chairman of Hal Riney & Partners and spiritual father of Goodby. The agency's principals—Jeff Goodby, 39; Andy Berlin, 40; and Rich Silverstein, 40—all worked for Mr. Riney at Ogilvy & Mather in San Francisco before forming their own shop.

Goodby claims not to have an agency "style." Its work is consistent only in its unexpected freshness, typically accomplished with wit and warmth.

To boost awareness of the University of California at San Francisco—and overcome neighborhood opposition to expansion plans—the agency dressed a real-life expert on parasitic diseases, the university's C.C. Wang, in hockey goalie gear and showed him flailing futilely at puck after puck.

As the shellshocked scientist crawls off the ice, voice-over says the university might be better-known if it had good sports teams, and the tagline flashes on the screen: "125 years and still no sports."

Commercials for Supercuts, a hair salon chain, never mention stylish hair but powerfully suggest the romantic possibilities it affords.

In one spot, a young man at a wedding reception is unable to hide his surprise—and delight—at a buddy's suddenly grown-up kid sister.

Noticing his interest, she tosses her magnificent long hair back and gives him a knowing look. "Supercuts" shows briefly on the screen.

Goodby's b&w commercials for the *San Francisco Examiner* were probably the first to signal the agency was bringing something new to the party.

One execution in the long-running campaign depicts "Wild Will Hearst," the newspaper's publisher, recklessly driving an *Examiner* delivery truck over the hills of the city.

The suspense builds, Hitchcocklike, as the commercial cuts between speeding truck and a little old lady who's dropped a quarter precisely in its path and is bending to pick it up.

The truck arrives, swooshing right at her. In the next frames, she's holding an *Examiner* as Mr. Hearst smugly flips the quarter in his hand.

Goodby's most elegant work has been for the upscale Royal Viking Cruise Line. For the campaign's print ads, Mr. Silverstein paged through old typography books until he found a typeface that would evoke what he called "the art of cruising in the '40s."

"It isn't just pretty," he said. "It enhances the product."

Much of the agency's print work exhibits an unusual sensitivity to type, most notably in ads for the Australian Lamb Council and the Nature Co.

In a recent roundtable discussion on agencies' use of computers (AA, March 12), Mr. Silverstein said: "I don't want to be limited to what typefaces are on a machine. I have a great reverence for type."

For a campaign for Polaroid Corp.'s Cool Cam, an instant camera for teen-agers, Goodby shot impromptu teen endorsements of the camera.

One of the spots, of a young man wearing a battered pair of glasses and delivering his Southern-accented pitch as the camera tries in vain to keep him in frame, is now on the Goodby reel.

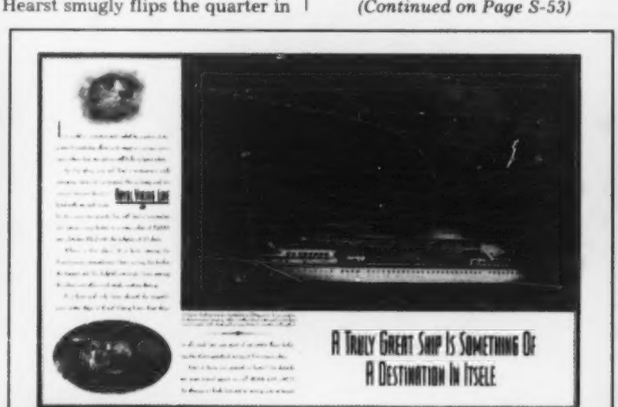
"We like to be spontaneous with the work—to get at things before people overthink them, to get at their initial, instinctive emotions," Mr. Goodby said. "That's why we use a lot of raw footage and a lot of humor."

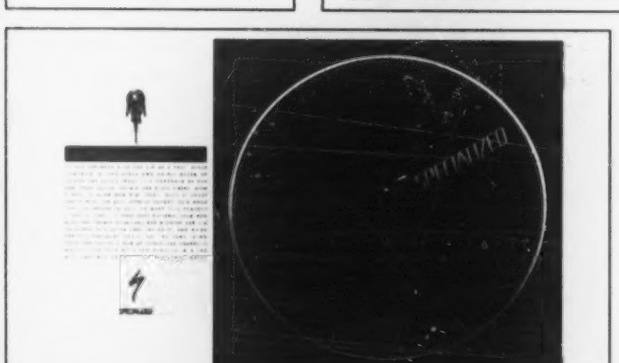
The Goodby principals decided to create an agency—"an environ-

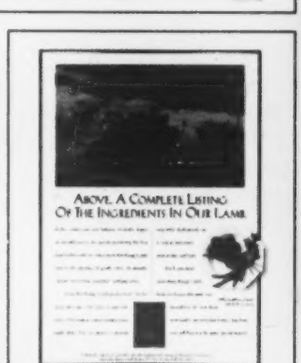
(Continued on Page S-53)

A wedding, an airport, a school and a kitchen are settings for soft-sell SuperCuts spots.

Toby, the neighborhood canine Lothario, stars in a humorous "get your dog fixed" SPCA message.

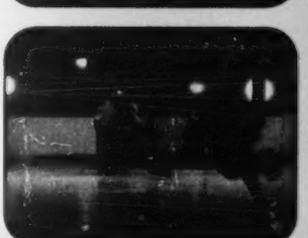






Goodby, Berlin & Silverstein's print ads include a wide variety of executions and illustrate Creative Director Rich Silverstein's use of an array of different typefaces to enhance the mood of the ads.

Stains on an upstairs rug may be his but the pet still deserves Skippy Premium, this spot says.



A professor's futility as goalie humorously explains why UCSF doesn't field sports teams.

International Agency of the Year

Contrapunto engineers locomotion to top spot

Surprises tell Spanish success story

By Marina Specht

Storytelling abilities and surprise endings are some of the creative techniques that earned for Spain's Contrapunto the title of *Advertising Age* International Agency of the Year for 1989.

After two straight years as a runner-up, the Madrid-based shop was selected from 51 agencies in 19 countries.

A prime example of the Spanish agency's ability to capture a TV viewer's attention with a well-told tale is a commercial for the Spanish state railway, RENFE.

The commercial opens with a well-dressed business executive riding on a train. His work is interrupted, however, when a boy with an Indian headdress suddenly appears from behind the seat and pretends to shoot an imaginary arrow at the businessman, who playacts as a cowboy.

The man plays dead until the conductor wants his ticket.

It's only after almost 45 seconds that TV viewers realize they're seeing a commercial for the railway.

The agency's ads often make use of simple plots, superb photography and strong, straightforward copy.

These techniques are used for products and services as diverse as shoe polish from Reckitt & Colman, a hair-removing device from Protecno's Epilady and government social programs.

"Our only philosophy is to surprise [the viewer], always," said Juan Mariano Mancebo, 38, who shares the post of chief creative director at Contrapunto with Jose Maria Lapena, 37.

Contrapunto's ability to surprise viewers gained international attention last year with a campaign for the state-owned TV network TVE intended to urge Spaniards not to watch too much TV. The 2-year-old campaign won the Grand Prix at the 1989 International Advertising Film Festival in Cannes.

The protagonist of two heart-tugging spots is a dog named Pippin, who unsuccessfully tries to convince his young master to leave the TV and play. The pup runs away from home, clutching his suitcase, in one of the commercials.

"When the campaign ended, thousands of people called the TVE headquarters to find out what happened to the dog," said Teo Marcos, 47, president and cofounder of the 15-year-old agency, a BBDO Worldwide affiliate.

The agency responded to the outcry with a third spot that evoked the same emotions and reinforced the shop's reputation for creativity.

In "Christmas Card," Pippin hangs out in a bar after closing time on Christmas Eve. Sitting on a stool, next to his suitcase, the dog sadly rejects delicious pastries and responds only when the bartender sits down at the piano. The two play "Silent Night" together in the empty bar.

"The ads [were] so popular that a lot of Spanish companies started using the dog's name and image to sell anything from clay figures and toys to T-shirts," Mr. Mancebo said.

The future of the Pippin saga depends on whether Contrapunto keeps the account, now undergoing its annual review.

If the account leaves, it wouldn't be the first time Contrapunto lost advertising business despite high-quality creative work.

On Jan. 1, Contrapunto lost a major piece of business when U.K.-based Reckitt & Colman decided to realign most of its business worldwide with Saatchi & Saatchi Advertising, Young & Rubicam and BDDP Group. Contrapunto lost $3.8 million in Reckitt business.

"Leaving Contrapunto was a pity; they knew our brands well, and they understood the spirit of our company," said Manuel Suarez, Reckitt marketing director in Spain.

One of the agency's last pieces of work for the household products marketer was a TV spot for Nugget shoe polish.

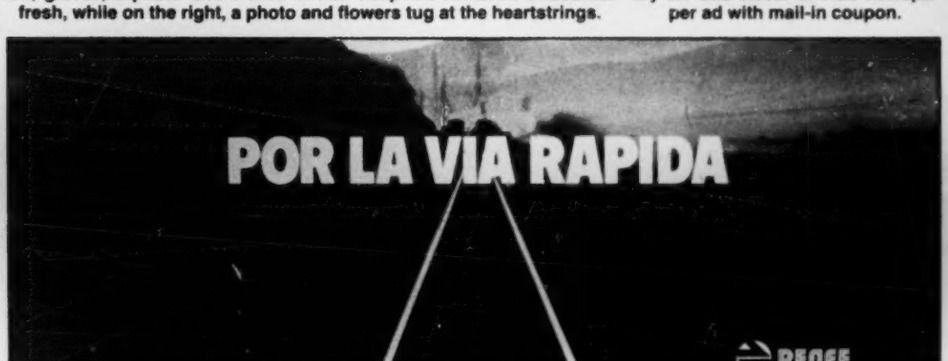
As classical music plays, various colors of creamy shoe polish are spread on a canvas. The end result is a beautiful abstract

(Continued on Page S-53)

A game of Cowboys and Indians offers viewers a first-class ride to the Wild West aboard this 45-second TV spot for state-run railroad RENFE.

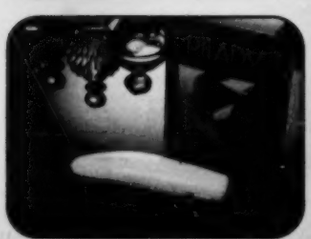
Love rides the rails in these ads, themed the "Tale of the train." On the left, gloves, a photo and a lock of hair keep the romantic encounter fresh, while on the right, a photo and flowers tug at the heartstrings.

"Off with her head" is the battle cry for this clever *El Pais* newspaper ad with mail-in coupon.



Simplicity quickly offers a memorable print ad, themed "For the fast way," for state-run railroad RENFE.

A grandma on the go is featured in this TV spot for the National Institute for Social Affairs.



The point of this ad for Protecno's Epilady isn't fuzzy as the fruit remains intact.

Top 100 agencies worldwide by gross income

Rank	Agency, headquarters	Worldwide gross income 1989	1988	% chg	Worldwide billings 1989	1988	% chg	U.S. gross income 1989	1988	% chg	U.S. billings 1989	1988	% chg
1	**Dentsu Inc.**, Tokyo	$1,316.4	$1,176.2	11.9	$10,063.2	$8,939.3	12.6	NA	NA	NA	NA	NA	NA
2	**Saatchi & Saatchi Advertising Worldwide**, New York	890.0	740.5	20.2	6,049.9	5,053.9	19.7	$395.2	$326.3	21.1	$2,778.9	$2,209.6	25.8
3	**Young & Rubicam**, New York	865.4	757.6	14.2	6,250.5	5,390.3	16.0	409.5	372.8	9.9	3,114.8	2,791.8	11.6
4	**Backer Spielvogel Bates Worldwide**, New York	759.8	689.8	10.2	5,143.2	4,677.9	9.9	310.7	282.7	9.9	2,158.0	1,964.2	9.9
5	**McCann-Erickson Worldwide**, New York	715.5	656.8	8.9	4,772.3	4,381.0	8.9	209.1	197.0	6.1	1,394.8	1,314.0	6.1
6	**Ogilvy & Mather Worldwide**, New York	699.7	635.2	10.1	4,828.0	4,110.1	17.5	305.1	281.1	8.6	2,104.4	1,874.9	12.2
7	**BBDO Worldwide**, New York	656.6	585.9	12.1	4,550.0	4,051.2	12.3	373.6	340.5	9.7	2,656.0	2,414.3	10.0
8	**J. Walter Thompson Co.**, New York	626.4	559.3	12.0	4,407.5	3,857.5	14.3	266.5	257.5	3.5	1,851.0	1,787.9	3.5
9	**Lintas:Worldwide**, New York	593.3	537.6	10.4	3,957.6	3,585.6	10.4	224.9	201.7	11.5	1,499.9	1,345.4	11.5
10	**Hakuhodo Inc.**, Tokyo	585.5	522.2	12.1	4,449.2	3,939.1	12.9	NA	NA	NA	NA	NA	NA
11	**DDB Needham Worldwide**, New York	552.9	399.9	38.2	4,095.4	3,020.3	35.6	302.9	244.4	24.0	2,386.3	1,929.3	23.7
12	**Foote, Cone & Belding Communications**, Chicago*	510.9	483.9	5.6	3,413.9	3,242.5	5.3	280.5	273.7	2.5	1,871.2	1,825.8	2.5
13	**Grey Advertising**, New York	498.9	432.8	15.3	3,267.4	2,886.5	13.2	240.7	227.9	5.6	1,605.3	1,520.3	5.6
14	**Leo Burnett Co.**, Chicago	483.8	428.4	12.9	3,245.5	2,865.1	13.3	288.8	263.4	9.6	1,945.3	1,765.0	10.2
15	**D'Arcy Masius Benton & Bowles**, New York	471.5	428.7	10.0	3,803.1	3,360.8	13.2	232.3	209.6	10.8	2,055.3	1,794.2	14.6
16	**EWDB Worldwide**, Paris	381.0	NA	NA	2,702.3	NA	NA	82.4	NA	NA	684.0	NA	NA
17	**Publicis-FCB Communications B.V.**, Paris **(49% FCB)**	358.8	337.0	6.5	2,405.4	2,278.6	5.6	4.3	2.7	61.0	31.7	19.0	66.8
18	**N W Ayer Inc.**, New York	210.5	185.2	13.6	1,398.2	1,347.7	3.7	128.8	127.8	0.8	859.1	946.7	(9.3)
19	**Bozell Inc.**, New York	190.7	179.2	6.4	1,400.0	1,283.0	9.1	155.4	150.3	3.4	1,165.0	1,090.0	6.9
20	**RSCG**, Paris	175.3	151.6	15.7	1,234.3	1,128.2	9.4	27.3	18.2	49.6	216.8	151.9	42.7
21	**Tokyu Agency**, Tokyo	156.2	134.6	16.0	1,259.4	1,115.2	12.9	NA	NA	NA	NA	NA	NA
22	**Dai-Ichi Kikaku**, Tokyo	155.8	141.9	9.8	1,053.0	977.7	7.7	NA	NA	NA	NA	NA	NA
23	**Daiko Advertising**, Osaka, Japan	152.1	139.7	8.9	1,214.1	1,126.7	7.8	NA	NA	NA	NA	NA	NA
24	**Chiat/Day/Mojo**, Venice, Calif.	150.0	110.0	36.4	1,060.0	838.0	26.5	106.0	77.0	37.7	785.0	603.5	30.1
25	**Lowe International**, London*	137.8	NA	NA	918.6	NA	NA	42.0	NA	NA	279.9	NA	NA
26	**Wells, Rich, Greene**, New York*	132.5	125.1	5.9	885.0	835.9	5.9	132.5	125.1	5.9	883.0	833.9	5.9
27	**Scali, McCabe, Sloves**, New York	127.0	107.0	18.7	870.1	770.6	12.9	79.0	71.8	9.9	590.3	559.7	5.5
28	**TBWA Advertising**, New York	123.7	97.4	27.0	827.0	671.9	23.1	33.2	23.1	43.8	221.6	154.1	43.8
29	**Ketchum Communications**, Pittsburgh	117.8	109.9	7.1	915.7	776.0	18.0	112.9	102.1	10.6	854.9	726.0	17.7
30	**Asatsu Inc.**, Tokyo	113.9	102.7	10.8	837.3	740.4	13.1	NA	NA	NA	NA	NA	NA
31	**Yomiko Advertising**, Tokyo	100.3	90.0	11.5	753.5	660.3	14.1	NA	NA	NA	NA	NA	NA
32	**Ross Roy Group**, Bloomfield Hills, Mich.	97.7	85.2	14.6	651.1	568.1	14.6	97.7	85.2	14.6	651.1	568.1	14.6
33	**I&S Corp.**, Tokyo	94.7	83.2	13.9	770.2	692.9	11.2	NA	NA	NA	NA	NA	NA
34	**MPM Propaganda**, Sao Paulo	83.9	NA	NA	220.7	NA	NA	NA	NA	NA	NA	NA	NA
35	**Asahi Advertising**, Tokyo	82.9	70.7	17.3	509.4	440.3	15.7	NA	NA	NA	NA	NA	NA
36	**BDDP**, Paris	79.2	69.3	14.2	527.9	462.5	14.2	NA	NA	NA	NA	NA	NA
37	**Cheil Communications**, Seoul	64.0	44.7	43.1	247.5	194.1	27.5	NA	NA	NA	NA	NA	NA
38	**Nihon Keizaisha Advertising**, Tokyo	56.3	47.1	19.6	337.3	283.0	19.2	NA	NA	NA	NA	NA	NA
39	**W.B. Doner**, Southfield, Mich.	52.1	41.9	24.4	381.0	303.3	25.6	44.2	37.0	19.4	309.0	268.7	15.0
40	**Clemenger/BBDO**, Melbourne **(46.46% BBDO)**	52.0	43.1	20.8	325.1	269.2	20.8	NA	NA	NA	NA	NA	NA
41	**Hill, Holliday, Connors, Cosmopulos**, Boston	51.6	50.2	2.7	344.0	335.0	2.7	43.9	43.1	2.0	293.1	287.4	2.0
42	**Chuo Senko Advertising**, Tokyo	50.6	47.0	7.6	376.4	345.8	8.9	NA	NA	NA	NA	NA	NA
43	**Armando Testa Group Worldwide**, Milan	50.2	47.7	5.2	349.4	323.4	8.1	NA	NA	NA	NA	NA	NA
44	**Sogei Co.**, Tokyo	49.2	39.2	25.7	300.2	263.0	14.2	NA	NA	NA	NA	NA	NA
45	**Orikomi Advertising**, Tokyo	47.5	40.8	16.3	435.8	419.9	3.8	NA	NA	NA	NA	NA	NA
46	**Oricom Inc.**, Seoul	45.1	32.5	38.8	173.0	137.0	26.3	NA	NA	NA	NA	NA	NA
47	**Admarketing Inc.**, Los Angeles	44.9	40.4	11.1	252.0	224.5	12.2	44.9	40.4	11.1	252.0	224.5	12.2
48	**FCA! Group**, Paris	42.3	NA	NA	281.7	NA	NA	NA	NA	NA	NA	NA	NA
49	**Man-Nen-Sha Inc.**, Osaka	42.2	36.4	15.9	550.4	492.9	11.7	NA	NA	NA	NA	NA	NA
50	**Telephone Marketing Programs**, New York	40.5	31.4	29.1	270.0	209.2	29.1	37.8	29.6	27.9	252.1	197.1	27.9
51	**Earle Palmer Brown**, Bethesda, Md.	40.1	36.2	10.8	310.5	271.1	14.5	40.1	36.2	10.8	310.5	271.1	14.5
52	**Collett Dickenson Pearce**, London	39.1	31.9	22.5	269.6	216.1	24.7	NA	NA	NA	NA	NA	NA
53	**Jordan, McGrath, Case & Taylor**, New York	38.5	38.5	0.0	315.0	300.0	5.0	38.5	38.5	0.0	315.0	300.0	5.0
54	**Almap/BBDO**, Sao Paulo **(19.9% BBDO)**	38.0	NA	NA	144.1	NA	NA	NA	NA	NA	NA	NA	NA
55	**Nihon Keizai**, Tokyo	37.2	29.6	25.6	254.8	211.5	20.5	NA	NA	NA	NA	NA	NA
56	**Levine, Huntley, Schmidt & Beaver**, New York	37.1	32.1	15.7	250.3 *	216.4	15.7	37.1	32.1	15.7	250.3	216.4	15.7
57	**Ally & Gargano**, New York	37.0	34.4	7.6	316.0	295.2	7.0	37.0	34.4	7.6	316.0	295.2	7.0
58	**Kyodo Advertising**, Tokyo	35.3	35.4	(0.1)	265.6	270.0	(1.6)	NA	NA	NA	NA	NA	NA
59	**Tokyu Agency International**, Tokyo **(24.5% DMB&B)**	34.9	30.3	15.0	272.4	233.5	16.7	NA	NA	NA	NA	NA	NA
60	**Laurence, Charles, Free & Lawson**, New York	34.6	41.5	(16.5)	275.2	302.0	(8.9)	34.6	41.5	(16.5)	275.2	302.0	(8.9)
61	**Duailibi Petit Zaragoza Propaganda**, Sao Paulo	34.6	NA	NA	139.6	NA	NA	NA	NA	NA	NA	NA	NA
62	**Hal Riney & Partners**, San Francisco*	33.8	23.0	46.7	225.0	200.0	12.5	33.8	23.0	46.7	225.0	200.0	12.5
63	**Meitsu Inc.**, Tokyo	32.0	31.0	3.2	213.1	193.5	10.1	NA	NA	NA	NA	NA	NA
64	**Nationwide Advertising Service**, Cleveland*	31.0	27.8	11.5	206.8	185.4	11.5	31.0	27.8	11.5	206.8	185.4	11.5
65	**Sanko-sha**, Tokyo	28.9	26.4	9.5	190.6	174.1	9.5	NA	NA	NA	NA	NA	NA
66	**Cossette Communications-Marketing**, Toronto	28.3	21.0	34.5	180.7	136.6	32.2	NA	NA	NA	NA	NA	NA
67	**Italia/BBDO**, Milan **(40% BBDO)**	27.7	25.4	8.9	184.2	169.4	8.7	NA	NA	NA	NA	NA	NA
68	**Abbott Mead Vickers, SMS**, London	25.8	23.6	8.9	194.4	177.6	9.4	NA	NA	NA	NA	NA	NA
69	**Direct Marketing Group**, New York	25.7	26.1	(1.5)	149.6	152.9	(2.2)	25.7	26.1	(1.5)	149.6	152.9	(2.2)
70	**Warwick Baker & Fiore**, New York	25.5	24.0	6.3	170.0	160.0	6.3	25.5	24.0	6.3	170.0	160.0	6.3
71	**Gold Greenlees Trott PLC**, London	24.4	22.1	10.4	164.4	142.6	15.3	NA	NA	NA	NA	NA	NA
72	**Norton Publicidade**, Sao Paulo	24.2	NA	NA	96.8	NA	NA	NA	NA	NA	NA	NA	NA
73	**L.G. Ad**, Seoul	24.1	19.0	26.6	160.7	126.9	26.6	NA	NA	NA	NA	NA	NA
74	**Evans Communications**, Salt Lake City	24.0	22.1	8.5	160.0	147.5	8.5	24.0	22.1	8.5	160.0	147.5	8.5
75	**Allen Brady & Marsh**, London*	23.8	22.5	5.7	158.4	149.9	5.7	NA	NA	NA	NA	NA	NA
76	**Dailey & Associates**, Los Angeles	23.3	19.6	18.4	155.2	131.0	18.4	23.3	19.6	18.4	155.2	131.0	18.4
77	**Austin Knight**, London*	23.0	19.1	20.4	153.6	127.6	20.4	NA	NA	NA	NA	NA	NA
78	**McKim Advertising**, Toronto	22.6	22.1	2.7	151.1	147.2	2.6	NA	NA	NA	NA	NA	NA
79	**Griffin Bacal**, New York	22.4	20.0	12.0	176.2	155.8	13.1	20.7	18.4	12.3	162.7	143.9	13.1
80	**Salles/Inter-Americana**, Sao Paulo	22.0	NA	NA	109.9	NA	NA	NA	NA	NA	NA	NA	NA
81	**ARC Advertising**, London*	21.6	13.8	56.3	144.0	92.1	56.3	NA	NA	NA	NA	NA	NA
82	**Bartle Bogle Hegarty**, London	21.4	19.0	12.8	159.2	126.7	25.7	NA	NA	NA	NA	NA	NA
83	**Keller-Crescent Co.**, Evansville, Ind.	21.3	22.0	(3.4)	106.5	110.3	(3.4)	21.3	22.0	(3.4)	106.5	110.3	(3.4)
84	**Yellowhammer Advertising**, London	21.3	17.4	22.4	141.8	115.9	22.4	NA	NA	NA	NA	NA	NA
85	**CFP Alliance**, Paris	21.2	20.3	4.3	141.1	136.1	3.6	NA	NA	NA	NA	NA	NA
86	**Nambokusha Inc.**, Tokyo	20.8	15.2	37.2	165.2	117.2	40.9	NA	NA	NA	NA	NA	NA
87	**Neville Jeffress Advertising**, Sydney	20.8	16.6	25.6	138.5	110.7	25.1	NA	NA	NA	NA	NA	NA
88	**Thomas G. Ferguson Associates**, Parsippany, N.J.	20.6	16.9	22.1	120.7	102.1	18.2	20.6	16.9	22.1	120.7	102.1	18.2
89	**GSD&M**, Austin, Texas	20.2	15.3	32.1	150.8	124.1	21.5	20.2	15.3	32.1	150.8	124.1	21.5
90	**Alliance International U.K.**, London	20.1	20.7	(3.1)	133.9	138.2	(3.1)	NA	NA	NA	NA	NA	NA
91	**Bloom Cos.**, Dallas	20.0	22.1	(9.5)	168.2	182.6	(7.9)	20.0	22.1	(9.5)	168.2	182.6	(7.9)
92	**Wyse Advertising**, Cleveland	19.9	15.7	26.5	140.4	105.8	32.8	19.9	15.7	26.5	140.4	105.8	32.8
93	**Geer, DuBois**, New York	19.5	18.0	8.3	130.0	120.0	8.3	19.5	18.0	8.3	130.0	120.0	8.3
94	**Rosenfeld, Sirowitz, Humphrey & Strauss**, New York	19.1	17.4	9.5	127.0	116.0	9.5	19.1	17.4	9.5	127.0	116.0	9.5
95	**Korad Ogilvy & Mather**, Seoul **(30% O&M)**	18.8	14.4	30.8	118.9	90.5	31.4	NA	NA	NA	NA	NA	NA
96	**Richards Group**, Dallas	18.7	15.1	24.3	125.1	101.4	23.4	18.7	15.1	24.3	125.1	101.4	23.4
97	**Osaka Yomiuri Advertising**, Osaka, Japan	18.5	16.2	14.0	142.1	124.6	14.0	NA	NA	NA	NA	NA	NA
98	**Standard Advertising**, Tokyo	18.1	17.7	2.2	146.0	138.4	5.5	NA	NA	NA	NA	NA	NA
99	**Baker Lovick Advertising**, Toronto **(49% BBDO)**	17.7	16.3	8.7	118.4	108.9	8.7	NA	NA	NA	NA	NA	NA
100	**Rubin Postaer & Associates**, Los Angeles	17.4	17.5	(0.6)	143.1	128.7	11.2	17.4	17.5	(0.6)	143.1	128.7	11.2

Notes: All figures are U.S. dollars and are in millions. Percentages and initials in parentheses indicate equity amounts included in other top agencies. See Page S-20 for methodology. * indicates that gross income and/or total volume figures are AA estimates. Profiles of the Top 100 agencies begin on Page S-33.

AA chart: Kevin Brown

Burnett retains top agency brand title

How the top 50 U.S. agency brands line up

Brand name agency rank 1989	1988	Agency	Agency group	U.S. brand billings 1989	1988	% chg	Total billings 1989
1	1	**Leo Burnett Co.**, Chicago		$1,945.3	$1,765.0	10.2	$1,945.3
2	3	**J. Walter Thompson Co.**, New York	WPP Group	1,786.0	1,721.5	3.7	1,851.0
3	2	**Saatchi & Saatchi Advertising**, New York	Saatchi & Saatchi Co. PLC	1,706.3	1,630.1	4.7	2,778.9
4	9	**D'Arcy Masius Benton & Bowles**, New York		1,595.6	1,337.3	19.3	2,055.3
5	4	**Foote, Cone & Belding Communications**, Chicago		1,578.5	1,517.4	4.0	1,871.2
6	5	**Young & Rubicam**, New York		1,453.9	1,528.5	(4.9)	3,114.8
7	11	**Grey Advertising**, New York		1,434.1	1,102.2	30.1	1,605.3
8	8	**Ogilvy & Mather Worldwide**, New York	WPP Group	1,419.2	1,240.9	14.4	2,104.4
9	6	**DDB Needham Worldwide**, New York	Omnicom Group	1,316.5	1,260.2	4.5	2,386.3
10	7	**McCann-Erickson Worldwide**, New York	Interpublic Group of Cos.	1,299.8	1,215.0	7.0	1,394.8
11	10	**BBDO Worldwide**, New York	Omnicom Group	1,214.9	998.7	21.6	2,656.0
12	12	**Backer Spielvogel Bates Worldwide**, New York	Saatchi & Saatchi Co. PLC	1,177.8	1,000.0	17.8	2,158.0
13	13	**Lintas:Worldwide**, New York	Interpublic Group of Cos.	1,070.9	966.1	10.8	1,500.0
14	15	**Bozell Inc.**, New York	Bozell, Jacobs, Kenyon & Eckhardt Inc.	950.4	900.0	5.6	1,165.0
15	17	**Wells Rich Greene**, New York		883.0	727.9	21.3	883.0
16	14	**N W Ayer**, New York		859.1	946.7	(9.3)	859.1
17	16	**Campbell-Mithun-Esty**, Minneapolis	Saatchi & Saatchi Co. PLC	821.8	748.4	9.8	859.8
18	18	**Della Femina McNamee EWDB**, New York	WCRS Group PLC	728.7	660.5	10.3	728.7
19	20	**Ketchum Communications**, Pittsburgh		716.6	625.6	14.5	854.9
20	19	**Chiat/Day/Mojo**, Venice, Calif.		705.0	556.5	26.7	785.0
21	21	**Tracy-Locke**, Dallas	Omnicom Group	390.2	380.7	2.5	404.6
22	22	**AC&R Advertising**, New York	Saatchi & Saatchi Co. PLC	369.1	355.6	3.8	369.1
23	24	**Scali, McCabe, Sloves**, New York	WPP Group	318.5	315.3	1.0	590.3
24	27	**Ally & Gargano**, New York		311.0	290.7	7.0	316.0
25	31	**W.B. Doner & Co.**, Southfield, Mich.		300.1	263.4	13.9	309.0
26	29	**Jordan, McGrath, Case & Taylor**, New York		298.9	284.6	5.0	315.0
27	25	**Lowe Marschalk**, New York	Interpublic Group of Cos.	297.3	305.0	(2.5)	297.3
28	26	**Laurence, Charles, Free & Lawson**, New York	Lowe Group PLC	275.2	302.0	(8.9)	275.2
29	33	**Earle Palmer Brown Cos.**, Bethesda, Md.		269.5	242.3	11.2	310.5
30	28	**Hill, Holliday, Connors, Cosmopulos**, Boston		266.1	267.0	(0.3)	293.1
31	32	**Wunderman Worldwide**, New York	Young & Rubicam	262.4	261.7	0.3	262.4
32	35	**Ogilvy & Mather Direct Response**, New York	WPP Group	253.4	226.0	12.1	305.0
33	43	**Telephone Marketing Programs**, New York		252.1	197.1	27.9	252.1
34	38	**Levine, Huntley, Schmidt & Beaver**, New York		250.3	216.4	15.7	250.3
35	23	**Ross Roy Inc.**, Bloomfield Hills, Mich.		250.1	254.7	(1.8)	651.1
36	36	**Admarketing**, Los Angeles		232.7	205.7	13.1	252.0
37	39	**HDM**, New York		232.2	215.7	7.6	247.3
38	37	**Tatham-Laird & Kudner**, Chicago		230.1	217.0	6.0	230.1
39	34	**Rapp Collins Marcoa**, New York	Omnicom Group	226.0	236.3	(4.4)	226.0
40	42	**Hal Riney & Partners**, San Francisco		225.0	200.0	12.5	225.0
41	50	**TBWA**, New York		221.6	154.1	43.8	221.6
42	40	**Ammirati & Puris**, New York	Omnicom Group	220.0	210.0	4.8	220.0
43	30	**McCaffrey & McCall**, New York	Saatchi & Saatchi Co. PLC	219.2	254.9	(14.0)	254.2
44	44	**Nationwide Advertising Service**, Cleveland		206.8	185.4	11.5	206.8
45	41	**Bernard Hodes**, New York	Omnicom Group	203.1	204.4	(0.6)	203.1
46	49	**Warwick Baker & Fiore**, New York	Lopex PLC	170.0	160.0	6.3	170.0
47	45	**Bloom Cos.**, Dallas		168.2	182.6	(7.9)	168.2
48	48	**Kallir Philips Ross**, New York	Omnicom Group	168.0	163.2	2.9	168.0
49	NR	**Griffin Bacal**, New York		162.7	143.9	13.1	162.7
50	NR	**Evans Communications**, Salt Lake City		160.0	147.5	8.5	160.0

Notes: Dollars are in millions. See table below for composition of ranked agencies. Prior year brand billings reflect agency's current composition.

Agency	Included	Excluded
Admarketing	Admarketing named shops	Admarketing direct response
Ally & Gargano	A&G named shops	A&G direct response; A&G Yellow Pages
Backer Spielvogel Bates Worldwide	BSB named shops	Campbell-Mithun-Esty; Custom Event Marketing; Kobs & Draft
BBDO Worldwide	BBDO named shops	Ammirati & Puris (50%); Baxter, Gurien & Mazzer; BBDO direct response; BBDO sales promotion; BBDO Yellow Pages; Blair Advertising; Caravetta, Allen, Kimbrough, Frank J. Corbett Inc.; Doremus & Co.; GM DuBois Corp.; Hannaford Co.; Ingalls, Quinn & Johnson; Lavey/Wolff/Swift; RC Communications; TELERx Marketing; Tracy-Locke; Rapp Collins Marcoa (50%)
Bozell	Bozell named shops	Bozell direct response; Bozell sales promotion; Bozell Yellow Pages; Custom Production Services; Robinson Lake Lerer & Montgomery
Earle Palmer Brown	EPB named shops	EPB direct response; EPB sales promotion; EPB Yellow Pages
Campbell-Mithun-Esty	C-M-E named shops	Cash Plus; Promotion Works
Chiat/Day/Mojo	C/D/M named shops	Anderson & Lembke; Perkins/Butler
D'Arcy Masius Benton & Bowles	DMB&B named shops	Clarion Marketing & Communications; DMB&B Direct; Intergroup Marketing & Promotions; Manning Selvage & Lee; Medicus Intercon
DDB Needham Worldwide	DDB Needham named shops	Ammirati & Puris (50%); Bernard Hodes Group; DDB Needham direct response; DDB Needham sales promotion; DDB Needham Yellow Pages; Kallir Philips Ross Inc.; Rapp Collins Marcoa (50%); Kresser, Craig/DIK; M/V/G DDB Needham; Elgin Syferd DDB Needham
W.B. Doner Inc.	W.B. Doner named shops	W.B. Doner direct response; W.B. Doner direct mail
Fahlgren & Swink	F&S named shops	Fahlgren & Swink Yellow Pages
Foote, Cone & Belding	FCB named shops; FCB Direct	Lewis, Gilman & Kynett; Albert Frank-Guenther Law; IMPACT; Wahlstrom & Co.
Grey Advertising	Grey named shops	Beaumont-Bennett; Grey Direct
HDM	HDM named shops	HDM Direct Response
Hill, Holliday, Connors, Cosmopulos	HHCC named shops	HHCC sales promotion; HHCC direct response
Ketchum Advertising	Ketchum named shops	Botto Roessner Horne & Messinger; Difranza Williams Inc.; Ketchum PR; Ketchum Yellow Pages; William A. Robinson Inc.
Lintas:Worldwide	Lintas: named shops	Fahlgren & Swink; Lintas Direct; Lintas Promo; Lintas Yellow Pages
McCaffrey & McCall	M&M named shops	McCaffrey & McCall Direct Response
McCann-Erickson Worldwide	M-E named shops; M-E Healthcare	McCann Direct; Phillips-Ramsey; Phoenix; Phillips-Ramsey; San Diego
Ogilvy & Mather Direct Response	O&M Direct Response; O&M Yellow Pages	A. Eicoff & Co.; Targeted Communications Corp.
Ogilvy & Mather Worldwide	O&M named shops	O&M Direct Response; Adams & Rinehart
Ross Roy Group	Ross Roy named shops	Caiet Hirsch & Spector; Gray & Kilgore; Griswold Inc.; Group 243; Ross Roy Direct; Ross Roy Promo; Wergeles & Drazen
Saatchi & Saatchi Advertising	S&S named shops	AC&R Advertising; Conill Advertising; Hoffman York Compton; Kleintner, McCaffrey & McCall; Rumrill-Hoyt; S&S Direct; Team One
Scali, McCabe, Sloves	SMS named shops	Fallon McElligott; Martin Agency
Tracy-Locke	T-L named shops	T-L direct marketing
J. Walter Thompson Co.	JWT named shops	Brouillard Communications
Young & Rubicam	Y&R named shops	Burson-Marsteller Worldwide; Cato Johnson Worldwide; Chapman Direct; Creswell, Munsell, Fultz & Zirbel; HDM USA (30%); Sive Associates; Sudler & Hennessey; Arthur Wilk; Wunderman Worldwide

Leo Burnett Co. has held on to its U.S. "brand" billings lead for the second consecutive year, strongly ahead of new second-place agency, J. Walter Thompson.

Burnett, holding one of the top two spots during all six years of *Advertising Age's* brand competition, extended its lead to $159.3 million, well above its $24.9 million first-place margin last year over Saatchi & Saatchi, whose prior year totals are skewed because of new "brand" computing methodology.

The *Ad Age* "brand" chart ranks agencies by pure advertising billings. As listed, these agencies are stripped of subsidiaries that have their own identity and/or deal in specialties such as direct response, PR, research, pharmaceutical, sales promotion or Yellow Pages. In the past, billings from these specialties have been included in U.S. "brand" totals when such business was not claimed by an autonomous unit. This year, agencies were stripped of all non-pure advertising billings, such as direct response, despite the source of those billings.

However, some agencies do not include all subsidiaries in their U.S. totals. Exclusions in the accompanying chart list only units whose billings were absorbed in their reported U.S. totals.

Under this criteria, the brand often is the reduction of the agency to a single name in multiple cities handling only advertising. This process allows subsidiaries to stand on their own and parent agencies to be more fairly compared.

The specialty units or subsidiaries were eliminated from the parent based on figures reported either by the subsidiary or parent for these operations. When billings totals could not be obtained from the shops, they were estimated by *Ad Age*. Prior-year figures have been adjusted to reflect the agency composition in 1989.

In this era of megamergers, reduction to brands provides advertisers with a better understanding of the agencies' family trees as they continue to branch out. The brand agency concept is controversial among the multi-layered agencies, of course, because they are seeking to become "seamless," though separate identities are maintained in the case of some subsidiaries.

In terms of consolidated U.S. billings, Young & Rubicam continues to rank No. 1 on the *Ad Age* chart, but it slumped to No. 6 among the brands. Without its subsidiaries, Y&R's total U.S. billings were more than cut in half.

Among the Top 10 brands, Grey claimed the best percentage gain of 30.1%, and D'Arcy Masius Benton & Bowles, the second best at 19.3%. DMB&B in fact leaped from No. 9 to No. 4.

The largest decline hit Lord Geller Federico & Einstein, New York, which fell off the chart from No. 47 last year after experiencing a 65.6% drop in billings. LGFE in 1989 continued to be plagued by executive defections and loss of the IBM account in 1988. Doremus & Co. is the only other agency to lose its place among the Top 50 brand agencies, falling from No. 46 to No. 54 as its billings dropped 18.2%.

Sarah Polster

U.S.-based agencies by domestic gross income

Rank 1989	Rank 1988		Agency, headquarters	U.S. gross income 1989	U.S. gross income 1988	% chg	U.S. billings 1989	U.S. billings 1988	U.S. employees 1989	U.S. employees 1988	Top executive, title	Telephone
1	1	✓	**Young & Rubicam**, New York	409.5	372.8	9.9	3,114.8	2,791.8	4,066	4,717	Alexander Kroll, chmn, ceo	(212) 210-3000
2	3		**Saatchi & Saatchi Advertising Worldwide**, New York	395.2	326.3	21.1	2,778.9	2,209.6	1,760	1,975	D. Gossett/S. Upson, chmn	(212) 463-2000
3	2	✓	**BBDO Worldwide**, New York	373.6	340.5	9.7	2,656.0	2,414.3	3,375	3,598	Allen Rosenshine, chmn, ceo	(212) 459-5000
4	4		**Backer Spielvogel Bates Worldwide**, New York	310.7	282.7	9.9	2,158.0	1,964.2	1,370	1,322	Carl Spielvogel, chmn, ceo	(212) 297-7000
5	5	✓	**Ogilvy & Mather Worldwide**, New York	305.1	281.1	8.6	2,104.4	1,874.9	2,636	2,732	Graham Phillips, chmn, ceo	(212) 237-6000
6	9	✓	**DDB Needham Worldwide**, New York	302.9	244.4	24.0	2,386.3	1,929.3	3,025	2,786	Keith Reinhard, chmn, ceo	(212) 415-2000
7	7	✓	**Leo Burnett Co.**, Chicago	288.8	263.4	9.6	1,945.3	1,765.0	2,222	2,083	Hall Adams Jr., chmn, ceo	(312) 220-5959
8	6	✓	**Foote, Cone & Belding Communications**, Chicago*	280.5	273.7	2.5	1,871.2	1,825.8	2,832	3,081	Norman W. Brown, chmn, ceo	(312)-751-7000
9	8	✓	**J. Walter Thompson Co.**, New York	266.5	257.5	3.5	1,851.0	1,787.9	2,484	2,427	Burt Manning, chmn, ceo	(212) 210-7000
10	10	✓	**Grey Advertising**, New York	240.7	227.9	5.6	1,605.3	1,520.3	2,067	2,015	Edward H. Meyer, president, chmn	(212) 546-2000
11	11	✓	**D'Arcy Masius Benton & Bowles**, New York	232.3	209.6	10.8	2,055.3	1,794.2	2,341	2,288	John S. Bowen, chmn, ceo	(212) 468-3622
12	12	✓	**Lintas:Worldwide**, New York	224.9	201.7	11.5	1,499.9	1,345.4	1,781	1,917	William V. Weithas, chmn, ceo	(212) 605-8000
13	13	✓	**McCann-Erickson Worldwide**, New York	209.1	197.0	6.1	1,394.8	1,314.0	1,767	1,889	Robert L. James, chmn, president	(212) 697-6000
14	14	✓	**Bozell Inc.**, New York	155.4	150.3	3.4	1,165.0	1,090.0	1,643	1,665	Charles D. Peebler, ceo	(212) 727-5000
15	16		**Wells, Rich, Greene**, New York*	132.5	125.1	5.9	883.0	833.9	860	829	Mary Wells Lawrence, chmn, ceo	(212) 303-5050
16	15		**NW Ayer Inc.**, New York	128.8	127.8	0.8	859.1	946.7	980	1,337	Jerry J. Siano, president, ceo	(212) 474-5000
NR	NR		**Campbell-Mithun-Esty**, Minneapolis (**BSBW**)	115.9	105.6	9.8	859.8	783.0	1,155	1,227	William D. Dunlap, ceo	(612) 347-1000
17	17	✓	**Ketchum Communications**, Pittsburgh	112.9	102.1	10.6	854.9	726.0	1,229	1,360	William H. Genge, chmn, ceo	(412) 456-3500
18	20		**Chiat/Day/Mojo**, Venice, Calif.	106.0	77.0	37.7	785.0	603.5	935	812	Jay Chiat, chmn, ceo	(213) 314-5000
19	18	✓	**Ross Roy Group**, Bloomfield Hills, Mich.	97.7	85.2	14.6	651.1	568.1	1,046	955	Glen W. Fortinberry, chmn, ceo	(313) 433-6000
20	19		**Della Femina, McNamee EWDB**, New York	87.8	84.4	4.0	728.7	660.5	851	991	Jerry Della Femina, chmn, ceo	(212) 886-4100
21	21		**Scali McCabe Sloves**, New York	79.0	71.8	9.9	590.3	559.7	717	706	Marvin Sloves, chmn, ceo	(212) 735-8000
NR	NR	✓	**Tracy-Locke**, Dallas (**BBDO**)	55.6	54.5	1.9	404.6	408.0	525	654	Howard Davis, chmn, ceo	(214) 969-9000
NR	NR		**AC&R Advertising**, New York (**S&SAW**)	45.8	44.2	3.6	369.1	355.6	436	469	Stephen Rose, ceo, chmn	(212) 696-3900
22	25		**Admarketing Inc.**, Los Angeles	44.9	40.4	11.1	252.0	224.5	133	138	Jack Roth, president, ceo	(213) 203-8400
NR	NR	✓	**Ogilvy & Mather Direct Response**, New York (**O&M**)	44.2	41.0	7.8	305.0	272.0	488	471	Jerome W. Pickholz, chmn, ceo	(212) 237-6000
23	27		**W.B. Doner**, Southfield, Mich.	44.2	37.0	19.4	309.0	268.7	523	500	H.D. Fried, chmn, ceo	(313) 354-9700
24	22		**Lowe Marschalk**, New York	44.0	46.0	(4.3)	297.3	305.0	363	400	Andrew J. Langer, ceo	(212) 708-8800
25	23	✓	**Hill, Holliday, Connors, Cosmopulos**, Boston	43.9	43.1	2.0	293.1	287.4	408	421	George J. Hill III, chmn	(617) 437-1600
26	28		**Earle Palmer Brown**, Bethesda, Md.	40.1	36.2	10.8	310.5	271.1	469	446	Jeb Brown, ceo	(301) 657-6000
NR	NR	✓	**Wunderman Worldwide**, New York (**Y&R**)	38.7	39.9	(2.9)	262.4	266.1	352	295	Lester Wunderman, chmn	(212) 909-0100
27	26		**Jordan, McGrath, Case & Taylor**, New York	38.5	38.5	0.0	315.0	300.0	282	283	James J. Jordan Jr., chmn	(212) 326-9100
NR	NR		**McCaffrey & McCall**, New York (**S&SAW**)	38.2	41.1	(6.9)	254.2	297.9	407	413	Robert H. Cherins	(212) 350-1000
28	31	✓	**Telephone Marketing Programs**, New York	37.8	29.6	27.9	252.1	197.1	716	651	Andrew J. McKelvey, president	(212) 977-4200
29	30		**Levine, Huntley, Schmidt & Beaver**, New York	37.1	32.1	15.7	250.3	216.4	245	250	Robert H. Schmidt, president, ceo	(212) 545-3500
30	29	✓	**Ally & Gargano**, New York	37.0	34.4	7.6	316.0	295.2	230	220	William Luceno, ceo	(212) 688-5300
31	24		**Laurence, Charles, Free & Lawson**, New York	34.6	41.5	(16.5)	275.2	302.0	322	334	Charles Goldschmidt, chmn	(212) 213-4646
32	39		**Hal Riney & Partners**, San Francisco*	33.8	23.0	46.7	225.0	200.0	238	183	Hal Riney, chmn, ceo	(415) 981-0950
33	38		**TBWA Advertising**, New York	33.2	23.1	43.8	221.6	154.1	265	165	William Tragos, chmn, ceo	(212) 725-1150
34	33		**Nationwide Advertising Service**, Cleveland*	31.0	27.8	11.5	206.8	185.4	398	376	G. Gund III/G. Gund, co-chmn	(216) 579-0300
NR	NR	✓	**Bernard Hodes Group**, New York (**DDBN**)	30.5	30.7	(0.6)	203.1	204.4	393	419	Bernard Hodes, ceo, president	(212) 935-4000
35	32	✓	**HDM**, New York	30.3	28.6	6.1	247.3	228.9	373	277	Alain Godard, chmn	(212) 408-2100
NR	NR	✓	**Ammirati & Puris**, New York (**BBDO,DDBN**)	29.5	28.0	5.4	220.0	210.0	260	260	M. Puris/R. Ammirati, chmn	(212) 206-0500
36	35		**Tatham-Laird & Kudner**, Chicago	27.6	26.0	6.0	230.1	217.0	254	285	Charlotte Beers, chmn, ceo	(312) 337-4400
37	34		**Direct Marketing Group**, New York	25.7	26.1	(1.5)	149.6	152.9	625	637	John A. DePasquale, chmn	(212) 355-2530
38	37		**Warwick Baker & Fiore**, New York	25.5	24.0	6.3	170.0	160.0	NA	NA	John P. Warwick, chmn	(212) 941-4200
NR	NR	✓	**Sudler & Hennessey**, New York (**Y&R**)	24.6	20.6	19.6	164.0	137.2	215	193	William B. Gibson, chmn, president	(212) 265-8000
39	40	✓	**Evans Communications**, Salt Lake City	24.0	22.1	8.5	160.0	147.5	356	336	Jon L. Johnson, president, ceo	(801) 364-7000
NR	NR	✓	**Rapp Collins Marcoa**, Chicago (**BBDO,DDBN**)	23.8	23.7	0.3	226.0	236.3	340	328	David Hefter, chmn, ceo	(312) 454-0660
NR	NR	✓	**Fahlgren & Swink**, Parkersburg, W. Va. (**Lintas**)	23.6	18.9	24.8	157.5	126.2	340	284	H. Smoot Fahlgren, chmn, ceo	(304) 424-3591
40	43	✓	**Dailey & Associates**, Los Angeles	23.3	19.6	18.4	155.2	131.0	196	185	Phillip Joanou, chmn, ceo	(213) 386-7823
NR	NR	✓	**Cato Johnson Worldwide**, New York (**Y&R**)	22.6	19.0	18.7	150.5	126.8	308	230	William A. Power, ceo	(212) 941-3700
NR	NR	✓	**Thompson Recruitment**, New York (**JWT**)	21.6	16.7	29.5	144.0	111.0	360	260	Kim Macalister, president	(213) 655-4262
41	42		**Keller-Crescent Co.**, Evansville, Ind.	21.3	22.0	(3.4)	106.5	110.3	546	561	Thomas M. Smythe, president, ceo	(812) 464-2461
NR	NR	✓	**Kallir, Philips, Ross**, New York (**DDBN**)	21.2	17.7	20.1	168.0	163.2	206	215	John Kallir, chmn, ceo	(212) 856-8400
NR	NR		**Martin Agency**, Richmond, Va. (**SMS**)*	21.1	16.9	24.4	140.5	113.0	225	195	Harry M. Jacobs, chmn	(804) 254-3400
NR	NR	✓	**Doremus & Co.**, New York (**BBDO**)	20.9	25.6	(18.5)	148.0	181.0	249	305	Curtis R. Troeger, chmn, ceo	(212) 964-0700
42	44		**Griffin Bacal**, New York	20.7	18.4	12.3	162.7	143.9	177	176	T.L. Griffin/J.M. Bacal, co-chmn	(212) 337-6400
43	49	✓	**Thomas G. Ferguson Associates**, Parsippany, N.J.	20.6	16.9	22.1	120.7	102.1	120	110	Thomas G. Ferguson, chmn, ceo	(201) 884-2200
44	55		**GSD&M**, Austin, Texas	20.2	15.3	32.1	150.8	124.1	234	171	Stephen Gurasich, chmn, ceo	(512) 327-8810
45	41	✓	**Bloom Cos.**, Dallas	20.0	22.1	(9.5)	168.2	182.6	255	263	Robert H. Bloom, chmn, ceo	(214) 443-9900
46	54		**Wyse Advertising**, Cleveland	19.9	15.7	26.5	140.4	105.8	275	231	Marc A. Wyse, chmn	(216) 696-2424
47	45		**Geer, DuBois**, New York	19.5	18.0	8.3	130.0	120.0	201	190	Peter Geer, president	(212) 741-1900
48	48	✓	**Rosenfeld, Sirowitz, Humphrey & Strauss**, New York	19.1	17.4	9.5	127.0	116.0	176	124	R. Rosenfeld/L. Sirowitz/H. Strauss	(212) 505-0200
NR	NR	✓	**Clarion Marketing**, Greenwich, Conn (**DMB&B**)	18.8	16.4	14.5	125.2	109.6	133	126	Raymond S. Rizzo, president, ceo	(203) 531-3600
49	58		**Richards Group**, Dallas	18.7	15.1	24.3	125.1	101.4	194	166	six principals	(214) 891-5700
NR	NR		**Kobs & Draft Advertising**, Chicago (**BSBW**)*	17.7	13.7	29.8	116.9	90.2	146	136	Howard Draft, chmn, ceo	(312) 944-3500
50	47	✓	**Rubin Postaer & Associates**, Los Angeles	17.4	17.5	(0.6)	143.1	128.7	157	148	Gerald R. Rubin, president	(213) 208-5000
51	51		**Ingalls, Quinn & Johnson**, Boston	16.9	16.2	4.5	137.1	133.4	202	219	Richard C. Garrison, chmn, ceo	(617) 954-1000
52	53	✓	**Davis, Ball & Colombatto Advertising**, Los Angeles	16.8	15.9	5.8	147.4	135.7	201	215	Robert M. Davis, chmn	(213) 688-7000
53	52	✓	**Eisaman, Johns & Laws**, Los Angeles	16.7	16.1	3.7	124.0	111.5	216	199	J.R. Eisaman, chmn	(213) 469-1234
54	57	✓	**Weightman Group**, Philadelphia	16.5	15.2	8.6	110.0	101.4	203	210	Charles Coffey, chmn	(215) 561-6100
NR	NR	✓	**Lavey/Wolff/Swift**, New York (**BBDO**)	16.1	12.7	27.3	107.7	84.5	159	135	John Swift, president, ceo	(212) 593-3630
NR	NR		**Fallon McElligott**, Minneapolis (**SMS**)	16.0	16.5	(2.9)	131.3	131.4	145	130	Pat Fallon, chmn	(612) 332-2445
55	63		**Bayer Bess Vanderwarker**, Chicago*	16.0	13.0	23.0	105.0	84.9	159	150	Gary Bayer, chmn, ceo	(312) 861-3800
NR	NR	✓	**Lewis, Gilman & Kynett**, Philadelphia (**FCB**)	15.9	17.3	(7.8)	106.0	115.0	210	218	Robert G. Wilder, chmn	(215) 790-4100
56	59	✓	**Cramer-Krasselt**, Milwaukee	15.8	14.0	13.4	108.6	96.5	188	181	Paul S. Counsell, chmn, ceo	(414) 227-3500
57	56		**William Douglas McAdams Inc.**, New York	15.6	15.2	2.5	107.0	107.0	163	159	Irwin C. Gerson, chmn	(212) 698-6400
58	61		**Avrett, Free & Ginsberg**, New York	15.5	13.3	16.7	128.8	112.0	102	75	Jack Avrett, chmn	(212) 832-3800
58	66		**Long, Haymes & Carr**, Winston-Salem, N.C.	15.5	12.0	29.4	103.5	83.6	205	181	Donald N. Adams, chmn, ceo	(919) 765-3630
NR	NR		**Klemtner Advertising**, New York (**S&SAW**)	15.5	12.0	29.2	121.1	90.2	135	125	Albert P. Molinaro Jr., chmn, ceo	(212) 463-3400
60	46	✓	**McKinney & Silver**, Raleigh, N.C.	15.4	17.9	(13.9)	102.9	119.5	107	122	Charles McKinney, chmn	(919) 828-0691
NR	NR	✓	**Medicus Intercon International**, New York (**DMB&B**)	14.8	12.6	17.6	133.5	113.5	160	158	Lawrence J. Lesser, chmn, ceo	(212) 468-3100
61	85		**Weiden & Kennedy**, Portland, Ore.*	14.7	9.3	58.1	98.0	62.0	98	65	Dan Weiden, president	(503) 228-4381
62	135		**Tarlow Advertising**, New York	14.6	6.1	139.9	109.2	39.9	74	27	Dick Tarlow, president	(212) 826-0399
63	62	✓	**Lois/GGK New York**, New York	14.4	13.3	7.9	99.7	99.4	95	95	George Lois, chmn, cd	(212) 757-6700
64	126		**Partners & Shevack**, New York	14.2	6.5	118.5	144.5	52.0	102	65	Brett Shevack, president, ceo	(212) 245-7300
65	50		**Tucker Wayne/Luckie & Co.**, Atlanta	14.1	16.7	(15.5)	104.5	119.7	172	187	Matthew Connor, chmn exec comm	(404) 521-7600
66	71	✓	**Asher/Gould Advertising**, Los Angeles	14.0	11.0	26.9	93.0	75.0	99	91	Harold Asher, chmn	(213) 931-4151
67	75		**Margeotes Fertitta & Weiss**, New York	13.7	10.6	29.1	88.8	68.7	95	75	George Fertitta, president	(212) 979-6600
NR	NR	✓	**Creswell, Munsell, Fultz & Zirbel**, Cedar Rapids, Iowa (**Y&R**)	13.6	11.9	14.3	90.5	79.0	196	190	F.C. Baker, president, ceo, chmn	(319) 395-6500
68	60	✓	**Cabot Communications**, Boston	13.1	13.7	(5.0)	91.2	95.5	125	161	William H. Monaghan, president, ceo	(617) 242-6200
NR	NR		**Rumrill-Hoyt**, Rochester, N.Y. (**S&SAW**)	13.0	11.3	14.6	86.6	75.6	168	166	Richard D. Thomson, chmn, ceo	(716) 272-6100
69	82	✓	**DCA Advertising**, New York	12.8	9.8	30.9	94.0	71.2	142	137	Toshio Naito, president	(212) 703-1400
NR	NR	✓	**M.E.D. Communications**, Woodbridge, N.J. (**DMB&B**)	12.7	14.2	(10.0)	83.6	93.0	100	120	Robert Portman, president	(201) 636-6600
70	64	✓	**Towne, Silverstein, Rotter**, New York	12.5	12.5	0.0	83.0	83.0	45	45	Leslie Towne, ceo	(212) 353-1700
71	76	✓	**QLM Associates**, Princeton, N.J.	12.4	10.5	18.0	82.3	69.7	96	87	Lawrence A. Quintman, president	(609) 683-1177
71	79	✓	**Barry Blau & Partners**, Fairfield, Conn.	12.4	10.3	20.3	101.2	85.3	128	118	Barry Blau, chmn	(203) 254-3700
73	78	✓	**Carmichael Lynch**, Minneapolis	12.1	10.5	15.7	87.9	76.2	190	160	Lee Lynch, chmn, ceo	(612) 334-6000
73	83		**Martin-Williams**, Minneapolis	12.1	9.8	23.5	100.0	83.0	133	115	David Floren, chmn, ceo	(612) 340-0800

Notes: Dollars are in millions. NR indicates agency not ranked. Initials in parentheses indicate the parent company in which the subsidiaries' figures are included. See Page S-20 for methodology. See Page S-58 for an alphabetical index. ✓ indicates that the agency received signature of an independent accountant verifying figures supplied to AA. * indicates that gross income and/or total volume figures are AA estimates.

AA chart: Kevin Brown

U.S.-based agencies by domestic gross income

Rank 1989	Rank 1988		Agency, headquarters	U.S. gross income 1989	U.S. gross income 1988	% chg	U.S. billings 1989	U.S. billings 1988	U.S. employees 1989	U.S. employees 1988	Top executive, title	Telephone
75	67		**Al Paul Lefton Co.**, New York	11,900.0	11,700.0	1.7	70,000.0	68,000.0	153	149	Al Paul Lefton Jr., president, ceo	(212) 867-5100
76	69		**Henderson Advertising**, Greenville, S.C.	11,858.0	11,272.0	5.2	80,669.0	75,148.0	106	104	Ralph W. Callahan Jr., chmn	(803) 271-6000
77	68		**Cole & Weber**, Seattle	11,855.9	11,573.5	2.4	89,908.6	93,264.6	145	156	Mark McNeely, chmn	(206) 447-9595
78	81	✓	**Valentine Radford**, Kansas City, Mo.	11,798.1	10,195.9	15.7	79,381.1	70,286.5	153	147	Robert C. Lang, chmn	(816) 842-5021
79	70	✓	**Gross Townsend Frank Hoffman**, New York	11,755.6	11,267.4	4.3	78,374.9	75,153.3	120	109	Alan Gross, president	(212) 886-3000
80	NA	✓	**Lois/GGK Chicago**, Chicago	11,400.0	NA	NA	80,000.0	75,000.0	105	91	Edwin H. Holzer, chmn, ceo	(312) 527-5030
81	174		**Lord Einstein O'Neill & Partners**, New York	11,356.0	4,558.7	149.1	78,593.7	32,712.8	89	78	Richard J. Lord, chmn, ceo	(212) 768-5000
82	97	✓	**Deutsch Inc.**, New York	11,266.3	8,315.9	35.5	75,108.9	54,984.6	105	77	David Deutsch, chmn	(212) 995-7500
83	77		**Russ Reid Co.**, Pasadena, Calif.	11,100.0	10,500.0	5.7	74,000.0	70,000.0	155	155	Russ Reid, chmn	(818) 449-6100
84	65	✓	**Miller Advertising Agency**, New York	11,000.0	12,500.0	(12.0)	73,500.0	83,500.0	160	190	Robert Miller, president	(212) 929-2200
85	80		**Noble Communications**, Springfield, Mo.	10,993.0	10,294.0	6.8	80,093.9	76,777.2	206	190	Robert B. Noble, chmn, ceo	(417) 882-5050
86	74	✓	**Liggett-Stashower**, Cleveland	10,950.0	10,609.0	3.2	72,400.0	70,300.0	140	135	David L. Stashower, chmn, ceo	(216) 348-8500
87	99		**Bentley, Barnes & Lynn**, Chicago	10,747.4	8,221.0	30.7	71,649.2	54,806.9	172	136	Paul Oleff, president	(312) 467-9350
88	101		**Slater Hanft Martin**, New York	10,593.0	8,099.0	30.8	69,935.0	53,274.0	68	56	Jerry Martin, chmn	(212) 674-3100
NR	NR		**Poppe Tyson**, New York **(Bozell)**	10,550.0	8,600.0	22.7	75,000.0	64,000.0	116	124	Fergus O'Daly, chmn, ceo	(212) 725-2900
89	91		**Mullen Advertising**, Wenham, Mass.	10,457.2	8,831.2	18.4	69,714.8	58,904.4	86	79	James X. Mullen, president	(508) 468-1155
90	86	✓	**Carrafiello-Diehl & Associates**, Irvington-on-Hudson, N.Y.	10,450.0	9,190.0	13.7	69,413.0	60,993.0	106	94	A. Louis Carrafiello, chmn, ceo	(914) 591-9191
91	73	✓	**William Cook Agency**, Jacksonville, Fla.	10,300.4	10,697.0	(3.7)	72,065.3	76,462.7	132	147	Bernard C. Schramm Jr., chmn	(904) 353-3911
NR	NR		**Wahlstrom & Co.**, Stamford, Conn. **(FCB)***	10,142.1	8,708.7	16.5	67,614.0	58,058.0	142	128	Francis J. Barton, president, ceo	(203) 348-7347
92	219		**Kern/Mathai Direct Mail Advertising**, Santa Monica, Calif.	10,100.0	3,160.0	219.6	15,750.0	6,100.0	15	10	Russell M. Kern, president	(213) 452-0663
93	107		**DMCA Direct**, St. Louis*	10,035.0	7,758.7	29.3	61,345.0	47,085.0	420	390	Michael T. McSweeney, president	(314) 436-1122
NR	NR	✓	**Frank J. Corbett**, Chicago **(BBDO)**	9,860.3	9,786.0	0.8	65,768.0	65,272.6	80	78	Frank J. Corbett, chmn	(312) 664-5310
NR	NR	✓	**Brouillard Communications**, New York **(JWT)**	9,738.9	9,951.5	(2.1)	64,958.5	66,376.4	79	85	James H. Foster, president, ceo	(212) 867-8300
94	162		**Messner Vetere Berger Carey Schmetterer**, New York	9,733.2	4,933.8	97.3	72,098.0	49,338.0	52	28	Robert Schmetterer, president, ptnr	(212) 886-0200
95	127	✓	**Kresser, Craig/D.I.K.**, Los Angeles	9,621.6	6,471.2	48.7	67,721.6	44,620.6	78	55	C. Robert Kresser, chmn, ceo	(213) 553-8254
96	102	✓	**Devon Direct Marketing & Advertising**, Malvern, Pa.	9,600.0	8,000.0	20.0	82,000.0	66,200.0	76	46	Ronald D. Greene, mnging dir	(215) 644-0333
97	87		**Meldrum & Fewsmith**, Cleveland	9,500.0	9,031.0	5.2	62,000.0	60,200.0	111	108	Chris N. Perry, chmn, ceo	(216) 241-2141
98	93	✓	**Ackerman, Hood, & McQueen**, Oklahoma City	9,103.5	8,679.0	4.9	64,190.0	60,992.0	114	121	Angus McQueen, president, ceo	(405) 843-7777
99	103	✓	**Lawler Ballard**, Norfolk, Va.	9,094.0	7,886.0	15.3	60,656.0	52,598.0	159	151	B.R. Lawler, chmn	(804) 627-0261
100	88		**Burrell Communications Group**, Chicago	9,049.6	9,001.8	0.5	60,330.4	60,012.3	110	108	Thomas Burrell, chmn	(312) 443-8600
101	128	✓	**Hesselbart & Mitten Advertising**, Fairlawn, Ohio	9,003.6	6,462.7	39.3	60,251.9	43,127.8	107	88	Leo J. Lefort, chmn	(216) 666-3727
102	92	✓	**Miller Meester Advertising**, Minneapolis	9,000.0	8,790.0	2.4	60,030.0	58,629.3	110	99	Robert V. Miller, president, ceo	(612) 337-6600
103	72	✓	**Keye/Donna/Pearlstein**, Los Angeles	8,751.2	10,834.7	(19.2)	61,370.3	72,267.4	76	100	Leonard Pearlstein, president, ceo	(213) 477-0061
104	89	✓	**Keyes Martin & Co.**, Springfield, N.J.	8,750.0	9,000.0	(2.8)	58,000.0	58,000.0	90	100	Daniel M. Gaby, chmn, ceo	(201) 376-7300
105	84		**Dorritie & Lyons**, New York*	8,713.4	9,396.4	(7.3)	55,000.0	50,000.0	57	55	John F. Dorritie, president	(212) 687-9394
106	98	✓	**Elkman Advertising**, Bala Cynwyd, Pa.	8,671.0	8,300.0	4.5	57,820.0	55,328.0	110	110	Stanley Elkman, ceo	(215) 668-1100
107	95		**McAdams, Richman & Ong**, Bala Cynwyd, Pa.	8,545.0	8,600.0	(0.6)	56,977.0	57,500.0	87	90	Brian McAdams, president, ceo	(215) 667-8900
NR	NR	✓	**Saatchi & Saatchi Direct**, Rochester, N.Y. **(S&SAW)**	8,538.0	8,857.0	(3.6)	54,911.0	59,148.0	115	120	Richard A. Peters, chmn, ceo	(716) 272-2500
108	96	✓	**Marketing Resources**, Overland Park, Kan.	8,517.9	8,337.2	2.2	56,900.0	55,700.0	160	178	Frank G. Weyforth Jr., president	(913) 648-8333
109	124		**Jack Levy & Associates**, Chicago	8,474.1	6,530.5	29.8	56,500.6	43,540.5	82	51	Jack Levy, president	(312) 332-7540
110	230	✓	**Gearon Hoffman Conlon & Nye**, Boston	8,310.0	3,027.4	174.5	40,678.0	20,040.8	34	33	Bob Conlon, chmn, cd	(212) 688-2400
111	122		**Berenter Greenhouse & Webster**, New York	8,301.0	6,600.0	25.8	60,076.0	48,022.0	52	48	William Berenter, chmn	(212) 995-9500
112	109		**Martin Marshall Jaccoma Mitchell**, New York	8,250.0	7,500.0	10.0	55,000.0	50,000.0	53	50	John Martin, president	(212) 683-0001
113	NR		**FKB direct**, Nashville*	8,208.8	NA	NA	54,504.0	NA	190	NA	Jim Edwards, chmn	(615) 366-1844
114	106	✓	**Colle & McVoy**, Minneapolis	8,191.3	7,795.2	5.1	58,382.5	57,712.8	118	141	Clarence M. Thompson, ceo, chmn	(612) 851-2500
115	94		**Richardson, Myers & Donofrio**, Baltimore	8,135.0	8,654.0	(6.0)	60,980.0	59,282.0	99	101	Hal Donofrio, president, ceo	(301) 576-9000
116	112	✓	**Bader Rutter & Associates**, Brookfield, Wis.	8,119.8	7,126.4	13.9	54,142.8	50,309.8	116	111	Ronald L. Bader, president	(414) 784-7200
117	108	✓	**Dugan/Farley Communications**, Upper Saddle River, N.J.	8,046.4	7,653.3	5.1	52,576.9	50,026.2	164	147	E. John Farley, president, ceo	(201) 934-0720
118	120		**Goodwin Dannenbaum Littman & Wingfield**, Houston	7,982.4	6,606.6	20.8	56,550.0	49,400.0	96	72	Earl Littman, chmn	(713) 622-7676
119	113		**Goodby, Berlin & Silverstein**, San Francisco*	7,920.0	7,050.0	12.3	52,800.0	47,000.0	55	55	J. Goodby/A. Berlin/R. Silverstein	(415) 392-0669
120	150		**Fogarty & Klein**, Houston	7,913.9	5,540.1	42.8	51,812.0	36,936.2	68	48	William H. Fogarty, principal	(713) 528-3354
121	36	✓	**LGFE Inc.**, New York	7,722.0	24,590.0	(68.6)	59,290.0	NA	92	129	Tim Elliott, ceo	(212) 421-6050
122	145	✓	**Grace & Rothschild**, New York	7,717.0	5,754.0	34.1	51,450.0	38,360.0	43	34	Roy Grace, chmn	(212) 319-1616
123	105		**William R. Biggs/Gilmore Associates**, Kalamazoo, Mich.	7,705.0	7,820.0	(1.5)	51,162.0	52,300.0	100	110	Ron Davis, president	(616) 349-7711
124	131	✓	**North Castle Partners**, Stamford, Conn.	7,690.0	6,310.0	21.9	62,110.0	50,404.0	78	65	Lynn Andrew Rotando, president	(203) 358-2100
125	146		**Mendoza, Dillon & Asociados**, Newport Beach, Calif.	7,667.7	5,749.0	33.4	63,389.9	48,593.0	56	42	Richard E. Dillon, president	(714) 851-1811
126	137		**Berline Group**, Birmingham, Mich.*	7,632.5	6,006.0	27.1	50,010.0	39,340.0	46	52	Jim Berline, president	(313) 540-7557
127	140		**Babbit & Reiman Advertising**, Atlanta	7,600.0	5,900.0	28.8	53,901.0	41,850.0	62	41	Joey Reiman, chmn, ceo	(404) 365-0550
128	100	✓	**MARC Advertising**, Pittsburgh	7,542.1	8,220.0	(8.2)	50,306.0	54,811.0	95	105	Louis J. Cardamone, chmn, ceo	(412) 562-2000
129	90	✓	**Christopher Thomas/Muller Jordan Weiss**, New York	7,540.0	8,990.0	(16.1)	50,444.5	71,150.0	104	110	Christopher B. Santry, chmn, ceo	(212) 924-7600
130	110	✓	**Eric Mower & Assoc.**, Syracuse, N.Y.	7,476.3	7,429.2	0.6	49,866.8	50,451.4	103	117	Eric Mower, president, ceo	(315) 466-1000
131	123	✓	**Yellow Pages Marketing Services**, Mequon, Wis.	7,472.0	6,566.0	13.8	49,824.0	43,775.0	140	140	Richard C. Miller, president, ceo	(414) 241-8600
132	116		**Ruhr/Paragon**, Minneapolis	7,435.8	6,847.0	8.6	55,500.0	51,100.0	80	86	Charles F. Ruhr, chmn	(612) 332-4565
133	130		**Robert A. Becker EWDB**, New York	7,400.0	6,363.0	16.3	50,000.0	42,422.0	62	65	Robert A. Becker, chmn	(212) 727-7000
134	111		**Levy, King & White**, Buffalo	7,383.0	7,275.0	1.5	47,260.0	48,500.0	124	127	P. King, chmn, ceo	(716) 853-6755
135	149		**Saugatuck/FKB**, Westport, Conn.*	7,353.6	5,585.8	31.6	47,676.0	40,352.7	41	34	Gary W. Oakley, ceo, chmn	(203) 226-8166
136	178	✓	**Sutton Healthcare Group**, New York	7,300.0	4,300.0	69.8	52,300.0	28,800.0	96	64	Glenn DeSimone, president	(212) 779-1818
137	125		**Borders, Perrin & Norrander**, Portland, Ore.	7,261.0	6,518.0	11.4	48,434.0	41,674.0	91	90	Peter M. Hatt, ceo, chmn	(503) 227-2506
NR	NR	✓	**Chapman Direct Advertising**, New York **(Y&R)**	7,226.0	7,745.0	(6.7)	48,198.0	51,650.0	62	70	William P. Sutherland, president	(212) 614-3880
138	114	✓	**Mintz & Hoke**, Avon, Conn.	7,162.0	7,040.0	1.7	47,750.0	46,933.0	88	98	Joseph Hoke, ceo	(203) 678-0473
139	133	✓	**Lally, McFarland & Pantello**, New York	7,000.0	6,250.0	12.0	54,400.0	50,400.0	80	91	Ron Pantello, president	(212) 532-1000
139	132	✓	**Malone Advertising**, Akron, Ohio	7,000.0	6,300.0	11.1	76,355.5	70,021.0	133	110	Bain L. Malone, president, ceo	(216) 376-6148
NR	NR		**Hoffman York & Compton**, Milwaukee **(S&SAW)**	6,838.1	5,948.9	14.9	40,227.1	33,383.6	110	101	Eugene Gilmartin, president	(414) 289-9700
141	119		**Smith/Greenland**, New York	6,800.0	6,712.0	1.3	41,086.8	44,040.0	68	71	Leo Greenland, chmn, ceo	(212) 757-3200
142	144		**Frankenberry, Laughlin & Constable**, Milwaukee	6,780.0	5,775.0	17.4	45,200.0	38,500.0	74	67	Dennis Frankenberry, partner	(414) 272-2400
143	134	✓	**Eisner & Associates**, Baltimore	6,760.0	6,113.0	10.6	52,196.7	46,005.0	70	70	Steven C. Eisner, president, ceo	(301) 685-3390
144	115		**Henry J. Kaufman & Associates**, Washington*	6,750.0	6,975.0	(3.2)	45,000.0	46,500.0	70	65	Michael Carberry, president, ceo	(202) 333-0700
145	121	✓	**Grant/Jacoby**, Chicago	6,700.0	6,600.0	1.5	66,022.0	65,680.0	95	95	Bruce I. Carlson, chmn	(312) 664-2055
146	164	✓	**HutchesonShutze**, Atlanta	6,684.4	4,850.0	37.8	44,717.0	33,274.1	72	68	Don Hutcheson, chmn, ceo	(404) 523-2000
147	117		**Waring & LaRosa**, New York	6,640.0	6,800.0	(2.4)	53,600.0	50,200.0	60	60	Joseph A. LaRosa, chmn	(212) 755-0700
148	138		**McFarland & Drier**, Miami	6,500.0	6,000.0	8.3	43,000.0	40,000.0	65	62	William C. McFarland, principal	(305) 358-0108
149	136	✓	**Edwin Bird Wilson**, New York	6,439.9	6,076.6	6.0	49,326.9	44,876.6	66	82	Delano W. Ladd Jr., chmn	(212) 684-5220
NR	NR		**Anderson & Lembke**, Stamford, Conn. **(C/D/M)**	6,400.0	6,000.0	6.7	45,000.0	40,000.0	50	35	Hans Ullmark, president	(203) 326-7500
150	143		**VanSant, Dugdale & Co.**, Baltimore	6,390.0	5,810.9	10.0	42,600.0	38,739.3	75	63	Kenneth E. Mayhorne, chmn	(301) 539-5400
151	148		**Eric Ericson & Associates**, Nashville	6,326.8	5,598.3	13.0	42,199.9	37,340.3	94	86	Janice W. Wendell, chmn, ceo	(615) 242-1050
152	104	✓	**J. Richard Smith Ltd.**, Old Bethpage, N.Y.	6,319.0	7,840.0	(19.4)	41,257.1	40,150.0	36	36	Gerald Smith, chmn	(516) 293-8700
NR	NR		**Albert Frank-Guenther Law**, New York **(FCB)**	6,255.0	8,284.0	(24.5)	41,718.0	55,258.0	57	72	Stephen J. Witt, chmn, ceo	(212) 248-5200
153	129	✓	**Arnold Advertising**, Boston	6,175.5	6,402.1	(3.5)	41,497.0	42,447.4	110	112	Ed Eskandarian, chmn, ceo	(617) 357-1900
154	160	✓	**Paolin & Sweeney Advertising**, Cherry Hill, N.J.	6,100.0	5,000.0	22.0	33,700.0	24,200.0	58	49	John R. Paolin, president	(609) 667-7700
155	118	✓	**Campbell & Wagman**, Los Angeles	6,053.0	6,774.0	(10.6)	45,730.0	58,494.0	51	53	Craig B. Campbell, president	(213) 444-3200
156	172	✓	**Northlich Stolley LaWarre**, Cincinnati	5,924.0	4,642.0	27.6	39,514.0	30,935.0	75	69	William LaWarre, president	(513) 421-8840
157	154	✓	**Lord, Sullivan & Yoder**, Columbus, Ohio	5,893.5	5,341.0	10.3	45,349.4	43,842.9	83	90	Robert E. Sullivan, chmn	(614) 846-8500
158	142	✓	**Abelson-Taylor**, Chicago	5,852.3	5,838.4	0.2	44,669.0	43,954.0	75	75	Marv Abelson, ceo	(312) 781-1700
159	139		**Buntin Advertising**, Nashville	5,834.4	5,989.0	(2.6)	38,896.1	39,926.9	103	100	Jeffrey Buntin	(615) 244-5720
160	170	✓	**Greenstone Rabasca Roberts**, Melville, N.Y.	5,827.8	4,676.8	24.6	39,531.8	31,194.0	93	53	Ronald M. Greenstone, chmn, ceo	(516) 249-2121
161	156	✓	**Price McNabb Advertising**, Asheville, N.C.	5,739.1	5,269.9	8.9	42,115.6	41,590.6	88	88	Charles R. Price, chmn, ceo	(704) 255-2600
162	141	✓	**Jayme Organization**, Cleveland	5,734.1	5,856.2	(2.1)	45,428.8	46,658.2	91	105	George N. Havens, chmn, ceo	(216) 831-0110
163	147		**Ad Team**, North Miami Beach, Fla.	5,660.0	5,660.0	0.0	0.0	NA	49	46	Russ Oasis, president	(305) 949-8326
164	171	✓	**Great Scott Advertising**, New York	5,646.8	4,659.1	21.2	35,449.0	29,251.9	49	52	Lorraine Borden, ceo, president	(212) 826-2050
165	155		**Jordan Tamraz Caruso Advertising**, Chicago	5,604.0	5,338.5	5.0	37,360.0	35,589.8	80	75	Joseph Caruso, president	(312) 951-2000

Notes: Dollars are in thousands. NR indicates agency not ranked. Initials in parentheses indicate the parent company in which the subsidiaries' figures are included. See Page S-20 for methodology. See Page S-58 for an alphabetical index. ✓ indicates that the agency received signature of an independent accountant verifying figures supplied to AA. * indicates that gross income and/or total volume figures are AA estimates.

U.S.-based agencies by domestic gross income

Rank 1989	Rank 1988		Agency, headquarters	U.S. gross income 1989	U.S. gross income 1988	% chg	U.S. billings 1989	U.S. billings 1988	U.S. employees 1989	U.S. employees 1988	Top executive, title	Telephone
166	152		**Kolon, Bittker & Desmond**, Troy, Mich.	5,500.0	5,400.0	1.9	31,941.0	30,000.0	94	101	John S. Kolon, president, coo	(313) 524-2500
NR	NR		**Conill Advertising**, New York **(S&SAW)**	5,470.0	5,550.0	(1.4)	36,450.0	37,000.0	57	73	Carlos R. Rossi, chmn, ceo	(212) 481-3131
167	163		**Hameroff/Milenthal/Spence**, Columbus, Ohio	5,373.0	4,900.0	9.7	41,974.3	38,372.0	115	121	D.L. Milenthal, chmn	(614) 221-7667
168	151		**Lauer Markin Gibbs**, Maumee, Ohio	5,262.6	5,475.1	(3.9)	34,404.4	35,866.3	97	93	three sr ptnrs	(419) 893-2500
169	157		**Cox Landey & Partners**, New York	5,250.0	5,250.0	0.0	35,000.0	35,000.0	30	30	Martin H. Landey, chmn, ceo	(212) 838-5900
170	176	✓	**Trahan, Burden & Charles**, Baltimore	5,200.0	4,500.0	15.6	47,400.0	40,800.0	65	62	Robert Matz, president	(301) 347-7500
171	153		**Newmark Posner & Mitchell**, New York	5,111.0	5,369.0	(4.8)	30,093.4	30,873.0	NA	NA	Sidney Posner, president	(212) 867-3900
172	159	✓	**Winius-Brandon Advertising**, Bellaire, Texas	5,092.0	5,019.7	1.4	39,351.2	39,525.1	43	43	Arthur Casper, president	(713) 666-1765
173	167		**Stone & Simons Advertising**, Southfield, Mich.	5,091.9	4,743.2	7.3	32,048.3	31,560.5	48	48	Charles G. Stone, president	(313) 358-4800
174	NR		**Donahoe & Purdhit**, Rosemont, Ill.	5,000.0	NA	NA	5,800.8	NA	11	NA	Edward J. Donahoe, president	(708) 825-8010
175	181	✓	**Doe-Anderson Advertising Agency**, Louisville	4,991.7	4,213.3	18.5	37,220.3	31,106.4	77	59	Robert S. Allison, president, ceo	(502) 589-1700
176	165		**Leonard Monahan Lubars & Partners**, Providence, R.I.	4,849.9	4,820.5	0.6	32,348.8	32,152.6	55	70	Bruce N. Leonard, chmn, ceo	(401) 277-9020
177	240		**Puskar Gibbon Chapin**, Dallas*	4,812.5	2,812.5	71.1	38,500.0	22,500.0	35	30	Jim Gibbon, president	(214) 528-5400
178	168	✓	**Haddon Advertising**, Chicago	4,800.0	4,725.0	1.6	43,347.5	43,011.8	47	50	Harvey L. Haddon, president	(312) 943-6266
179	192	✓	**Gilbert, Whitney & Johns**, Whippany, N.J.	4,745.0	3,875.0	22.5	32,600.0	26,000.0	71	56	John Daltner, president	(201) 386-1776
180	179	✓	**Simons Michelson Zieve**, Troy, Mich.	4,680.6	4,275.0	9.5	32,800.0	29,000.0	67	74	Morton Zieve, chmn	(313) 362-4242
181	189	✓	**Pedone & Partners**, New York	4,553.8	3,961.9	14.9	30,361.2	26,412.5	29	25	Michael F. Pedone, president, ceo	(212) 319-2000
182	218	✓	**Dorland Sweeney Jones**, Philadelphia	4,550.2	3,166.9	43.7	31,944.5	22,967.6	57	51	Harry A. Sweeney Jr., president	(215) 625-0111
183	161		**Taylor Brown Smith & Perrault**, Houston	4,528.9	4,952.5	(8.6)	30,203.0	33,028.2	53	55	Larry Taylor, chmn, ceo	(713) 877-1220
184	237	✓	**Girgenti, Hughes, Butler & McDowell**, New York	4,520.0	2,850.0	58.6	30,100.0	19,000.0	42	26	Steven Girgenti, president	(212) 481-7080
185	276		**CHC Advertising**, Woodridge, N.J.	4,500.0	2,250.0	100.0	30,000.0	15,000.0	25	14	William W. Bishop, chmn	(201) 636-7080
186	175		**Kenneth C. Smith Advertising**, La Jolla, Calif.*	4,500.0	4,500.0	0.0	30,000.0	30,000.0	32	32	Kenneth C. Smith, president, ceo	(619) 459-4155
187	169	✓	**Gray Kirk & Evans**, Baltimore	4,483.9	4,700.0	(4.6)	40,300.0	39,165.0	70	69	William G. Evans, chmn	(301) 727-4306
188	182		**Stone, August, Baker Communications Cos.**, Troy, Mich.	4,361.2	4,183.5	4.2	30,878.1	30,373.0	52	55	Ronald Stone, chmn	(313) 641-0400
189	205	✓	**Aydlotte & Cartwright**, Atlanta	4,356.0	3,485.0	25.0	22,000.0	17,000.0	52	40	William Y. Aydlotte, president	(404) 438-7312
190	252		**Publicis Inc.**, New York	4,291.0	2,666.0	61.0	31,683.0	19,040.0	NA	NA	NA	NA
191	264		**Bonneville Media Communications**, Salt Lake City	4,254.1	2,448.9	73.7	25,327.3	14,355.4	130	120	Richard D. Alsop, president	(801) 237-2600
192	186	✓	**Marketing Support**, Chicago	4,251.4	4,020.0	5.8	37,348.0	36,891.4	65	62	David L. Weiner, president	(312) 565-0044
193	250	✓	**Keroff & Rosenberg Advertising**, Chicago	4,244.6	2,698.8	57.3	35,133.4	29,863.4	65	57	C. Rosenberg/W. Keroff, ptnrs	(312) 321-9000
194	191		**Wolf Blumberg Krody**, Cincinnati	4,227.0	3,902.0	8.3	28,180.0	26,013.3	55	51	Dale Wolf, president	(513) 751-0258
195	216	✓	**Larkin, Meeder & Schweidel**, Dallas	4,206.4	3,230.4	30.2	28,040.4	21,253.6	45	40	Carl Larkin, chmn, president	(214) 688-7070
196	195		**Harris & Drury Advertising**, Ft. Lauderdale	4,202.4	3,750.8	12.0	28,021.0	25,010.0	58	50	John Drury, president	(305) 771-1800
197	184	✓	**Lohmeyer Simpson Communications**, Morristown, N.J.	4,200.0	4,050.0	3.7	28,000.0	27,000.0	37	38	Richard J. Lohmeyer, president	(201) 267-0400
198	241	✓	**Zwiren Collins Karo Trusk & Ayer**, Chicago	4,200.0	2,800.0	50.0	30,000.0	24,000.0	30	22	Jan Zwiren, president	(312) 280-0830
199	194		**Sawyer Riley Compton**, Atlanta	4,176.6	3,761.7	11.0	27,044.0	24,497.8	46	41	L. Gordon Sawyer, chmn	(404) 393-9849
200	203	✓	**Karsh & Hagan**, Englewood, Colo.	4,160.1	3,493.9	19.1	26,845.7	22,592.4	53	55	P.H. Karsh/T.P. Hagan, co-chmn	(303) 770-8088
201	180	✓	**Leslie Advertising Agency**, Greenville, S.C.	4,123.8	4,267.9	(3.4)	27,944.1	30,110.5	70	61	E. Dean Anderson, chmn, ceo	(803) 271-8340
202	256		**Floathe & Associates**, Bellevue, Wash.	4,081.5	2,599.4	57.0	28,332.3	18,579.3	64	44	Maury Floathe, president	(206) 462-8400
203	196		**Stern Advertising**, Pepper Pike, Ohio	4,050.0	3,750.0	8.0	27,000.0	25,000.0	50	45	William J. Stern, president	(216) 464-4850
204	197	✓	**Reimel Carter Advertising**, Philadelphia	4,048.0	3,741.0	8.2	26,181.0	24,212.0	40	38	T.L. Reimel, president, ceo	(215) 735-3200
NR	NR		**Baxter, Gurian & Mazzei**, Beverly Hills, Calif. **(BBDO)**	4,000.0	2,650.0	50.9	26,000.0	17,675.5	45	30	Donald J. Baxter, chmn	(213) 657-5050
205	210	✓	**Lowe Tucker Metcalf**, New York*	4,000.0	3,400.0	17.6	27,000.0	23,000.0	58	58	Bill Tucker, ceo	(212) 752-7600
206	177		**McKinney Inc.**, Philadelphia	3,960.0	4,328.0	(8.5)	30,616.0	31,216.0	69	80	Frank W. Callahan, president	(215) 922-2635
207	173	✓	**Shelly Berman Communicators**, Westerville, Ohio	3,956.9	4,569.4	(13.4)	26,356.6	30,476.9	69	87	Sheldon M. Berman, chmn	(614) 891-7070
208	198		**Marquardt & Roche**, Stamford, Conn.	3,943.3	3,738.0	5.5	25,996.0	24,656.3	40	45	James Marquardt, president	(203) 327-0890
209	188		**Cranford Johnson Robinson Woods**, Little Rock, Ark.	3,927.7	3,969.0	(1.0)	26,197.4	26,473.4	72	68	Wayne Cranford, chmn, ceo	(501) 376-6251
210	190	✓	**Juhl Agency**, Mishawaka, Ind.	3,908.6	3,905.0	0.1	30,026.5	29,163.0	67	69	Howard J. Blackwood, president	(219) 271-5621
NR	NR	✓	**Botto, Roessner, Horne & Messinger**, New York (**Ketchum**)*	3,897.9	1,191.6	227.1	25,986.0	7,944.0	38	38	Robert J. Botto, president	(212) 564-5244
211	204		**Sullivan Higdon & Sink**, Wichita, Kan.	3,883.6	3,490.1	11.3	33,715.0	27,654.3	55	53	B. Vaughn Sink, president	(316) 263-0124
212	193	✓	**Tromson Monroe Advertising**, New York	3,830.0	3,765.0	1.7	30,200.0	29,500.0	40	40	Mario Trombone, chmn, ceo	(212) 752-8660
213	202		**Lawrence Butner Advertising**, New York	3,816.2	3,649.0	4.6	25,239.6	24,337.8	44	35	Lawrence Butner, president, ceo	(212) 682-3200
214	222	✓	**Davidoff White Good**, Westport, Conn.	3,800.5	3,070.8	23.8	25,337.0	20,473.0	52	52	Denise T. Davidoff, chmn	(203) 454-3425
215	199		**Stan Merritt Inc./Advertising**, New York	3,797.5	3,717.0	2.2	28,500.0	28,000.0	20	18	Stanley S. Merritt, president, ceo	(212) 867-4650
216	166	✓	**Lyons Inc.**, Wilmington, Del.	3,750.7	4,751.8	(21.1)	25,108.3	30,573.9	67	77	William N. Spiker, chmn, ceo	(302) 654-6146
217	225		**Houston Advertising**, Boston	3,742.0	3,057.0	22.4	24,958.0	20,382.0	43	43	Douglas Houston, chmn	(617) 267-5050
218	221	✓	**Goldfarb Hoff & Co.**, Southfield, Mich.	3,713.2	3,108.5	19.5	24,255.8	20,350.0	44	41	Robert Goldfarb, chmn	(313) 350-8200
219	214	✓	**McDougall Associates**, Peabody, Mass.	3,705.0	3,255.0	13.8	24,700.0	21,700.0	33	31	Michael J. McDougall, chmn	(508) 532-6500
220	226	✓	**Marcus Advertising**, Cleveland	3,704.9	3,055.5	21.3	24,869.1	22,373.4	53	48	Harvey Scholnick, president	(216) 292-4700
221	187		**Franklin Spier Inc.**, New York	3,699.8	3,988.1	(7.2)	24,677.5	26,600.6	43	43	Alix Nelson, chmn, ceo	(212) 679-4441
222	255		**Food Group**, New York	3,611.5	2,616.8	38.0	23,498.0	17,075.8	22	23	Donald Axelroad, president	(212) 725-5766
223	302	✓	**Fessel, Siegfriedt & Moeller Advertising**, Louisville	3,602.8	1,908.3	88.8	13,272.2	9,758.8	36	30	Rudy F. Moeller Sr., president	(502) 585-5154
224	185	✓	**Decker Rickard**, Glastonbury, Conn.	3,600.0	4,048.0	(11.1)	24,000.0	27,000.0	47	47	Albert D. Mason, ceo	(203) 659-1311
224	279	✓	**McConnaughy Barocci Brown**, Chicago	3,600.0	2,200.0	63.6	33,000.0	20,250.0	35	23	Tom McConnaughy, president	(312) 321-8000
224	NR		**Ted Thomas Associates**, Philadelphia*	3,600.0	NA	NA	24,000.0	NA	50	45	Robert D. Ritchie, president	(215) 592-7500
227	234	✓	**Brady Co.**, Menomonee Falls, Wis.	3,590.0	2,942.3	22.0	23,945.3	20,575.8	63	61	John B. Liebenstein, president, ceo	(414) 255-0100
228	227	✓	**Gardner Communications**, San Francisco	3,555.0	3,045.0	16.7	23,700.0	20,300.0	32	30	Robert K. Gardner, president	(415) 434-2191
229	206		**Dudnyk Co.**, Horsham, Pa.	3,550.0	3,480.0	2.0	23,700.0	23,200.0	44	45	Edward Dudnyk, president	(215) 443-9406
230	207		**Warren/Kremer Advertising**, New York	3,550.0	3,475.0	2.2	19,600.0	19,465.0	39	39	Peter Warren, president	(212) 686-2914
231	208	✓	**Frank C. Nahser Inc.**, Chicago	3,539.3	3,446.4	2.7	24,949.5	25,234.7	47	47	F. Byron Nahser, president, ceo	(312) 845-5000
232	260		**Forsythe Marcelli Johnson Advertising**, Newport Beach, Calif.	3,530.4	2,530.8	39.5	23,088.1	16,553.6	40	33	James H. Forsythe, president	(714) 759-9500
233	215	✓	**Rubin Reid Noto & Ehrenthal**, New York	3,490.0	3,251.0	7.4	33,470.0	31,867.5	36	34	Mel Rubin, president	(212) 889-1010
234	158	✓	**Vickers & Benson/FKQ**, Buffalo	3,479.9	5,033.3	(30.9)	23,203.6	33,563.3	42	87	Jim Titus, president	(716) 688-1177
235	239	✓	**Harris, Baio & McCullough**, Philadelphia	3,477.1	2,818.3	23.4	23,181.3	18,795.8	23	21	George J. Harris, president	(215) 440-9800
236	258	✓	**Kaufman & Maraffi Advertising**, New York	3,461.5	2,544.0	36.1	22,547.4	16,700.0	24	18	John Maraffi, president	(212) 867-0670
237	211	✓	**Kolesar & Hartwell**, Minneapolis	3,453.4	3,373.4	2.4	23,022.5	22,500.5	45	44	David Kolesar, president	(612) 343-0418
238	213	✓	**Salvati Montgomery Sakoda**, Costa Mesa, Calif.	3,405.9	3,298.7	3.2	22,717.1	22,002.7	41	37	Philip J. Salvati, president	(714) 966-0200
239	229	✓	**Siddall, Matus & Coughter**, Richmond, Va.	3,341.0	3,042.2	9.8	33,735.4	30,181.3	39	39	John N. Siddall, chmn, ceo	(804) 788-8011
240	232		**Hughes Advertising**, St. Louis	3,314.0	3,010.2	10.1	21,678.1	19,729.3	43	39	Jack A. Hughes, president	(314) 721-3400
241	267		**Advertising Communications**, Davenport, Iowa	3,300.0	2,400.0	37.5	22,770.0	16,970.0	63	55	Tim Bawden, president	(319) 326-1224
242	261		**Berenson, Isham & Partners**, Boston	3,279.2	2,504.5	30.9	18,691.5	17,557.6	19	18	Paul Berenson, president	(617) 423-1120
243	238		**Gerber Advertising Agency**, Portland, Ore.*	3,263.3	2,836.2	15.1	19,868.0	18,005.0	51	39	Phil Stevens, president, ceo	(503) 221-0100
244	224		**Potter Hazlehurst**, East Greenwich, Conn.*	3,262.5	3,057.0	6.7	21,750.0	20,381.0	46	53	Thomas E. Hazlehurst, chmn	(401) 885-4300
245	257	✓	**Hallmark Advertising**, Pittsburgh	3,259.0	2,571.0	26.8	17,880.0	17,137.0	49	48	Marvin S. Jacobson, president	(412) 687-0400
246	242		**Gumpertz/Bentley/Fried**, Los Angeles	3,258.4	2,780.8	17.2	23,117.3	22,500.0	34	34	Richard Fried, president	(213) 931-6301
247	201		**John Malmo Advertising**, Memphis*	3,204.7	3,692.9	(13.2)	21,139.0	23,959.0	46	58	John Malmo, president, ceo	(901) 523-2000
248	200		**Kerker & Associates**, Minneapolis	3,202.3	3,701.2	(13.5)	23,592.1	26,835.0	NA	46	Charles C. Wanous, president	(612) 835-7922
249	235	✓	**Clarity Coverdale Rueff Advertising**, Minneapolis	3,200.0	2,900.0	10.3	20,845.0	19,700.0	29	23	Robert Rueff, ceo	(612) 339-3902
250	220		**Pihas, Schmidt, Westerdahl Co.**, Portland, Ore.	3,167.7	3,149.0	0.6	22,789.8	23,003.4	56	51	John Pihas, president	(503) 279-4000
251	245		**Stephan & Brady**, Madison, Wis.	3,156.9	2,750.0	14.8	23,398.3	21,185.6	48	44	Jack Ragel, chmn, president, ceo	(608) 241-4141
252	233		**Advertising Works**, Honolulu*	3,150.0	3,000.0	5.0	21,000.0	20,000.0	46	42	Darrel Kloninger, president	(808) 955-4416
252	311	✓	**Nash Direct**, New York	3,150.0	1,806.0	74.4	21,003.2	12,042.4	35	14	Edward Nash, president	(212) 758-0120
254	271		**Finnegan & Agee**, Richmond, Va.	3,136.6	2,320.5	35.2	20,911.4	18,005.1	53	55	Tim Finnegan, chmn	(804) 643-4100
255	223		**Healy-Schutte & Co.**, Buffalo	3,108.4	3,063.6	1.5	23,995.9	23,346.8	58	56	Alden F. Schutte, president, ceo	(716) 884-2120
256	319		**Lewis, Browand & Associates**, Oakland, Calif.*	3,098.0	1,713.0	80.9	20,653.0	11,418.0	40	25	Roger Lewis, president	(415) 536-0500
257	236	✓	**Sefton Associates**, Grand Rapids, Mich.	3,081.5	2,857.0	7.9	20,441.0	19,060.0	49	47	David D. Teater, chmn, ceo	(616) 957-0600
258	246		**Silverstone, Adkins & Breit**, Stratford, Conn.*	3,072.1	2,746.8	11.8	20,242.8	18,108.5	17	17	Bruce T. Silverstone, president	(203) 375-2887
259	183		**Barnum & Souza**, New York	3,070.6	4,115.1	(25.4)	27,370.5	36,493.9	35	38	Barbara J. Barnum, chmn	(212) 995-2990
260	272	✓	**Fox MMJM Direct**, New York	3,063.0	2,277.0	34.5	20,071.5	15,006.6	30	25	Neil S. Fox, president, ceo	(212) 683-0002
261	274	✓	**Lockhart & Pettus**, New York	3,057.0	2,261.0	35.2	20,380.0	15,073.0	32	33	Keith E. Lockhart, president	(212) 725-2828
NR	NR	✓	**Blair Advertising**, Rochester, N.Y. **(BBDO)**	3,025.9	3,756.4	(19.4)	20,173.0	25,042.5	44	52	John F. Kraushaar, chmn	(716) 473-0440

Notes: Dollars are in thousands. NR indicates agency not ranked. Initials in parentheses indicate the parent company in which the subsidiaries' figures are included. See Page S-20 for methodology. See Page S-58 for an alphabetical index. ✓ indicates that the agency received signature of an independent accountant verifying figures supplied to AA. * indicates that gross income and/or total volume figures are AA estimates.

U.S.-based agencies by domestic gross income

Rank 1989	Rank 1988		Agency, headquarters	U.S. gross income 1989	U.S. gross income 1988	% chg	U.S. billings 1989	U.S. billings 1988	U.S. employees 1989	U.S. employees 1988	Top executive, title	Telephone
262	263	✓	**Fitzgerald & Co.**, Atlanta	3,006.7	2,490.7	20.7	21,615.5	16,710.5	29	21	David P. Fitzgerald, president	(404) 239-0468
263	278	✓	**S.J. Weinstein Associates**, New York	3,000.0	2,200.0	36.4	20,000.0	14,667.0	32	24	Stephen J. Weinstein, ceo	(212) 206-0222
264	275		**Arian, Lowe & Travis Advertising**, Chicago	2,924.8	2,260.4	29.4	20,072.7	15,742.2	44	34	David Lowe, chmn	(312) 243-3500
265	285	✓	**Wilson Sculley Associates**, St. Louis	2,890.0	2,150.0	34.4	19,276.3	14,340.5	29	24	Valarie M. Wilson, chmn, ceo	(314) 434-1870
266	244		**Harris West Blaisdell Advertising**, Minneapolis	2,836.3	2,750.0	3.1	17,856.0	20,260.0	28	36	Rob West, president, ceo	(612) 941-9500
267	251	✓	**Hitchcock Fleming & Associates**, Akron, Ohio	2,830.3	2,684.5	5.4	18,567.6	17,654.5	49	50	R. Cyrus Hitchcock, president	(216) 376-2111
268	421		**Creative Alliance**, Louisville	2,825.0	750.7	276.3	17,584.8	4,700.9	32	16	Debbie Scoppechio, president	(502) 584-8787
269	284	✓	**Quest Business Agency**, Houston	2,777.5	2,152.1	29.1	18,354.1	14,221.3	45	38	Alan D. Vera, president, ceo	(713) 956-6569
270	294	✓	**McFrank & Williams Advertising**, New York	2,750.0	2,000.0	37.5	15,750.0	12,000.0	50	45	Michael Bruce, president	(212) 944-1300
271	253		**Baron & Zaretsky Advertising**, New York	2,723.1	2,640.0	3.1	17,500.0	17,050.0	25	25	Kenneth Baron, president	(212) 677-1747
272	247	✓	**Duffy & Shanley**, Providence, R.I.	2,704.0	2,702.2	0.1	18,035.5	18,023.9	40	40	David A. Duffy, president	(401) 274-0001
273	248		**KK&M Advertising**, Boston	2,700.0	2,700.0	0.0	26,500.0	28,700.0	35	45	Dennis Kunian, chmn	(617) 787-0330
274	243		**McKone & Co.**, Irving, Texas	2,699.4	2,766.9	(2.4)	18,005.3	18,455.5	35	33	Peter J. McKone, president	(214) 550-7433
275	231		**Waldbillig & Besteman**, Madison, Wis.	2,587.5	3,014.6	(10.9)	18,075.2	21,409.1	29	34	William J. Waldbillig, president	(608) 238-4767
276	249		**John Emmerling Inc.**, New York	2,654.5	2,699.7	(1.7)	17,697.0	18,000.0	15	16	John Emmerling, chmn	(212) 751-7460
277	209		**Salthouse-Torre-Norton**, Rutherford, N.J.	2,650.0	3,410.0	(22.3)	41,175.0	48,744.0	41	37	Douglas Salthouse, chmn, ceo	(201) 933-7000
278	288	✓	**Bauerlein**, New Orleans	2,633.5	2,077.8	26.7	18,148.2	14,782.9	42	39	John Green, president, ceo	(504) 522-5461
NR	NR	✓	**Caravetta Allen Kimbrough**, Miami (**BBDO**)	2,614.7	1,647.6	58.7	16,894.8	10,984.0	34	32	Nina Cohen, president	(305) 594-1896
279	259	✓	**Baker Advertising**, Troy, Mich.	2,605.3	2,532.6	2.9	17,377.5	16,892.5	36	40	Ernest W. Baker, chmn	(313) 643-4300
280	217	✓	**Zechman & Associates**, Chicago	2,576.5	3,179.7	(19.0)	16,234.1	17,637.6	26	34	Jan E. Zechman, president	(312) 346-0551
281	291	✓	**Umphenour Martin Lonsdorf**, Atlanta	2,545.7	2,043.5	24.6	19,266.2	15,143.2	28	23	Russell V. Umphenour Jr., chmn	(404) 881-8080
282	212	✓	**Soghigian & Macuga Advertising**, Washington	2,538.4	3,310.0	(23.3)	17,145.3	20,101.0	16	26	Harry Soghigian, chmn	(202) 337-5151
283	282	✓	**Chaffee-Bedard**, Providence, R.I.	2,500.5	2,173.4	15.1	16,678.6	14,496.8	37	33	David S. Chaffee, president	(401) 831-1430
284	228	✓	**BHN Advertising & PR**, St. Louis	2,494.2	3,044.3	(18.1)	17,135.4	19,439.1	54	65	George Gale, president, ceo	(314) 241-1200
285	289	✓	**Lieberman-Appalucci**, Allentown, Pa.	2,479.6	2,069.8	19.8	17,014.7	14,225.6	45	40	Joseph L. Appalucci, chmn	(215) 395-7111
286	270		**Kelley & Wallwork**, Boston	2,475.0	2,325.0	6.5	16,500.0	15,500.0	20	16	Glenn Kelley, president	(617) 439-4399
287	266	✓	**Penny/Ohlmann/Neiman**, Dayton, Ohio	2,474.6	2,413.3	2.5	23,517.0	22,626.3	46	50	Walter Ohlmann, president, ceo	(513) 278-0681
288	254		**Lipman, Richmond, Greene Advertising**, New York	2,473.8	2,636.0	(6.2)	15,526.8	15,961.9	33	32	Richard Lipman, vp	(212) 684-1100
289	277	✓	**Dudreck Depaul Ficco & Morgan**, Pittsburgh	2,440.0	2,250.0	8.4	18,082.5	17,975.0	37	39	Albert W. Dudreck, chmn	(412) 261-2580
290	265		**E.H. Brown Advertising**, Chicago*	2,374.6	2,448.3	(3.0)	15,830.9	16,321.7	27	28	Edward H. Brown Jr., chmn	(312) 372-9494
291	273	✓	**Chester Gore Co.**, New York	2,352.5	2,271.4	3.6	15,442.0	14,888.9	20	21	Chester Gore, president	(212) 754-9111
292	299		**Maris, West & Baker**, Jackson, Miss.	2,276.7	1,952.5	16.6	14,370.0	13,021.5	35	34	Gerrit A. Maris, ceo	(601) 362-6306
293	262		**Spencer Bennett Nowak**, Seekonk, Mass.	2,250.0	2,500.0	(10.0)	15,000.0	16,697.0	28	35	Edward G. Nowak Jr., president	(508) 336-5801
294	310	✓	**Lohman Organization**, New York	2,204.2	1,807.0	22.0	15,397.2	12,105.9	23	22	Arthur J. Lohman, president	(212) 213-4080
295	286		**Stiegler, Wells & Brunswick**, Bethlehem, Pa.	2,201.1	2,140.0	2.9	14,667.3	14,273.8	35	35	Ernie G. Stiegler, chmn	(215) 866-0611
296	331	✓	**Rainoldi, Kerzner & Radcliffe**, San Francisco	2,145.6	1,597.4	34.3	14,262.0	10,622.8	23	20	Joseph C. Rainoldi, president	(415) 398-6222
297	287		**Ovation Marketing**, La Crosse, Wis.	2,144.1	2,095.8	2.3	14,596.0	12,902.7	28	31	Ralph S. Heath III, president	(608) 785-2460
298	327		**Loeffler Ketchum Mountjoy**, Charlotte, N.C.	2,131.7	1,627.4	31.0	14,218.5	10,855.1	35	29	William G. Loeffler, president	(704) 542-8131
299	301		**Solin Associates**, New York	2,117.0	1,942.0	9.0	23,100.0	20,100.0	19	15	Darrol B. Solin, chmn, ceo	(212) 768-7300
300	328	✓	**Martcom Inc.**, Columbus, Ohio	2,102.5	1,620.9	29.7	13,882.9	10,789.0	19	18	Kenneth A. Burke, president, ceo	(614) 457-2400
301	375	✓	**Pagano Schenck & Kay**, Providence, R.I.	2,097.5	1,137.3	84.4	19,072.2	11,032.1	35	26	Robert P. Pagano, president	(401) 456-0650
302	NR		**Rhea & Kaiser Advertising**, Naperville, Ill.	2,085.4	NA	NA	13,909.5	NA	41	37	Stephen L. Rhea, president	(708) 505-1100
303	298	✓	**Michael & Partners**, Dallas	2,062.0	1,974.0	4.5	13,753.0	13,166.0	33	35	George Michael, president	(214) 520-1200
304	NR	✓	**Van Dine Humphrey Herbert Alber & Manges**, Pittsburgh	2,044.2	NA	NA	13,222.0	NA	23	NA	Richard Herbert, president, ceo	(412) 261-4611
305	292		**Rick Johnson & Co.**, Albuquerque, N.M.	2,038.1	2,027.8	0.5	13,575.7	14,334.5	53	50	Eric D. Johnson, president	(505) 266-1100
306	306	✓	**McFarland Group**, Elm Grove, Wis.	2,031.3	1,878.8	8.1	10,877.1	9,848.2	20	20	Mike McFarland, president	(414) 786-5891
307	296	✓	**Letven/Diccicco Advertising & PR**, Horsham, Pa.	2,022.0	1,985.0	1.9	13,467.2	13,100.0	28	35	Edward M. Letven, chpsn, ceo	(215) 957-0300
308	344		**More Direct**, Minneapolis	2,021.0	1,450.0	39.4	13,584.0	9,034.0	22	19	Mark Morris, president	(612) 872-1616
309	295		**Associated Advertising Agency**, Wichita, Kan.	2,017.5	1,996.3	1.1	13,456.6	13,315.1	46	44	Preston D. Huston, president, chmn	(316) 683-4691
310	305	✓	**Aves Advertising**, Grand Rapids, Mich.	2,014.0	1,885.0	6.8	13,010.0	11,875.0	38	34	John C. Aves, president, ceo	(616) 459-3351
311	281	✓	**Detrow & Underwood**, Ashland, Ohio	2,006.7	2,179.1	(7.9)	5,852.0	6,554.2	15	15	Jack M. Detrow, chmn, ceo	(419) 289-0265
312	318		**Harris & Love Advertising**, Salt Lake City	2,002.6	1,720.1	16.4	12,035.1	11,730.8	27	27	Donald G. Ware, president	(801) 532-7333
314	268	✓	**Cole Henderson Drake**, Atlanta	2,000.0	2,400.0	(16.7)	15,200.0	17,300.0	32	34	John H. Drake, president	(404) 237-0057
313	309	✓	**Scharfberg & Associates**, Jenkintown, Pa.	2,000.0	1,827.0	9.5	13,363.3	12,659.7	26	26	Sheldon Scharfberg, president	(215) 885-7050
315	297		**Fern/Hanaway**, Warwick, R.I.	1,985.7	1,975.6	0.5	13,245.0	13,177.3	39	39	Sanford M. Fern, president	(401) 732-6610
316	308		**Bailey Lewis & Associates**, Lincoln, Neb.	1,965.7	1,856.8	5.9	13,108.1	12,382.3	39	36	Richard W. Bailey, chmn, ceo	(402) 475-2800
317	333	✓	**Lee & Riley**, St. Paul, Minn.	1,959.3	1,582.6	23.8	13,045.1	10,540.6	22	20	Dick Lee, president	(612) 647-0384
318	324	✓	**Kaprielian/O'Leary Advertising**, New York	1,952.5	1,650.4	18.3	13,017.3	12,316.7	24	21	Walter Kaprielian, chmn	(212) 696-1300
319	365		**Sandler Communications**, New York*	1,951.5	1,214.1	60.7	12,431.1	7,577.0	30	25	Kenneth Sandler, president	(212) 529-7070
321	NR		**Dawson Johns & Black**, Chicago*	1,950.0	NA	NA	13,000.0	NA	20	NA	R. Powell Johns Jr., president	(312) 670-2200
320	303	✓	**Ken Schmidt Co.**, Milwaukee, Wis.	1,950.0	1,900.0	2.6	12,751.5	11,778.3	33	31	Daniel H. Nelson, chmn, president	(414) 224-0210
322	312	✓	**Simms & McIvor**, Somerville, N.J.	1,945.5	1,805.0	7.8	13,275.0	12,338.0	28	27	Patrick J. McIvor, president	(201) 722-8777
323	293	✓	**Barney & Patrick Advertising**, Mobile, Ala.	1,943.0	2,017.0	(3.7)	12,640.0	13,018.0	20	22	McGowin I. Patrick, president	(205) 433-0401
324	354	✓	**J.P. Hogan & Co.**, Knoxville	1,942.1	1,366.3	42.1	14,347.3	9,108.4	28	22	Joseph P. Hogan, chmn, ceo	(615) 546-7661
325	313		**Penny & Speier**, Houston	1,933.5	1,794.3	7.8	17,960.8	15,428.6	26	27	C.R. Penny, chmn	(713) 965-0331
326	361	✓	**Roni Hicks & Associates**, San Diego	1,928.7	1,291.3	49.4	12,612.5	8,499.0	28	25	Veronica "Roni" Hicks, president	(619) 238-8787
327	340		**John Risdall Advertising**, New Brighton, Minn.	1,918.5	1,511.8	26.9	13,210.0	10,081.0	15	15	John Risdall, president	(612) 631-1098
328	369		**Hal Langerman Co.**, Blue Bell, Pa.	1,909.4	1,182.3	61.5	12,656.0	12,287.3	10	10	Hal Langerman, president	(215) 653-0366
329	304		**Pool Communications**, Los Angeles*	1,890.0	1,900.0	(0.5)	12,600.0	10,700.0	16	16	Harvey Pool, president	(213) 479-4166
330	320		**John Volk Co.**, Chicago	1,883.6	1,710.3	10.1	13,002.8	15,738.2	29	26	John Volk, president	(312) 787-7117
331	336	✓	**Sullivan & Brownell**, Randolph, Vt.	1,865.0	1,561.2	19.5	10,042.7	8,406.5	8	8	Paul J. Sullivan, president	(802) 728-3300
332	300		**Meyer Jehs & Wallis**, Milwaukee	1,863.4	1,946.4	(4.3)	14,593.0	13,899.4	32	28	Robert L. Meyer, president	(414) 224-0212
333	280	✓	**Townsend Agency**, Rosemont, Ill.	1,858.9	2,183.6	(14.9)	12,412.9	14,685.5	23	28	Gary Tillery, chmn	(708) 318-9010
334	317		**Martiny & Co.**, Cincinnati	1,848.2	1,724.2	7.2	12,321.4	11,500.5	26	26	Kim Martiny, president	(513) 784-0400
335	322		**ProClinica Inc.**, New York	1,830.0	1,680.0	8.9	12,150.0	11,200.0	27	31	Mel Snyder, president	(212) 856-6440
336	307	✓	**Sturm Communications Group**, Chicago	1,805.8	1,861.0	(3.0)	12,547.6	12,282.2	28	28	Arthur C. Sturm Jr., president	(312) 943-1881
337	342		**Maleson Advertising**, Owings Mills, Md.*	1,800.0	1,500.0	20.0	12,000.0	10,000.0	18	15	Howard S. Maleson, president	(301) 363-4480
338	368	✓	**Jason Group**, Short Hills, N.J.	1,798.0	1,188.8	51.3	16,970.0	12,280.0	18	18	Art Sasso, president	(201) 379-3535
339	290		**Buyer Advertising**, Newton, Mass.	1,773.3	2,058.6	(13.9)	11,541.6	13,325.4	40	44	Betty R. Buyer, president	(617) 969-4646
340	339	✓	**Francioli Richartz Weiman & Fliss**, Parsippany, N.J.	1,769.6	1,521.0	16.3	11,500.0	9,800.0	15	12	Ron Francioli, creative dir	(201) 299-8090
341	NR		**Saunders & Lyons Advertising**, Buffalo, N.Y.	1,746.3	NA	NA	10,277.1	NA	17	NA	Richard J. Saunders Jr., chmn	(716) 852-1700
342	335	✓	**Phillips, Miller, Speyer & Frost**, Amityville, N.Y.	1,734.7	1,568.2	10.6	11,528.6	10,279.3	26	24	Louis Phillips, chmn	(516) 691-1911
343	341	✓	**Advertising, Boelter & Lincoln**, Madison, Wis.	1,727.4	1,504.6	14.8	10,872.6	10,032.8	33	28	Robert Boelter, president	(608) 251-3381
344	326	✓	**Lewis Communications**, Mobile, Ala.	1,722.6	1,634.5	5.4	1,115.0	11,847.1	31	30	John H. Lewis Jr., chmn	(205) 476-2507
345	334	✓	**Wendt Advertising Agency**, Great Falls, Mont.	1,721.5	1,582.3	8.8	11,549.3	10,579.1	31	30	Stanley F. Meyer, chmn	(406) 452-8581
346	330		**Semel/Kaye & Co.**, Northbrook, Ill.	1,717.5	1,612.5	6.5	10,628.5	10,011.8	21	18	Richard L. Kaye, president	(708) 564-8860
347	315		**Wardrop Murtaugh Temple**, Chicago	1,716.0	1,748.0	(1.8)	10,900.0	11,200.0	21	24	John C. Wardrop, president	(312) 750-9200
348	359		**Jeffrey Nemetz & Associates**, Chicago*	1,700.0	1,300.0	30.8	11,339.0	8,671.0	15	15	Jeffrey Nemetz, president	(312) 664-8112
349	323		**NKH&W Marketing Communications**, Kansas City, Mo.	1,654.0	1,666.0	(0.7)	11,024.0	11,112.0	40	36	F. Peter Kovac, president	(816) 753-8881
350	329	✓	**Rivers Trainor Doyule & Leicht**, East Providence, R.I.	1,640.0	1,620.0	1.2	10,930.0	10,800.0	26	23	Philip R. Rivers, president	(401) 434-9200
351	347	✓	**Sage Marcom**, Syracuse, N.Y.	1,637.9	1,438.0	13.9	10,628.0	9,318.5	38	30	Vincent P. Urciuoli, chmn	(315) 478-6612
352	371	✓	**Harmon Smith**, Kansas City, Mo.	1,634.1	1,178.8	38.6	12,527.2	8,924.6	25	22	Austin Harmon, president	(816) 756-0756
353	349	✓	**Gann-Dawson**, Scranton, Pa.	1,620.8	1,417.7	14.3	10,561.8	9,247.9	22	20	William Dawson, chmn	(717) 343-6551
354	332	✓	**Donald L. Arends Inc.**, Oak Brook, Ill.	1,617.0	1,584.0	2.1	10,785.4	10,565.3	20	22	Donald L. Arends, ceo	(708) 990-0220
355	269		**CPA Inc.**, Key Biscayne, Fla.	1,610.6	2,385.8	(32.5)	10,581.8	15,672.0	19	25	Hugues de Rochefort, chmn	(305) 361-3199
356	353	✓	**Furman Roth Advertising**, New York	1,603.9	1,372.6	16.8	10,692.4	9,150.7	22	21	Ernie Roth, president, coo	(212) 687-2300
357	355		**Armando Testa Advertising**, New York	1,600.0	1,322.0	21.0	10,500.0	9,915.0	20	20	Claude Bosset, exec vp, mgng dir	(212) 683-3030
358	343	✓	**Beckman Associates Advertising**, Albany, N.Y.	1,592.7	1,490.8	6.8	10,898.0	10,701.2	35	35	Richard N. Beckman, chmn, ceo	(518) 465-4573
359	379	✓	**McCormick Advertising**, Amarillo, Texas	1,585.7	1,090.2	45.5	10,728.4	9,239.0	23	22	G. Don Curphey, chmn, ceo	(806) 374-5333
360	387	✓	**Strategic Promotions**, Dallas	1,577.2	1,028.7	53.3	10,518.3	6,860.4	26	24	Grahame R. Hopkins, president	(214) 871-1016

Notes: Dollars are in thousands. NR indicates agency not ranked. Initials in parentheses indicate the parent company in which the subsidiaries' figures are included. See Page S-20 for methodology. See Page S-58 for an alphabetical index. ✓ indicates that the agency received signature of an independent accountant verifying figures supplied to AA. * indicates that gross income and/or total volume figures are AA estimates.

U.S.-based agencies by domestic gross income

Rank 1989	Rank 1988		Agency, headquarters	U.S. gross income 1989	U.S. gross income 1988	% chg	U.S. billings 1989	U.S. billings 1988	U.S. employees 1989	U.S. employees 1988	Top executive, title	Telephone
361	314	✓	**Haselow & Associates**, Beachwood, Ohio	1,564.7	1,749.4	(10.6)	10,436.8	11,668.3	23	22	John H. Haselow, president	(216) 831-6060
362	405	✓	**Capener Co.**, San Diego	1,560.0	857.0	82.0	10,170.0	5,519.0	26	18	Bob Capener, president, ceo	(619) 238-8500
363	352		**Sargent & Potratz**, Brookfield, Wis.	1,560.0	1,400.0	11.4	7,800.0	7,000.0	17	12	John Sargent, president	(414) 789-0900
364	337		**Marontate & Co.**, Auburn Hills, Mich.	1,558.0	1,539.0	1.2	10,868.1	10,731.6	20	20	Michael Marontate, president	(313) 373-1700
365	362	✓	**Esrock Advertising**, Orland Park, Ill.	1,540.0	1,280.3	20.3	10,267.0	8,535.0	30	28	Jack Coughlin, president	(708) 349-8400
366	346	✓	**Hiebing Group**, Madison, Wis.	1,539.5	1,439.0	7.0	11,784.2	10,892.6	30	33	Roman Hiebing, president	(608) 256-6357
367	350		**Beaumont, Heller & Sperling**, Reading, Pa.	1,530.5	1,412.5	8.4	10,557.9	9,457.6	40	37	Robert D. Beaumont, president	(215) 375-4311
368	366	✓	**Blake, Walls & Associates**, Los Angeles	1,513.7	1,200.0	26.1	4,900.5	4,137.0	13	10	Beverly Blake, president	(213) 930-9204
369	377	✓	**Ira Thomas Associates**, Youngstown, Ohio	1,492.3	1,108.8	34.6	9,953.0	8,067.5	30	24	Ira D. Thomas, president	(216) 793-3000
370	396	✓	**FKQ Advertising**, Clearwater, Fla.	1,488.6	939.8	58.4	10,181.2	6,678.9	21	18	Robert O. Faller, president	(813) 539-8800
371	316	✓	**Mitchell & Comer**, Toledo, Ohio	1,482.3	1,738.5	(14.7)	10,803.4	12,454.2	22	30	Lee Comer, chmn	(419) 243-7600
372	283		**Schenkein Inc.**, Denver	1,477.0	2,167.0	(31.8)	9,851.0	14,455.0	25	25	Robert A. Schenkein, president	(303) 292-6655
373	345	✓	**G. Temple Associates**, Southfield, Mich.	1,471.2	1,442.9	2.0	9,243.6	9,329.8	19	18	Gerald L. Temple, president	(313) 353-9750
374	386	✓	**Daniel Glassman Advertising**, Fairfield, N.J.	1,465.0	1,029.0	42.4	6,622.0	5,129.0	120	110	Daniel Glassman, president, ceo	(201) 575-3507
375	395	✓	**Cascino & Purcell**, Atlanta	1,463.2	951.8	53.7	9,363.4	6,348.5	13	12	Alfred M. Cascino, president, ceo	(404) 237-9945
376	394		**Significs Inc.**, Rochester, N.Y.*	1,461.2	963.0	51.7	9,745.6	6,422.5	20	18	Douglas Baker, president	(716) 271-2622
377	363	✓	**Grant Marketing Communications**, Lafayette Hill, Pa.	1,450.5	1,275.0	13.8	9,670.3	8,503.0	22	20	Howard C. Grant, chmn, ceo	(215) 834-0550
378	382	✓	**Adams Colway & Associates**, Rochester, N.Y.	1,426.8	1,065.3	33.9	9,219.3	7,490.9	37	26	H. Mat Adams, president, ceo	(716) 325-6830
379	360	✓	**Martz & Wadas**, Scottsdale, Ariz.	1,411.6	1,296.8	8.9	9,000.0	8,500.0	28	22	Carrie A. Martz, president	(602) 998-3154
380	376		**San Jose & Associates**, Chicago	1,406.2	1,121.3	25.4	8,813.8	7,476.8	17	14	George L. San Jose, president	(312) 939-7400
381	398	✓	**Fletcher, Gampper & Wirth**, Kansas City, Mo.	1,403.4	936.0	49.9	10,243.3	7,662.4	23	11	Andy Fletcher, president, ceo	(816) 471-1880
382	383		**Kingswood Advertising**, Ardmore, Pa.	1,338.4	1,050.8	27.4	8,927.3	6,945.0	20	20	Richard L. Moore, president, coo	(215) 896-9260
383	356	✓	**Wolkcas Advertising**, Albany, N.Y.	1,323.6	1,317.0	0.5	8,304.4	8,169.3	19	18	Stewart Sacklow, president	(518) 869-4846
384	373	✓	**Nordensson Lynn Advertising**, Tucson, Ariz.	1,300.5	1,156.8	12.4	8,740.2	7,837.1	30	30	Steve Lynn, ceo	(602) 325-7700
385	348	✓	**Thielen & Associates**, Fresno, Calif.	1,295.0	1,426.1	(9.2)	8,543.5	9,289.9	16	18	Michel C. Thielen, president	(209) 252-2500
386	NR	✓	**Sisti, Zinbarg & Howard**, Paramus, N.J.	1,279.7	NA	NA	4,615.9	NA	18	NA	Marvin Howard, president	(201) 967-1300
387	358	✓	**Topline Design**, Islandia, N.Y.	1,277.0	1,312.6	(2.7)	8,161.2	8,387.6	24	26	Jeanne Fontana Williams, ceo	(516) 348-6969
388	364		**McLaughlin, Del Vecchio & Casey**, New Haven, Conn.*	1,275.0	1,245.0	2.4	8,500.0	8,300.0	16	16	Jim McLaughlin, president	(203) 624-4151
389	414	✓	**Pierson & Flynn**, Chicago	1,266.1	792.9	59.7	8,126.4	5,168.6	12	10	William L. Flynn, president	(312) 644-6090
390	399	✓	**Dugan, Valva Associates**, Fairfield, N.J.*	1,255.9	933.9	34.5	8,323.7	6,189.4	19	14	Peter Dugan, chmn	(201) 227-7396
391	338		**Estey-Hoover**, Newport Beach, Calif.	1,237.6	1,526.7	(18.9)	8,243.6	10,124.3	16	18	Daniel W. Hoover, president	(714) 756-8501
392	351		**Emery Advertising**, El Paso, Texas	1,213.0	1,400.0	(13.4)	7,291.9	8,204.1	24	24	Tom Emery, president	(915) 532-3636
393	367	✓	**Nemer, Fieger & Associates**, Minneapolis	1,209.2	1,197.9	0.9	8,062.0	7,987.0	18	16	James D. Fieger, president	(612) 925-4848
394	380	✓	**Sanna, Mattson, MacLeod & Macri**, Smithtown, N.Y.	1,202.8	1,083.0	11.1	6,380.2	6,060.3	16	14	Robert J. Sanna, president	(516) 265-5160
395	357	✓	**Brett Associates Advertising**, Little Falls, N.J.	1,200.0	1,313.8	(8.7)	1,880.4	2,058.8	11	7	Steven B. Brett, ceo	(201) 890-0500
395	381	✓	**Qually & Co.**, Chicago	1,200.0	1,080.5	11.1	8,000.0	7,500.0	17	17	Robert Qually, president	(312) 944-0237
397	NR	✓	**Goldberg Fossa Seid Advertising**, New York	1,195.6	NA	NA	7,750.0	NA	8	NA	Ira Goldberg, president	(212) 727-7400
398	321	✓	**Gregory Inc.**, Cleveland	1,179.3	1,684.3	(30.0)	7,750.6	11,733.3	19	25	Joseph A. Rini, president	(216) 621-9632
399	404		**Phelps Group**, Los Angeles	1,162.5	870.0	33.6	7,750.0	5,800.0	16	11	Joe Phelps, president	(213) 471-6170
400	389	✓	**Tri-State Advertising Co.**, Warsaw, Ind.	1,157.0	1,023.5	13.0	6,441.3	6,661.4	19	17	William L. Kreicker, president	(219) 267-5178
401	390	✓	**McKee Advertising**, Elk Grove Village, Ill.	1,102.5	1,021.1	8.0	9,469.3	9,023.0	18	20	Edward H. McKee, chmn, ceo	(708) 956-8188
402	403	✓	**Lortz Direct Marketing**, Omaha	1,098.0	897.5	22.3	8,651.0	7,083.5	11	10	Gary Lortz, president	(402) 331-5740
403	409		**Haller Schwarz Meade Ullman**, Agoura Hills, Calif.	1,093.6	833.0	31.3	8,445.2	5,556.0	19	11	H. Schwarz S. Meade, co-chmn	(818) 889-2973
404	378	✓	**George P. Clarke Advertising**, New York	1,075.6	1,097.7	(2.0)	7,105.3	7,253.2	16	16	George P. Clarke, president	(212) 490-2212
405	393		**Landers & Partners**, St. Petersburg, Fla.*	1,068.6	976.7	9.4	7,026.0	6,424.6	18	15	Samuel Landers, chmn, ceo	(813) 577-6868
406	384	✓	**Tepe, Hensler & Westerkamp**, Cincinnati	1,066.7	1,038.3	2.7	8,684.0	8,209.0	20	19	John Tepe, president	(513) 241-0100
407	374		**Hickman & Associates**, Indianapolis	1,059.5	1,140.1	(7.1)	7,152.0	7,405.8	26	24	Vaughn B. Hickman, president	(317) 843-1113
408	325	✓	**Communication & Design Agency**, Latham, N.Y.	1,058.0	1,642.5	(35.6)	13,012.0	11,756.0	25	25	Francis J. Lipari, president, ceo	(518) 783-0001
409	400	✓	**Delfino Marketing Communications**, Valhalla, N.Y.	1,049.3	930.5	12.8	6,898.8	6,155.0	13	13	Geno B. Delfino, president	(914) 747-1400
410	410		**Carter Callahan Advertising & PR**, San Jose, Calif.	1,026.6	830.1	23.7	7,558.8	6,229.6	12	12	Peter S. Carter, president, ceo	(408) 998-5433
411	388		**Harold Warner Advertising**, Buffalo, N.Y.	1,024.5	1,023.9	0.1	6,800.4	6,724.4	9	9	Harold J. Warner, chmn	(716) 852-4410
412	397		**Coakley Heagerty Cos.**, Santa Clara, Calif.*	1,020.9	938.2	8.8	6,805.9	6,254.4	15	13	John D. Heagerty, president	(408) 249-6242
413	NR		**Katsin Loeb & Partners**, San Francisco	1,013.0	NA	NA	8,998.7	NA	13	NA	Daniel Katsin, president	(415) 399-9960
414	391		**Smith & Yehle**, Kansas City, Mo.	1,011.0	1,001.0	1.0	6,743.7	6,676.9	18	19	Karl J. Yehle, president	(816) 842-4900
415	402	✓	**Kopf Zimmermann Schultheis**, Melville, N.Y.	1,004.3	906.3	10.8	6,185.2	5,593.5	16	15	Arthur Zimmermann, president	(516) 293-6115
416	385	✓	**TCI Advertising**, Stamford, Conn.	1,002.5	1,032.4	(2.9)	7,430.4	7,582.8	16	16	Michael F. Murphy, president	(203) 327-9900
417	425	✓	**Duke Unlimited**, Metairie, La.	996.0	721.0	38.1	6,109.0	5,108.0	13	15	Lana Duke, president, ceo	(504) 836-5150
418	408	✓	**Haynes & Pittenger Direct**, Indianapolis	993.2	853.3	16.4	6,653.3	5,889.5	22	20	Thomas J. Haynes, ceo	(317) 262-4800
419	416	✓	**Stevens Kirkland Kreer**, Chicago	991.5	775.0	27.9	6,612.5	5,166.5	11	9	Henry B. Kreer, president	(312) 372-7868
420	429		**Bruce Novograd Advertising**, New York*	975.0	675.0	44.4	6,500.0	4,500.0	10	6	Bruce Novograd, chmn	(212) 627-2155
421	370		**Laven Fuller & Perkins Advertising**, Chicago	973.5	1,182.2	(17.7)	6,490.0	7,841.2	20	23	James P. Perkins, president	(312) 440-1818
422	392		**Richardson, Thomas & Bushman**, Plymouth Meeting, Pa.	953.7	986.5	(3.3)	6,095.0	6,327.9	14	14	Arthur J. Boyle, president	(215) 834-0430
423	413	✓	**Richard Yeager Associates**, Morristown, N.J.	946.7	806.6	17.4	7,635.4	6,654.4	14	15	Richard A. Yeager, president	(609) 235-5768
424	417		**Noble Arnold & Associates**, Schaumburg, Ill.	944.0	765.0	23.4	6,083.3	4,916.1	14	12	Noble Arnold, president	(708) 605-8808
425	444	✓	**Halbleib & Moll Associates**, Louisville	934.5	594.0	57.3	5,617.6	4,351.9	18	15	Tom Halbleib, president	(502) 585-3403
426	401		**Adelante Advertising**, New York	923.6	923.6	0.0	6,034.0	6,034.0	15	15	Sy Davis, president	(212) 696-0855
427	436	✓	**Hively Agency**, Houston	914.8	633.6	44.4	5,943.7	4,148.8	20	10	Charles Hively, president	(713) 961-2888
428	372	✓	**MacDonald Boyd White**, Boston	909.4	1,169.1	(22.2)	5,846.9	7,639.9	14	16	Terrence M. MacDonald, chmn	(617) 439-7040
429	407		**New-Venture Advertising**, Los Angeles	880.0	854.0	3.0	5,795.5	5,625.4	7	7	Doug Hedlund, president	(213) 473-1547
430	424	✓	**DPL Advertising**, Battle Creek, Mich.	879.1	721.6	21.8	5,639.1	4,577.4	16	14	Perry L. Phillips, president	(616) 979-9191
431	419	✓	**Fischbein & Partners**, Minneapolis*	856.0	759.0	12.8	5,434.4	4,601.0	18	14	Myles Spicer, ceo	(612) 542-9666
432	415	✓	**Praco Ltd.**, Colorado Springs, Colo.	834.8	787.7	6.0	5,566.9	5,164.6	19	19	Jim W. Hall, president	(719) 473-0704
433	435	✓	**Lardis, McCurdy & Co.**, Meriden, Conn.	831.0	635.0	30.9	4,753.0	4,494.0	16	15	John S. McCurdy, president	(203) 235-7040
434	426		**Poindexter Associates**, Roanoke, Va.	829.9	720.4	15.2	6,425.2	4,723.6	11	13	Dale Poindexter, president	(703) 345-2400
435	422	✓	**Perry Ballard advertising**, St. Joseph, Mo.	823.0	732.6	12.3	5,656.0	4,696.1	19	21	Perry O. Ballard Jr., president	(616) 983-0611
436	423	✓	**Saxton Communications Group**, New York	820.0	730.0	12.3	5,469.4	4,869.1	5	5	Michael J. Enzer, president	(212) 867-2210
437	412		**Gardiner-A Marketing Co.**, Salt Lake City	805.5	813.7	(1.0)	5,372.5	5,427.3	18	17	Harold Gardiner, chmn	(801) 364-5600
438	NR		**Jules Rabin Associates**, Valley Stream, N.Y.*	805.3	NA	NA	5,303.8	NA	22	1	Jules Rabin, president	(516) 561-9160
439	445	✓	**K.I. Lipton Inc.**, Doylestown, Pa.	803.0	588.1	36.5	4,685.2	4,565.8	14	15	Kenneth I. Lipton, president	(215) 345-4525
440	433		**FitzSimons Advertising & Public Relations**, Cleveland	779.5	645.2	20.8	5,199.5	4,208.8	19	15	Daniel A. FitzSimons, president	(216) 241-5656
441	411	✓	**Sheldon Fredericks Advertising**, New York	776.1	829.3	(6.4)	4,988.0	5,373.0	15	16	Frederick A. Schwartz, president	(212) 867-0110
442	448		**Graff Advertising**, Palo Alto, Calif.	771.0	579.2	33.1	4,587.4	3,511.4	10	6	Lloyd L. Graff, president	(415) 856-4040
443	459	✓	**Maged & Behar**, New York*	750.0	450.0	66.7	5,000.0	3,000.0	7	4	Jack M. Maged, president	(212) 463-9629
444	420	✓	**Smith Advertising & Associates**, Fayetteville, N.C.	741.5	750.7	(1.2)	4,852.6	4,850.5	19	18	Gary T. Smith, ceo, president	(919) 323-0920
445	441	✓	**Dusenbury & Alban**, Atlanta	738.5	604.3	22.2	5,669.9	4,875.4	7	8	Ray Alban, chmn	(404) 872-2442
446	476		**Rutkin Costello McCullam Whitley**, New York	725.0	325.0	123.1	4,700.0	2,000.0	6	4	David Rutkin, chmn	(212) 226-2100
447	462	✓	**Shepler/CoDA & Co.**, Hickory, N.C.	722.7	427.7	69.0	4,345.8	2,930.4	13	6	Larry B. Shepler, president	(704) 322-5807
448	434		**Smith & Associates**, Charlotte, N.C.	710.9	644.0	10.4	4,421.3	4,000.0	10	10	Lanny Smith, president	(704) 536-1275
449	443		**Keating Magee Long**, New Orleans	697.0	598.0	16.6	4,280.9	3,667.5	12	10	Jennifer Keating Magee, ceo	(504) 523-2121
450	NR		**Hollingsworth Inc.**, Rockford, Ill.	695.0	NA	NA	4,524.0	NA	12	11	Larry Kobischka, president	(815) 398-7131
451	427	✓	**Kocs, Wesson & Associates**, Brookfield, Wis.	690.0	712.5	(3.2)	4,600.0	4,750.0	9	9	Warren R. Eulgen, president	(414) 786-4402
453	451		**Langworth Taylor Co.**, White Plains, N.Y.*	675.0	540.0	25.0	4,500.0	3,600.0	20	14	Frank C. Langworth, president	(914) 946-7333
452	430		**Don Wise & Co.**, New York	675.0	675.0	0.0	4,500.0	4,500.0	8	8	Donald Wise, president	(212) 371-3333
454	438		**Human Resources Advertising**, Santa Clara, Calif.	673.8	616.0	9.4	3,500.0	3,200.0	13	13	Darrell Batchelder, president, ceo	(408) 748-1000
455	449	✓	**Sader & Associates**, New York	671.0	570.0	17.7	4,473.0	3,800.0	6	6	Archie A. Sader, president	(212) 725-0770
456	NR		**William Jenkins Advertising**, Philadelphia*	658.9	NA	NA	4,240.9	NA	15	NA	Richard J. Look, president	(215) 625-9550
457	442	✓	**Ferrell-Cleary**, Exton, Pa.	635.3	599.4	6.0	4,253.4	4,010.6	10	10	David L. Ferrell, president	(215) 363-1380
458	440	✓	**Advertising & Promotional Services**, Sycamore, Ill.	633.1	612.9	3.3	4,223.5	4,144.8	12	13	Diana L. Leifheit, president	(815) 895-2000
459	446		**Peter Vane Advertising**, New York	632.5	584.0	8.3	4,188.0	3,808.6	8	10	Peter Vane, president, ceo	(212) 679-8260
460	428	✓	**Hull & Signorile**, Florham Park, N.J.	631.4	689.4	(8.4)	4,260.2	4,658.8	6	6	Leonard M. Signorile, president	(201) 514-1888

Notes: Dollars are in thousands. NR indicates agency not ranked. Initials in parentheses indicate the parent company in which the subsidiaries' figures are included. See Page S-20 for methodology. See Page S-58 for an alphabetical index. ✓ indicates that the agency received signature of an independent accountant verifying figures supplied to AA. * indicates that gross income and/or total volume figures are AA estimates.

U.S.-based agencies by domestic gross income

Rank 1989	Rank 1988		Agency, headquarters	U.S. gross income 1989	U.S. gross income 1988	% chg	U.S. billings 1989	U.S. billings 1988	U.S. employees 1989	U.S. employees 1988	Top executive, title	Telephone
461	468		**Kert Advertising**, Ft. Lauderdale, Fla.	614.5	381.4	61.1	7,392.2	4,027.1	14	9	Norman Kert, chmn, ceo	(305) 484-4488
462	477		**Severance & Associates**, Nashville*	613.3	320.9	91.1	4,001.0	2,934.0	5	5	Marc Severance, president	(615) 254-1321
463	437		**Exclamation Point**, Billings, Mont.	608.1	630.6	(3.6)	4,054.8	4,216.8	15	15	Janet Cox/John Wilcox, ptnrs	(406) 245-6341
464	406	✓	**Patterson Advertising Agency**, Topeka, Kan.	595.0	854.6	(30.4)	3,661.2	5,585.2	25	31	Donald M. Shurtz, president	(913) 266-3636
465	452	✓	**AIM Inc.**, Foster City, Calif.	593.2	509.8	16.4	3,900.1	3,362.0	7	7	James H. Fieler, president	(415) 349-5555
466	458	✓	**Marken Communications**, Sunnyvale, Calif.	592.5	452.5	30.9	3,951.0	3,017.4	10	10	G.A. Marken, president	(405) 738-1115
467	456	✓	**Gurley Associates**, Rogers, Ark.	588.7	481.9	22.2	3,924.2	3,641.3	13	11	Gordon Gurley, president	(501) 636-4037
468	NR	✓	**Guthrie & Associates**, Greenville, S.C.	579.1	NA	NA	5,390.8	NA	16	NA	David E. Guthrie, president	(803) 235-8479
469	NR	✓	**Tate's Co.**, Malvern, Pa.	572.1	NA	NA	3,363.6	NA	6	NA	James Tate, president	(215) 647-2383
470	432	✓	**MarketAide Inc.**, Salina, Kan.	569.9	647.4	(12.0)	3,803.7	4,318.0	12	16	Gary D. Ray, chmn	(913) 825-7161
471	455	✓	**Smith Group**, Syracuse, N.Y.	566.6	486.5	16.5	3,959.2	3,399.8	6	5	Terrence C. Smith, president	(315) 426-0211
472	479	✓	**Geoghegan/Griffiths**, Cincinnati	565.4	310.0	82.4	3,769.0	2,063.9	14	9	John R. Geoghegan, president	(513) 579-1800
473	450	✓	**DFK Advertising**, New York*	555.0	555.0	0.0	3,700.3	3,700.3	12	12	Herb Fried, president	(212) 696-0766
474	439		**Martin Thomas**, Providence, R.I.	523.7	615.5	(14.9)	3,277.9	4,103.0	9	6	Martin K. Pottle/Thomas R. Rankin	(401) 331-8850
475	431		**Jiloty Communications Inc.**, Holly Hill, Fla.	518.2	663.2	(21.9)	3,370.3	4,308.5	10	10	Michael J. Jiloty, president	(904) 677-0673
476	457		**Bryan/Donald Advertising**, Kansas City, Mo.*	504.0	480.0	5.0	3,360.0	3,200.0	6	5	Donald K. Funk, president	(816) 471-4866
477	453	✓	**James & Thomas**, Chicago	497.0	508.8	(2.3)	3,263.2	3,340.8	9	9	William J. Bloch, president	(312) 751-0520
478	463		**Lubicom**, New York*	495.0	420.0	17.9	3,300.0	2,800.0	26	26	Menechem Lubinsky, president	(212) 302-6677
478	NR		**Tortami Metro P.R.emotions**, Long Island, N.Y.*	495.0	NA	NA	3,300.0	NA	9	8	Fred Greenspan, president	(516) 799-2222
480	NR	✓	**Neiman Group**, Harrisburg, Pa.	488.8	NA	NA	6,950.7	NA	17	NA	Steven H. Neiman, president	(717) 232-5554
481	461	✓	**Kinzie & Green**, Wausau, Wis.	480.7	440.5	9.1	3,075.6	2,805.2	12	12	Kirk E. Howard, president	(715) 845-4251
482	NR	✓	**Kobs Gregory & Passavant**, Chicago	462.3	NA	NA	3,151.6	NA	11	NA	James F. Kobs, chmn, ceo	(312) 819-2300
483	465	✓	**Metro Marketing Group**, Indianapolis	460.9	394.9	16.7	2,953.9	2,070.1	14	7	Albert H. Trestrail, president	(317) 253-1851
484	474		**Stein Killpatrick & Rogan Advertising**, New York	460.5	339.5	35.6	3,846.1	2,193.8	9	9	Thomas Stein, president	(212) 213-1112
485	494	✓	**Integrated Target Marketing**, Chicago	426.5	196.0	117.6	2,838.1	1,387.4	10	5	John M. Coe, president	(312) 527-4995
486	467	✓	**Goff Communications**, Corning, N.Y.	412.0	384.2	7.2	2,747.7	2,562.5	9	8	H. David Goff, president	(607) 962-2431
487	460		**Brewster Advertising**, Cambridge, Mass.	409.0	443.0	(7.7)	2,977.0	3,188.0	5	6	Donald R. Brewster, president	(617) 661-8318
488	478	✓	**MWA Direct**, Minneapolis	408.6	317.7	28.6	2,725.0	2,119.1	4	5	Michael Wikman, president	(612) 522-3673
489	NR	✓	**Opus Group**, Ridgewood, N.J.	404.6	NA	NA	2,690.5	NA	8	8	Joe Grasso, president	(201) 447-4824
490	466	✓	**Hautigan Advertising**, Chicago	403.7	386.9	4.3	2,692.7	2,523.9	5	5	Marie Hoversen, dir client svcs	(312) 777-0424
491	490	✓	**DK Group**, Hillsdale, N.J.	401.2	220.6	81.8	2,128.5	1,471.3	8	8	Richard Knel, president	(201) 358-6100
492	447	✓	**CTS Associates**, Detroit	399.9	581.7	(31.3)	2,426.5	4,767.7	7	9	C. Thomas Scholl, president	(313) 965-0575
493	454	✓	**Hinton & Steel**, Seattle	393.3	492.5	(20.1)	2,622.9	3,284.6	10	10	Dennis D. Hinton, president	(206) 441-3455
494	NR		**NPC & Associates**, Landover, Md.	386.5	NA	NA	2,457.5	NA	10	9	Nathaniel Pope Jr., president	(301) 925-9475
495	471		**MSA Advertising**, Philadelphia	379.4	360.2	5.3	3,238.8	3,267.0	7	7	Michael Schwartz, ceo	(215) 546-8000
496	464		**Ruhe & Co.**, Reading, Pa.	356.4	401.6	(11.3)	1,670.6	1,814.0	6	6	Bob Ruhe, president	(215) 373-4267
497	486	✓	**Burgess, Brewer, Stanyon & Payne**, Portland, Maine	355.2	245.0	45.0	2,277.6	1,632.1	12	8	Meredith Strang Burgess, president	(207) 775-5277
498	481	✓	**G. Duff Associates**, Somerville, N.J.	339.2	309.0	9.8	2,307.4	2,029.2	4	4	Glee A. Duff, president	(201) 874-0500
499	473	✓	**Creel Associates**, Oak Brook, Ill.	334.0	339.9	(1.7)	2,328.6	2,371.4	9	10	David R. Creel, president	(708) 990-0402
500	475	✓	**Cross Keys Advertising**, Doylestown, Pa.	325.1	338.9	(4.1)	3,269.3	4,090.8	7	6	Laura A. Thompson, president	(215) 345-5435
501	480	✓	**R.J. Hunter & Associates**, Exton, Pa.	318.0	310.0	2.6	2,120.0	2,048.0	7	7	Raymond J. Hunter, president	(215) 363-0606
502	485	✓	**J. Malek Inc.**, New York	309.6	252.6	22.5	1,936.8	1,585.6	9	9	Judy Malek, president	(212) 465-9304
503	470	✓	**Bonnie Dean Associates**, Greeley, Colo.	301.3	364.9	(17.4)	1,955.6	2,370.6	8	8	Bonnie Dean, president	(303) 356-3221
504	488	✓	**Mycomm Advertising**, Chicago	287.7	223.5	28.7	1,848.0	1,476.3	7	6	Roger Myers, president	(312) 372-7272
505	482		**Rik Shafer & Associates**, Northport, N.Y.*	280.6	280.6	0.0	1,800.0	1,800.0	7	6	Rik Shafer, president	(516) 754-1750
506	NR	✓	**Pollak Levitt Chaiet**, Atlanta	276.9	NA	NA	1,837.6	NA	9	NA	James S. Pollak, president	(404) 261-1566
507	487		**Mike Sloan's Matterhorn Advertising**, Miami	270.0	230.0	17.4	1,800.9	1,534.1	2	2	Mike Sloan, president, ceo	(305) 666-7138
507	484		**Varon & Associates**, Birmingham, Mich.	270.0	257.1	5.0	1,800.0	1,714.2	6	6	Jerry Varon, president	(313) 645-9730
509	472	✓	**William Mills Advertising & Marketing**, Atlanta	268.2	340.6	(21.3)	1,011.7	1,614.9	8	10	William E. Mills Jr., president, chmn	(404) 261-4900
510	499		**Killian & Co.**, Chicago	263.7	173.0	52.4	1,748.3	1,153.7	5	2	Robert J. Killian, president, ceo	(312) 836-0050
511	489		**Jack Mathis Advertising**, Libertyville, Ill.	253.3	220.7	14.8	1,666.0	1,451.1	3	3	Jack Mathis, president	(708) 367-1826
512	498		**L. Quillin & Associates**, La Crosse, Wis.	240.1	173.6	38.3	1,541.1	1,101.1	6	5	Lawrence J. Quillin, president	(608) 788-8292
513	495		**Lawrence Kaplan Advertising**, Richmond, Va.	236.0	194.3	21.5	1,740.8	1,265.4	4	4	Lawrence Kaplan, president	(804) 288-2826
514	491	✓	**Adams & Longino Advertising**, Greenville, N.C.	235.9	216.6	8.9	1,544.0	1,041.4	5	4	Charles P. Adams Jr., president	(919) 355-5566
515	483	✓	**Hicks & Associates**, Coral Gables, Fla.	224.5	263.8	(14.9)	1,214.6	1,528.2	2	3	Donald J. Hicks, president	(305) 444-7463
516	496		**Griffith & Coe Advertising**, Hagerstown, Md.*	219.0	190.5	15.0	1,082.1	986.1	9	8	John L. Griffith Jr., president	(301) 733-7286
517	469	✓	**Blackwood Agency**, Okemos, Mich.	207.7	372.1	(44.2)	1,380.6	2,470.1	5	5	J. Ronald Gaffe, president	(517) 349-6770
518	418	✓	**Bradford Advertising & PR**, Old Saybrook, Conn.	204.9	763.8	(73.2)	3,093.2	5,102.4	6	6	Wilson G. Bradford, ceo	(203) 388-1282
519	493		**Everett, Brandt & Bernauer**, Kansas City, Mo.	185.0	205.4	(9.9)	1,197.1	1,323.2	6	7	James A. Everett, president	(816) 421-0000
520	501		**Clarke Advertising & PR**, Bradenton, Fla.	183.6	146.7	25.1	1,223.7	978.3	9	6	Timothy J. Clarke, president	(813) 753-6047
521	497	✓	**Cedarcrest Advertising**, Bellevue, Wash.	181.7	187.8	(3.3)	1,211.0	1,252.0	3	3	Mark Rutledge, marketing mgr	(206) 453-1323
522	504	✓	**Marketing Lab**, Danbury, Conn.	181.3	105.6	71.8	1,338.3	868.6	10	9	Allen Flouton, president	(203) 790-7939
523	500		**Keller Haver Lipman**, New York*	173.8	165.0	5.4	1,135.0	966.0	4	4	Gerald Keller, president	(212) 684-1100
524	NR		**Harrison Advertising**, Warrenville, Ill.	162.3	NA	NA	966.8	NA	4	NA	Glenn Harrison, president	(708) 393-4404
525	492		**Halcyon Associates**, New York	160.0	210.0	(23.6)	1,200.5	1,500.0	4	6	Donald Fleck, president	(212) 629-3535
526	NR		**Phillips Marketing**, San Diego	122.0	NA	NA	813.7	NA	3	NA	Robert B. Phillips, president	(619) 223-5353
527	502		**Mills Marketing**, Los Angeles	96.6	121.6	(20.6)	860.1	775.1	3	3	Ezra Millstein, president	(213) 223-1178
528	503	✓	**Shea & Ziegler**, Darien, Conn.	94.7	109.6	(13.6)	634.2	741.1	1	1	Michael S. Ziegler, president	(203) 655-9100
529	NR		**Miller Group**, Los Angeles*	82.5	NA	NA	550.0	NA	3	3	Renee Miller, president	(213) 273-5173
530	NR		**Hahn, Crane & Associates**, Evanston, Ill.*	76.0	NA	NA	496.9	NA	2	NA	Fred E. Hahn, president	(708) 866-9009
531	505		**Communication Plus Advertising/PR**, Richardson, Texas*	58.2	54.9	6.0	381.7	363.1	3	3	Ed Fries, ceo, mnging ptnr	(214) 283-8543
532	NR	✓	**Breakstone & Associates**, Greenwich, Conn.	53.8	NA	NA	1,192.0	NA	5	5	Elaine Breakstone, president	(203) 622-0388
533	506	✓	**McAndrew Advertising Co.**, Bronx, N.Y.*	37.7	42.2	(10.7)	242.0	269.0	3	5	Robert McAndrew, president	(212) 892-8660

Notes: Dollars are in thousands. NR indicates agency not ranked. Initials in parentheses indicate the parent company in which the subsidiaries' figures are included. See methodology below. See Page S-58 for an alphabetical index. ✓ indicates that the agency received signature of an independent accountant verifying figures supplied to AA. * indicates that gross income and/or total volume figures are AA estimates.

Methodology to domestic & international rankings

Some of the material in this issue represents a shift in how *Advertising Age* ranks the global community of ad agencies.

The "world's Top 100 agencies by gross income" chart *(Page S-6)* reflects the international marketing community's growing activity in Europe and the Pacific Rim. Of the Top 100 agencies worldwide, 28 are Pacific Rim, 18 are European and 46 U.S.

Prior to this year's report, which ranks agencies regardless of country of origin, the primary ranking was U.S.-based agencies by worldwide gross income. Since only 38 U.S. agencies have international billings, and most are among the world's Top 100, AA prepared another table that ranked all U.S. agencies only by domestic gross income *(Page S-14)*. This ranking parallels the listing of more than 1,000 foreign agencies from 76 countries ranked within their respective countries *(Page S-24)*.

Ad Age eliminated what is referred to as "double-dipping" by U.S. subsidiary agencies. This practice permitted both a parent agency and its subsidiary to be ranked on the same chart, the parent claiming the subsidiary and its own income figure, and the subsidiary, separating its figures from the parent's and claiming itself.

Double-dipping tended to add confusion since it began in the early '80s with the rapid consolidation of agencies. Last year, 26 agencies in the Top 100 U.S. agencies chart based on worldwide gross income were double-dipped, thereby denying 26 other agencies a higher ranking and entry to this elite chart.

To avoid eliminating listings of consolidated subsidiaries, AA is showing its results in the chart "U.S.-based agencies by domestic gross income" *(Page S-14)*. Here the subsidiary is placed in the ranked spot it would have occupied had it not been included in its parent's total, but it receives no ranking (NR).

Nevertheless, a few double-dippers remain. Agencies qualify for ranking if they hold at least 50% of their equity. Their ranking is based on 100% of their returns. A parent agency is allowed to claim its ownership percentage of a unit's gross income and billings. Hence, some of the returns of a ranked agency show up in those of the ranked parent. A parent's equity in a subsidiary is defined as MJ for majority, MN for minority, NE for non-equity, JV for joint venture, NA for not applicable and ND for not declared. Not all subsidiaries are double-dipped. For example, Levine, Huntley, Schmidt & Beaver is a subsidiary of Grey Advertising but is not included in Grey's totals. Non-U.S. results of unranked subsidiaries appearing on the U.S. domestic gross income chart do not show up. Those results can be found in the footnotes to the chart, "U.S. agencies with foreign billings" *(Page S-32)*.

Billed media rankings

Ranking by media category *(Page S-56)* is based on the parent's consolidated total. Where the parent's total for a given medium includes a subsidiary's contribution of 50% or more, that unit is noted.

Questionnaire: Gross income, volume

Data, including gross income and volume, were obtained by questionnaire.

Gross income in the traditional agency structure is the sum of media commissions earned from media billings, the markup (usually 17.65%) for materials and services billed the client and the raw fee. Some agencies may provide only billings or miscalculated gross income, requiring *Ad Age* to estimate gross income.

Volume is the sum of media billings, billings to the client for materials and services and capitalized fees—a method of equating fees to billings by treating the raw fee as if it were a 15% media commission. When agencies did not break out their U.S. billings by office, those numbers were estimated and the agency was contacted for comment.

This year marks the sixth year in which agencies provided verification from an independent accountant for figures they reported. Such verification does not require an audit. Those agencies providing a signature were noted by a check mark accompanying their entry on the chart ranking U.S. agencies by gross income.

Exchange rates

Agencies converted local currency to dollars using average annual exchange rates provided by AA and shown at the beginning of each country's ranking beginning on Page S-24. A different rate is provided for the two comparable years (1989 and 1988), providing an historic reading of the prior year. AA adjusted rates for inflation-plagued Brazil and Argentina after questionnaires were returned. □

Foreign agencies by 1989 gross income

Agency, city	Outside equity	Gross income	% chg	Billings	% chg
Argentina	Exchange rates: 0.01414 0.10253 austral				
J. Walter Thompson Argentina, Buenos Aires	MJ	18,933	NA	126,281	NA
Lautrec/Saatchi & Saatchi, Buenos Aires	NE	12,862	NA	51,450	NA
Funes, Straschnoy, Dreyfuss Y&R, Buenos Aires	MN	12,213	NA	81,461	NA
Colonnese:Lintas, Buenos Aires	MJ	11,701	NA	78,043	NA
Graffiti DMB&B, Buenos Aires	MN	11,340	NA	63,036	NA
McCann-Erickson, Buenos Aires	MJ	9,245	NA	61,666	NA
Ortiz, Scopesi y Cia., Buenos Aires	MJ	8,686	NA	59,902	NA
Pragma/FCB Publicidade, Buenos Aires	MN	7,425	NA	49,522	NA
Leo Burnett Co., Buenos Aires	MJ	6,313	NA	41,807	NA
Fontanarrosa, Capurro & Asociados, Capital Federal	NA	4,947	NA	22,826	NA
David Ratto/BBDO, Buenos Aires	MN	4,674	NA	31,175	NA
Gowland Publicidad, Buenos Aires	NA	2,794	NA	12,651	NA
Casares Grey, Buenos Aires	ND	1,879	NA	7,516	NA
Ayer Vasquez, Buenos Aires	MN	614	NA	4,095	NA

■ **Notes:** Due to extreme fluctuations in the austral rate, AA did not compute percentage changes for 1989 and 1988 for gross income and billings. Ayer Vasquez 10% owned by N.W. Ayer; Graffiti DMB&B 5% owned by DMB&B; David Ratto/BBDO 20% owned by BBDO Worldwide; Pragma/FCB 20% owned by Foote, Cone & Belding; Lautrec/Saatchi & Saatchi non-equity affiliation; Ortiz Scopesi y Cia. minority owned by Ogilvy & Mather. Cicero/Ted Bates did not supply figures.

Australia	Exchange rates: 0.80034 0.75470 Australian dollar				
George Patterson Pty., Sydney	MJ	76,833	27.3	512,218	30.5
Clemenger/BBDO, Melbourne	MN	52,011	20.8	325,068	20.8
Chiat/Day/Mojo, Sydney	MJ	32,157	42.1	200,916	42.1
Young & Rubicam, Sydney	MJ	30,401	31.1	202,774	31.1
HDM Mattingly, Melbourne	MJ	29,695	NA	188,080	NA
DDB Needham, Sydney	MJ	29,164	18.8	194,527	22.7
Neville Jeffress Advertising, Sydney	NA	20,781	25.6	138,539	25.1
McCann-Erickson, Sydney	MJ	20,117	23.6	134,176	23.6
DMB&B, Sydney	MJ	18,553	31.7	126,702	28.2
Saatchi & Saatchi Advertising, Sydney	MJ	17,334	13.4	106,125	24.6
J. Walter Thompson Australia, Sydney	MJ	14,775	56.6	98,550	56.6
Ogilvy & Mather, Melbourne	MJ	14,144	3.2	97,542	6.7
Foote, Cone & Belding, Sydney/Melbourne	MJ	12,803	24.0	85,398	24.0
Lintas:Australia, Sydney	MJ	12,271	6.4	81,848	6.4
Leo Burnett Ltd., Sydney	MJ	11,651	22.6	77,678	22.6
Dentsu Australia, Sydney	MJ	10,909	NA	68,589	NA
Ball Partnership, Sydney	MJ	7,629	19.8	50,888	19.8
SSB Advertising, Sydney	MJ	7,121	(6.3)	44,618	(6.0)
Connaghan & May, Sydney	NA	7,028	23.4	46,878	23.4
Charlton & Charlton, Sydney	NA	6,777	61.0	42,356	66.3
Magnus Nankervis & Curl, Sydney	NA	6,731	23.9	42,074	23.3
Grey Australia, Sydney	MJ	5,994	(0.8)	39,978	(0.8)
John Singleton, Sydney	NA	5,150	13.7	33,784	14.8
McCarthy Watson & Spencer, Sydney	NA	4,722	73.8	29,533	67.2
Luscombe & Partners, Melbourne	NA	4,482	41.7	26,411	57.6
Thomson White & Partners, Melbourne	NA	4,148	40.2	27,652	40.2
Samuelson Talbot & Partners, Sydney	NA	4,094	399.0	26,955	45.9
Hertz Walpole, Sydney	MN	3,553	26.0	23,688	26.0
Pemberton Australia, Sydney	NA	2,798	NA	15,126	NA
Moffatt Sharp Advertising, Melbourne	NA	2,632	7.0	13,497	0.0
Harris Robinson & Associates, Sydney	NA	1,901	NA	12,064	NA
Scali, McCabe, Sloves, Melbourne	MJ	1,564	(4.1)	7,266	(12.1)
Bozell Rydge, Waverton	MJ	1,521	NA	8,804	NA
FCB/Shorter, Perth	MN	1,209	63.7	8,061	63.7
FCB/Hocking, Adelaide	MJ	855	(16.7)	5,704	(16.7)

■ **Notes:** George Patterson Pty. figures include data for the Campaign Palace and Marketforce; Chiat/Day/Mojo figures include Sydney, Melbourne, Perth and Brisbane offices; Denton Australia, formerly Fortune Communication Holdings, was acquired by Dentsu Inc. last year; Hertz Walpole 48% owned by Lowe Group; Bozell Rydge shows annualized figures, based on first 5 months' operation; Young & Rubicam figures includes Wunderman, Cato Johnson, Sudler & Hennessey and Burson-Marsteller; gross income and billings figures for Neville Jeffress, Connaghan & May, SSB Advertising, John Singleton, McCarthy Watson & Spencer, Thomson White & Partners, Samuelson Talbot & Partners and Charlton & Charlton are AA estimates.

Austria	Exchange rates: 0.07555 0.08149 schilling				
GGK Vienna/Salzburg, Vienna/Salzburg	MJ	8,386	1.4	55,930	13.1
Demner & Merlicek, Vienna	NA	8,016	5.7	53,467	5.7
Lintas:Austria, Vienna/Salzburg	MJ	7,611	10.5	50,764	10.5
Werbeagentur Wirz, Vienna	MN	7,404	9.5	49,384	9.5
Ogilvy & Mather, Vienna	MJ	5,881	15.7	40,560	19.6
Saatchi & Saatchi Advertising, Vienna	NE	5,213	10.3	34,866	27.3
McCann-Erickson, Vienna	MJ	4,876	(4.8)	32,520	(4.8)
HDM Dorland, Vienna	MN	4,261	36.9	28,421	36.8
Grey Austria, Vienna	MJ	4,163	(1.0)	34,073	21.5
Dr. Puttner & Ted Bates, Vienna	MJ	4,049	24.5	28,467	22.4
Young & Rubicam, Vienna	MJ	4,011	9.4	40,727	66.5
Team/BBDO, Vienna	MJ	3,944	26.4	26,307	26.4
MMS Werbeagentur, Linz	NA	3,181	(4.1)	21,456	(2.8)
Haupt-Stummer/J. Walter Thompson, Vienna	MJ	2,587	74.7	17,257	74.7
Bozell Publicitas, Vienna	MN	2,478	67.1	16,621	13.3
RSCG Jasch & Schramm, Vienna	MJ	2,200	3.0	14,010	13.5
R.W. Eggert, Vienna	NA	2,100	(8.3)	14,007	(15.9)
Publicis Wien, Vienna	MJ	2,055	25.5	17,976	12.5
DMB&B, Vienna	MJ	1,929	(0.9)	14,260	3.5
DDB Needham Heye & Partner, Vienna	MJ	513	(36.6)	3,422	(23.0)
Conquest Europe, Vienna	MJ	216	9.0	1,423	7.6
Campbell Ewald, Vienna	MJ	31	(16.2)	205	(16.2)

■ **Notes:** Haupt-Stummer/JWT acquisition took place June 1989.

Bahrain	Exchange rates: 2.64271 2.64000 dinar				
Fortune Promoseven, Manama	NA	9,414	17.6	62,759	17.6
Radius Advertising, Manama	NE	1,242	(9.3)	8,280	(9.4)
Madco Bahrain, Manama	NA	945	4.8	3,700	15.6

■ **Notes:** Fortune Promoseven Network offices in Saudi Arabia, Kuwait, Dubai, Egypt, Lebanon, the U.K. and France; Radius Advertising non-equity affiliation with Leo Burnett Co.

Barbados	Exchange rates: 0.49719 0.49890 Barbados dollar				
Lonsdale/Saatchi & Saatchi, St. Michaels	MN	478	68.8	3,188	74.4

Agency, city	Outside equity	Gross income	% chg	Billings	% chg
Belgium	Exchange rates: 0.02543 0.02749 Belgian franc				
McCann-Erickson Belgium, Brussels	MJ	15,232	17.6	101,598	17.6
BSB Brussels, Brussels	MJ	14,702	12.0	98,012	37.9
HHD Ogilvy & Mather, Brussels	MJ	13,466	14.1	92,694	17.8
DMB&B, Brussels	MJ	11,984	6.7	79,934	6.7
HDM Belgium, Brussels	MJ	9,003	0.8	60,052	0.8
Lintas:Brussels, Brussels	MJ	8,460	10.0	56,431	10.0
Young & Rubicam Belgium, Brussels	MJ	7,473	5.2	49,848	5.2
J. Walter Thompson Co., Brussels	MJ	6,940	(8.8)	46,348	(8.8)
Lowe Troost, Brussels	MJ	6,913	(11.6)	46,085	(11.6)
Publicis.FCB, Brussels	MJ	6,761	17.4	45,088	17.4
DDB Needham, Brussels	MJ	5,896	7.8	39,325	(12.7)
Grey, Brussels	MJ	5,865	5.5	39,119	5.5
Leo Burnett-Belgium, Brussels	MJ	5,848	17.2	39,004	17.3
VVL/BBDO, Brussels	MJ	5,264	16.9	35,111	16.9
Garbarski RSCG, Brussels	MJ	4,756	13.1	39,226	13.3
LVH Alliance, Brussels	MJ	3,698	(7.5)	24,670	(7.5)
TBWA Belgium, Brussels	MJ	3,433	19.0	22,890	19.0
Moors Bronselaer, Brussels	MJ	2,391	25.5	15,948	25.5
Saatchi & Saatchi/FDBP, Brussels	MJ	2,143	29.8	15,292	39.0
BDDP/Booster, Brussels	MJ	1,507	87.3	10,038	87.0
Media Team, Brussels	MJ	1,402	(1.8)	9,353	(1.8)
Mirror/GGK Brussels, Brussels	MJ	1,352	NA	9,156	NA
Lenders Deroost Katte/EWDB, Brussels	MJ	966	(2.3)	8,902	7.9
Morael & Partners, Antwerp	MJ	965	(5.3)	6,438	(5.3)
FCA! Heslop Beguivin, Brussels	MJ	712	NA	4,756	NA
Mundo Direct, Brussels	MJ	510	(21.9)	3,403	(21.9)
Conquest Europe, Brussels	MJ	304	5.9	2,030	5.9
Anthonissen & Associates, Brussels	MJ	236	144.0	1,577	144.0

■ **Notes:** McCann-Erickson Belgium includes data for Universal Media; HDM Belgium includes HDM Dechy, HDM Dechy Intl., GRPO and Forum; J. Walter Thompson Co. includes Actuel; JWT Creative Group and Blow-Up; Mundo Direct part of Publicis-FCB; Young & Rubicam includes Wunderman, Cato-Johnson and Burson Marsteller; Anthonissen & Associates, Morael & Partners, Media Team and Moors Bronselaer, all majority owned by BBDO Worldwide.

Bermuda	Exchange rates: 1.00000 1.00000 Bermuda dollar				
Advertising Associates Compton, Hamilton	NE	1,965	19.1	13,108	19.8

Botswana	Exchange rates: 1.87700 0.00000 pula				
Horizon Advertising, Gaborone	NE	338	NA	1,126	NA

■ **Notes:** Horizon Advertising affiliated with Saatchi & Saatchi Advertising.

Brazil	Exchange rates: 0.35250 3.43260 cruzado				
MPM Propaganda, Sao Paulo	NE	83,876	NA	220,689	NA
Alcantara Machado, Periscinoto/BBDO, Sao Paulo	MN	37,969	NA	144,140	NA
Dualibi, Petit, Zaragoza, Sao Paulo	NA	34,616	NA	139,590	NA
Standard Ogilvy & Mather, Sao Paulo	MJ	31,200	NA	215,176	NA
Lintas:Brazil, Sao Paulo	MJ	25,521	NA	170,228	NA
McCann-Erickson Brazil, Sao Paulo	MJ	25,233	NA	168,305	NA
Norton Publicidade, Sao Paulo	NE	24,202	NA	96,808	NA
Salles/Inter-Americana, Sao Paulo	NA	21,986	NA	109,929	NA
J. Walter Thompson Publicidade, Sao Paulo	MJ	16,880	NA	84,398	NA
Young & Rubicam do Brasil, Sao Paulo	MJ	12,146	NA	81,015	NA
FCB/Siboney Publicidade, Sao Paulo	MJ	7,113	NA	47,443	NA
Better Comunicacao, Sao Paulo	NE	7,006	NA	35,070	NA
GTM&C, Sao Paulo	NA	4,135	NA	24,144	NA
Futura/Scali, McCabe, Sloves, Sao Paulo	MJ	3,523	NA	15,336	NA
Nucleo Publicidade, Sao Paulo	NA	3,275	NA	15,828	NA
Leo Burnett Publicidade, Sao Paulo	MJ	2,114	NA	39,986	NA

■ **Notes:** Due to the extreme fluctuations in the Brazilian cruzado rate, AA did not compute percentage changes for 1989 and 1988 for gross income and billings. Better Comunicacao non-equity affiliation with Saatchi & Saatchi Advertising. McCann-Erickson Brazil includes figures for Interpublic; CBBA/Propeg, part of J. Walter Thompson Co., did not submit figures. Young & Rubicam do Brasil includes Burson-Marsteller. Y&R dissolved its association with Fischer, Justus in 1989; ALMAP/BBDO Comunicacoes 19.9% owned by BBDO Worldwide; Norton Publicidade non-equity affiliation with Bozell, Denison Propaganda affiliated with Backer Spielvogel Bates, did not submit figures.

Britain	Exchange rates: 1.67424 1.77170 pound				
Saatchi & Saatchi Advertising, London	MJ	156,347	12.6	1,042,256	(2.6)
Ogilvy Group, London	MJ	90,451	8.7	623,800	15.4
J. Walter Thompson Co., London	MJ	84,792	17.6	568,404	9.8
Young & Rubicam Holdings, London	MJ	82,527	22.6	550,462	22.6
Grey Communications Group, London	MJ	81,072	12.4	540,747	12.4
BSB Dorland, London	MJ	79,575	(0.1)	530,366	(0.2)
DMB&B, London	MJ	66,126	9.0	514,283	20.4
McCann-Erickson U.K., London	MJ	60,033	4.0	400,440	4.0
BMP DDB Needham, London	MJ	53,050	177.5	353,844	168.1
Lowe Howard-Spink, London	MJ	43,018	1.8	286,787	1.8
Collett Dickenson Pearce, London	MJ	39,085	22.5	269,553	24.7
WCRS Mathews Marcantonio, London	MJ	38,340	18.9	255,656	19.0
Leo Burnett Ltd., London	MJ	30,135	25.6	200,909	25.6
Publicis, London	MJ	29,467	28.9	196,723	29.0
KHBB, London	MJ	27,792	14.3	185,338	14.3
Abbott Mead Vickers SMS, London	NE	25,758	8.9	194,379	9.4
Gold Greenlees Trott, London	NA	24,444	10.4	164,410	15.3
Allen Brady & Marsh, London	MJ	23,761	5.7	158,400	5.7
Austin Knight, London	NA	23,038	20.4	153,612	20.4
Lowe Bell Communications, London	MJ	22,281	38.3	148,542	38.3
Arc Advertising, London	NA	21,598	56.3	143,985	56.3
Bartle Bogle Hegarty, London	NA	21,430	12.8	159,220	25.7
Yellowhammer, London	NA	21,280	22.4	141,808	22.4
SPCTD:Lintas, London	MJ	20,749	3.6	138,393	3.6
Alliance International (UK), London	MJ	20,091	(3.1)	133,939	(3.1)
FCB Advertising, London	MJ	19,254	7.6	130,591	10.0
DFSD/Bozell, London	MN	18,433	NA	122,889	NA
HDM London, London	MJ	16,701	18.1	108,782	19.6
Watson Ward Albert Varndell, London	NA	13,695	8.5	91,246	8.4
Riley Advertising, London	NA	11,954	8.8	79,694	8.9
Graham Poulter Partnership, London	NA	11,887	24.0	79,058	23.7
TBWA, London	MJ	11,799	28.0	78,689	28.0

Gross income and billings in $(000).

Agency, city	Outside equity	Gross income	% chg	Billings	% chg
Britain (continued)					
Colman RSCG, London	MJ	11,383	14.7	107,319	20.2
Cogent Elliott, London	NA	11,301	6.3	75,341	6.3
Woollams Moira Gaskin O'Malley, London	NA	11,201	445.0	74,671	445.9
Mavity Gilmore Jaume Hill Brooks FCA!, London	MJ	11,050	55.9	73,667	54.0
GGK London, London	MJ	10,198	20.0	68,020	20.0
Butterfield Day Devito Hockney, London	NA	10,112	93.5	67,438	93.7
Bowden Dyble Hayes & Partners, London	NA	9,610	14.6	64,040	14.6
Ayer/Great Britain, London	MJ	9,370	0.4	62,500	5.1
Burkitt Weinreich Bryant Clients, London	NA	8,154	17.7	54,312	17.6
BBDO, London	MJ	7,900	(3.7)	52,670	(6.3)
BDDP/Waldron Allen Henry Thompson, London	MJ	5,458	(3.7)	36,351	(4.5)
CDP Financial, London	MJ	4,920	0.1	32,798	0.1
Valin Pollen, London	NA	4,621	(18.2)	30,806	(18.2)
FCO, London	MJ	4,192	15.1	36,403	12.0
Travis Dale, London	MJ	3,867	1.1	25,783	1.1
The F. John French Agency, London	NA	3,767	7.4	20,928	7.4
Services Division, London	MJ	3,710	20.1	24,729	20.1
GJW, London	MJ	3,549	42.4	23,662	42.4
Park Ltd., London	MN	2,630	16.9	18,931	15.6
WCRS/dma, London	MJ	2,038	19.5	6,027	54.6
Chiat/Day/Mojo, London	MJ	2,009	90.3	13,394	90.2
The Wight Co., London	MJ	1,885	94.2	12,569	94.1
International Poster Management, London	MJ	1,865	99.8	12,436	99.7
NWA Ltd., London	NA	573	NA	3,819	NA

■ **Notes:** Alliance International UK consists of ASL Alliance, St. James Alliance and WRH Alliance; F. John French gross income for both years AA estimates. Park part of Crossworld Intl. Agency Partnership; NWA affiliated with N W Ayer; Travis Dale majority owned by Collett Dickenson Pearce. Gross income both years AA estimates. CDP Financial gross income both years AA estimates. KHBB part of Saatchi & Saatchi network. Figures are not included in Saatchi & Saatchi Advertising. SPCTD/Lintas merger took place in 1989. Included in figures are Addition Marketing Group, Tweak and Initiative Media. McCann-Erickson UK includes Harrison Advertising, Advertising Ltd., Photo-Video, Intercompany Administrative & Competing Services, Direct, M/E Universal UK, M/E Royds, EPIC, Sales Desk and Scotland BDF. Publicis includes McCormick Publicis, Manchester. FCB Advertising includes Garratt Baulcombe and FCB Direct; Allen Brady & Marsh, Lowe Howard-Spink, Lowe Bell Communications, Services Division, GJW, Intl. Poster Management and The Wight Co., all part of the Lowe Group. Also, gross income for both years for these agencies AA estimates. Young & Rubicam includes Wunderman, Cato Johnson, Sudler & Hennessey, Landor and Burson-Marsteller; Austin Knight, ARC Advertising, Yellowhammer, Watson Ward Albert Varndell, Riley Advertising, Graham Poulter Partnership, Cogent Elliott, Woollams Moira Gaskin O'Malley, Butterfield Day Devito Hockney, Bowden Dyble Hayes & Partners, Burkitt Weinreich Bryant Clients and Valin Pollen, gross income for both years AA estimates. Billings for these agencies were published in Campaign Magazine's Top 300 Agencies chart, Feb. 23. DFSD/Bozell 1989 merger between Delaney Fletcher Delaney and Slaymaker Cowley White/Bozell.

Cameroon				Exchange rates: 0.00319 0.00300 CFA	
Lintas:Cameroon, Douala	MN	532	11.5	3,549	11.4
Canada				Exchange rates: 0.8388 0.80230 Canadian dollar	
McCann-Erickson, Toronto	MJ	29,132	70.2	194,312	70.2
Cossette Communication-Marketing, Quebec City	NA	28,256	34.5	180,682	32.2
MacLaren:Lintas, Toronto	MJ	28,226	6.9	188,266	6.9
Young & Rubicam, Toronto	MJ	24,671	4.2	164,567	4.2
Ogilvy & Mather, Toronto	MJ	22,974	71.7	158,445	77.6
McKim Advertising, Toronto	NA	22,648	2.7	151,071	2.6
J. Walter Thompson Co., Toronto	MJ	21,896	3.6	162,526	15.3
Grey Canada, Toronto	MJ	17,957	10.0	119,776	10.0
Baker Lovick, Toronto	MN	17,745	8.7	118,359	8.7
FCB/Ronalds Reynolds, Toronto	MJ	17,134	67.1	114,287	67.1
Leo Burnett Co., Toronto	MJ	13,291	9.1	88,613	9.1
Backer Spielvogel Bates Canada, Toronto	MJ	13,008	21.0	104,214	8.6
Saatchi & Saatchi Compton Hayhurst, Toronto	MJ	12,884	13.9	107,369	18.4
BCP Group, Montreal	NA	12,708	(24.6)	84,721	(24.6)
Scali, McCabe, Sloves-Canada, Toronto	MJ	10,226	12.6	49,769	11.7
DMB&B, Toronto	MJ	9,787	14.7	74,888	8.3
Carder Gray DDB Needham, Toronto	MJ	8,847	NA	59,009	NA
Groupe Morrow, Montreal	NA	6,543	41.2	43,619	41.2
Promanad Communication, Toronto	NA	6,165	33.1	41,102	33.1
Chiat/Day/Mojo, Toronto	MJ	5,154	122.9	35,000	75.0
MMBD Alliance, Toronto	MN	4,844	NA	32,295	NA
McLauchlan, Mohr, Massey, Toronto	NA	4,718	13.6	31,456	13.6
Ambrose Carr Linton Kelly, Toronto	NA	4,697	17.1	31,036	16.2
Kert Advertising, Toronto	NA	3,522	5.7	27,406	7.6
Lowe Canada/Deacon Day, Toronto	JV	3,513	101.3	23,422	101.3
Anderson Advertising, Toronto	NA	3,188	13.5	21,054	11.7
Ian Roberts Advertising, Toronto	NA	2,936	(8.5)	20,971	(5.6)
Enterprise Advertising, Toronto	MJ	2,813	(12.3)	18,135	(15.2)
Base Brown & Partners, Toronto	NA	2,516	25.5	14,260	27.0
Bozell Palmer Bonner, Toronto	MJ	2,004	9.6	13,370	9.6
BBDO Retail Canada, Toronto	MJ	1,777	29.5	11,853	29.5
Allard/SMW & Associes, Montreal	NA	1,699	16.6	11,324	16.6
Paul, Phelan & Perry, Toronto	NA	1,510	NA	10,066	NA
Comcore Direct, Toronto	MJ	975	63.7	6,502	63.7
Publicite Pinnacle, Montreal	NA	218	35.9	1,468	40.7

■ **Notes:** Baker Lovick, minority owned by BBDO Worldwide, includes gross income and billings figures for Grand Tandy, which merged with Baker Lovick June '89; McCann-Erickson Canada includes Harrod & Mirlin, Foster/McCann and Marketel Canada; McLauchlan, Mohr, Massey, Lowe Canada/Deacon Day and Allard/SMW & Associes, gross income for both years AA estimate; Young & Rubicam Canada includes Wunderman and Burson-Marsteller.

Chile				Exchange rates: 0.0042 0.00410 peso	
J. Walter Thompson Chilena, Santiago	MJ	3,819	28.7	25,458	28.7
McCann-Erickson, Santiago	MJ	3,658	58.5	24,397	58.5
BBDO de Chile, Santiago	MN	3,144	53.7	18,957	52.8
A.M.W. de Publicidad, Santiago	MN	2,358	55.9	15,718	55.9
Northcote/Ogilvy & Mather, Santiago	MN	1,768	36.9	11,788	36.9
Lintas:Chile, Santiago	MJ	1,723	27.5	11,494	27.5
Leo Burnett-Chile, Santiago	MJ	1,481	109.8	9,873	109.8
Porta Publicidad, Santiago	NA	1,317	15.4	8,860	16.4
Grey Chile, Santiago	MN	1,277	24.5	8,515	24.5
Israel & De Bianchi, Santiago	NE	1,171	25.4	7,807	25.3
Publicitaria Lopez & Sutil, Santiago	NA	1,044	NA	9,043	NA
Epoca Publicidad, Santiago	NA	1,039	134.6	6,928	134.6
Hermosilla, Zegers, Santiago	MN	867	27.5	5,784	27.5
Young & Rubicam de Chile, Santiago	MJ	778	28.8	4,669	21.6
Prolam, Santiago	NA	599	53.2	3,992	53.2

Chile (continued)					
BSB/Gubbins, Lambiasi, Santiago	NE	552	90.0	3,701	91.2
Prologo/Bozell, Santiago	NE	410	103.0	2,737	102.9

■ **Notes:** Israel & de Bianchi affiliated with Saatchi & Saatchi Advertising; Hermosilla, Zegers 16% owned by BBDO Worldwide; AMW de Publicidad 20% owned by J. Walter Thompson Co. Publicitaria Lopez y Sutil opened Oct. 1988.

China				Exchange rates: 0.2686 0.27270 yuan	
McCann-Erickson Jardine, Beijing	MJ	1,076	(8.4)	7,177	(8.4)
HDM/DYR Advertising, Beijing	MJ	313	10.4	3,490	83.7
Colombia				Exchange rates: 0.00276 0.00350 peso	
Propaganda Sancho, Bogota	NE	3,831	15.0	18,039	15.2
McCann-Erickson, Bogota	MJ	2,863	14.6	19,099	14.6
Atlas Publicidad, Bogota	NE	2,379	10.4	15,862	43.9
Leo Burnett-Colombia, Bogota	MJ	2,092	4.4	13,952	4.4
Atenas/BBDO, Bogota	NE	1,717	5.7	11,450	5.7
FCB/Puma, Bogota	MJ	1,525	(5.6)	10,171	(5.6)
BSB/Meza, Bogota	NE	1,195	(29.0)	7,970	(29.0)
Centrum/Ogilvy & Mather, Bogota	NE	1,124	NA	7,753	NA
Jaime Uribe & Asociados, Medellin	NE	828	(24.9)	5,520	(24.9)
J. Sanchez Asociados, Bogota	NE	684	0.1	3,257	0.1
Lintas:Colombia, Bogota	MJ	610	132.8	4,066	132.8

■ **Notes:** Propaganda Sancho affiliated with Saatchi & Saatchi Advertising; McCann-Erickson includes Harrison; Jaime Uribe & Asociados affiliated with Lintas:Worldwide. Gross income figures for both years AA estimates; Atlas Publicidad affiliated with J. Walter Thompson Co.; J. Sanchez Asociados affiliated with Bozell.

Costa Rica				Exchange rates: 0.0120 0.01445 colon	
Alberto Garnier, San Jose	NE	1,728	4.2	11,528	4.2
McCann-Erickson Centroamericana, San Jose	MJ	1,209	14.3	8,066	14.3
FCB/Siboney, San Jose	MJ	512	2.0	3,415	2.0
Publicidad Commercial, San Jose	MN	203	160.7	1,352	160.7

■ **Notes:** Publicidad Comercial de Centroamericana 30% owned by Leo Burnett Co.; Alberto Garnier affiliated with BBDO Worldwide.

Curacao				Exchange rates: 0.56180 0.56180 florin	
R.J. Dovale Advertising, Willemstad	NA	311	15.2	1,139	18.5
Cyprus				Exchange rates: 2.00650 2.23200 Cyprus pound	
Impact/BBDO International, Nicosia	MN	2,654	1.8	26,063	5.4
AMC Arab Market Advertising, Nicosia	NA	542	19.6	NA	NA

■ **Notes:** Impact/BBDO International includes Impact & Echo, Kuwait; Impact/BBDO, Egypt, Saudi Arabia and Dubai. Gross income figures for the group exclude the Kuwait office.

Denmark				Exchange rates: 0.13718 0.14960 kroner	
Ted Bates Holding, Copenhagen	MJ	17,640	1.5	129,677	7.6
Young & Rubicam, Copenhagen	MJ	9,554	22.7	63,724	22.7
Scan-Ad Reklamebureau, Aarhus	NA	8,464	(2.3)	56,455	(2.3)
Grey Communications Group, Copenhagen	MJ	7,663	47.0	51,113	47.0
Lintas/GR:Denmark, Copenhagen	MJ	7,613	61.7	50,781	61.7
Thomas Bergsoe, Klampenborg	NA	6,969	11.4	45,544	12.3
Henriksen & Sieling/BBDO, Copenhagen	MJ	5,186	5.9	34,591	5.9
Norgard Mikkelsen Reklamebureau, Odense	MJ	4,876	2.6	40,904	43.3
Lyre & Valbo, Copenhagen	NA	4,248	(16.8)	28,317	(16.9)
NP/3 Reklamebureau, Aarhus	NA	4,122	(1.0)	27,495	(1.0)
Ogilvy & Mather, Copenhagen	MJ	4,057	(15.8)	27,977	(7.4)
HDM Group, Copenhagen	MJ	3,719	231.4	24,804	231.5
Leo Burnett-Denmark, Copenhagen	MJ	2,871	(1.3)	19,144	(1.3)
Createam, Frederiksberg	NE	2,401	10.7	16,462	13.4
Nielsen, Mikkelsen & Duus, Copenhagen	MJ	2,394	68.7	15,968	68.7
McCann-Erickson, Copenhagen	MJ	2,332	(20.5)	15,558	(20.5)
Dyppel Advertising, Copenhagen	NA	1,976	(3.7)	6,930	(3.7)
Berg & Lyhne Reklame, Copenhagen	NA	1,964	0.4	6,996	10.6
DMB&B, Copenhagen	MJ	1,940	8.7	17,098	12.0
Ipsen & Parmo, Copenhagen	MJ	1,547	12.6	12,104	14.5
Saatchi & Saatchi Advertising, Copenhagen	MJ	1,525	173.3	8,607	159.3
FCB/Hiort, Stenius & Walter, Copenhagen	MJ	1,393	(35.8)	9,294	(35.8)
Zangenberg & Lembourn/EWDB, Copenhagen	MJ	1,362	NA	4,205	NA
J. Walter Thompson Co., Copenhagen	MJ	1,171	1.9	8,526	11.2
BBDO Business Communications, Copenhagen	MJ	948	(5.8)	6,323	(5.8)
Obro, Gronholm & Bydal, Copenhagen	MJ	647	2.1	4,315	2.1
Sorensen, Selig & Guldmann, Copenhagen	MJ	607	(40.8)	4,051	(40.8)

■ **Notes:** Ipsen & Parmo 51% owned by DMB&B; HDM Group includes figures for Pro Reklame, Scan-Ad includes offices in Odense, Soenderborg, Hadersley, Ringkoebing, Grafisk Reklame, Grafisk Team and Moeller og Bjoernstrup Marketing; Norgard Mikkelsen 60% owned by Backer Spielvogel Bates; Creatram affiliated with Bozell; Lintas GR includes figures for Gutenberghus for 1989; Henriksen & Sieling/BBDO, Nielsen, Mikkelsen & Duus, Obro, Gronholm & Bydal, Sorensen, Selig & Guldmann and BBDO Business Communications together form Team/BBDO Group Denmark.

Dominican Republic				Exchange rates: 0.14909 0.19980 peso	
Young & Rubicam Damaris, Santo Domingo	MJ	1,228	(33.7)	8,191	(33.7)
McCann-Erickson Dominicana, Santo Domingo	MJ	882	31.8	5,882	31.8
Leo Burnett Co., Santo Domingo	MJ	602	46.9	4,015	47.0
FCB/Siboney, Santo Domingo	MJ	534	12.2	3,565	12.2
Cumbre/Saatchi & Saatchi, Santo Domingo	NE	354	21.8	1,769	34.1
Dubai				Exchange rates: 0.2724 0.27050 dirham	
Madco Gulf (Dubai), Dubai	NA	2,100	31.3	6,100	19.6
Ecuador				Exchange rates: 0.0019 0.00277 sucre	
Veritas/Ogilvy & Mather, Guayaquil/Quito	NE	1,447	46.4	9,981	51.4
Norlop-Thompson Asociados, Guayaquil	MN	1,434	40.2	9,564	40.2
McCann-Erickson, Guayaquil	MJ	1,144	20.2	7,628	20.2
Publicitas, Guayaquil	NE	460	33.0	3,066	33.0
Andina/BBDO, Guayaquil	NE	336	(13.2)	2,239	(13.2)
FCB/Artefilme, Guayaquil	MJ	324	0.6	2,162	0.6
VIP Publicidad, Quito	NE	203	21.9	1,351	21.9

■ **Notes:** Publicitas affiliated with Saatchi & Saatchi Advertising; VIP Publicidad affiliated with Backer Spielvogel Bates. Gross income figures AA estimates.

Egypt				Exchange rates: 0.40539 0.44300 Egyptian pound	
AMA Leo Burnett, Cairo	NE	224	64.3	1,495	64.3
El Salvador				Exchange rates: 0.20000 0.18890 colon	
McCann-Erickson Centroamericana, San Salvador	MJ	691	26.1	4,612	26.1

Agency, city	Outside equity	Gross income	% chg	Billings	% chg
El Salvador (continued)					
Apex Publicidad, San Salvador	NE	443	17.0	2,955	17.0

■ **Notes:** Apex Publicidad affiliated with BBDO Worldwide. Gross income figures AA estimates.

Finland	Exchange rates: 0.23322 0.23900 markka				
McCann-Erickson Finland, Helsinki	MJ	13,731	20.0	91,585	20.0
BSB Finnad Advertising, Helsinki	MJ	12,664	20.1	84,469	20.1
Sek & Grey Oy, Helsinki	MN	10,607	5.7	70,747	5.7
Markkinointi Viherjuuri, Helsinki	NA	8,163	4.4	29,537	12.9
Lintas:Helsinki, Helsinki	MJ	7,154	7.7	47,718	7.7
Mainosyhtyma Oy, Helsinki	NA	6,577	1.2	31,251	(3.9)
Erva-Latvala Oy, Helsinki	NA	6,098	8.4	33,175	(11.6)
Turkama & Co., Helsinki	NA	5,329	5.4	35,542	5.4
Oy Taucher Y&R, Helsinki	MN	4,997	(1.9)	33,330	(1.9)
AKT/BBDO Business, Helsinki	MN	4,784	45.6	13,674	63.3
Oy Adsek, Tampere	NA	3,771	17.0	NA	NA
Mainostoimisto MAS Oy, Helsinki	NA	3,706	(31.9)	24,718	(26.3)
Alliance Oy, Helsinki	MN	3,615	26.0	24,022	25.6
MK-mainos Oy, Helsinki	NA	3,565	15.8	NA	NA
Anderson & Lembke Oy, Helsinki	NA	3,398	(3.4)	NA	NA
Tehomainos-J. Walter Thompson Oy, Helsinki	NE	3,345	10.2	22,310	10.2
Kauppamainos Oy, Helsinki	NE	3,312	11.7	22,089	11.8
Markkinointi Topiforma Oy, Helsinki	NA	3,288	10.9	21,741	6.3
Mainostoimisto Konsepti Oy, Helsinki	NA	3,148	0.6	NA	NA
Juniormainos Oy, Helsinki	NA	3,132	(14.4)	20,890	(14.4)
Oy Interplan, Helsinki	NE	3,032	7.5	20,223	7.5
Ogilvy & Mather Oy, Helsinki	MJ	2,530	(18.0)	17,451	(25.8)
Varis Poteri Veistola Oy, Helsinki	NA	2,464	14.6	10,007	39.6
HDM Exit Oy, Helsinki	MN	2,402	(0.5)	16,020	(2.8)
Datum Oy, Helsinki	NA	2,332	(2.4)	59,005	1.6
Turun Taucher Oy, Turku	NA	2,287	11.6	NA	NA
Oy Valotorni, Helsinki	NA	2,265	(1.7)	15,110	(1.7)
Mainoskentta Oy, Tampere	NA	2,258	15.2	14,500	10.5
Lintas:Make Direct Oy, Helsinki	MJ	2,146	30.7	14,314	30.7
Creator Oy, Helsinki	NA	2,006	(2.3)	6,227	3.1
DMB&B, Helsinki	MJ	1,985	15.3	13,236	15.3
Mainostoimisto U&M Oy, Helsinki	NA	1,982	7.7	NA	NA
Oy ILMO, Helsinki	NA	1,959	(41.0)	NA	NA
Markkinointiryhma Oy, Helsinki	NA	1,842	(17.9)	NA	NA
Tampereen Taucher Oy, Tampere	NA	1,649	6.9	3,468	10.1
USP Turku Oy, Turku	NA	1,411	9.3	9,411	9.3
Oy Avant/BBDO, Helsinki	MN	1,392	37.4	2,381	25.0
Mainos Lehmus Oy, Tampere	NA	1,353	6.8	4,618	4.4
Oy Preesens, Vantaa	NA	1,329	24.3	NA	NA
Markkinamainos Oy, Helsinki	NA	1,223	(1.2)	NA	NA
Lahden Taucher, Lahti	NA	1,034	32.9	3,880	10.2
Mainosforum Oy, Helsinki	NA	854	(17.1)	5,695	(17.1)
Mainostoimisto Total Oy, Helsinki	NA	678	25.4	NA	NA
J&C Advertising Oy, Helsinki	NE	630	1.3	2,099	(24.3)
HPV Oy, Helsinki	NA	630	1.3	NA	NA

■ **Notes:** McCann-Erickson Finland includes Oy Lukemamainonta-McCann and Wonnena; J&C Advertising affiliated with N W Ayer; Oy Interplan affiliated with Saatchi & Saatchi Advertising; Young & Rubicam includes Wunderman; AKT/BBDO Business 40% owned by BBDO Worldwide; Tehomainos-JWT Oy 25% owned by J. Walter Thompson Co.; Sek & Grey Oy 22.5% owned by Grey Advertising; Oy Avant/BBDO 20% owned by BBDO Worldwide; Kauppamainos Oy non-equity affiliation with Bozell.

France	Exchange rates: 0.15675 0.16910 franc				
Publicis Conseil, Paris	MJ	131,200	4.8	874,822	4.8
HDM France, Paris	MJ	109,208	19.5	728,416	19.5
RSCG France, Issy-les-Moulineaux	MJ	107,000	0.4	705,375	(0.7)
BDDP, Paris	MJ	79,159	14.2	527,934	14.2
Young & Rubicam France, Paris	MJ	56,077	9.7	374,031	14.8
Lintas:Paris, Paris	MJ	42,582	6.1	284,022	6.1
DDB Needham, Paris	MJ	37,455	23.3	249,822	47.7
Ogilvy & Mather France, Paris	MJ	34,718	49.9	253,299	63.9
Saatchi & Saatchi Advertising, Paris	MJ	33,651	9.2	224,450	9.2
McCann-Erickson France, Paris	MJ	32,009	69.2	213,498	69.2
Belier France/EWDB, Paris	MJ	29,312	6.7	195,467	6.8
Synergie EWDB, Paris	JV	26,648	5.1	188,100	1.1
CLM/BBDO, Paris	MJ	26,648	85.0	177,755	85.0
ECOM/EWDB, Neuilly	MJ	24,641	28.2	164,356	28.2
Grey, Paris	MJ	21,567	19.9	143,850	19.9
FCA!, Suresnes	MJ	21,224	(0.2)	141,545	(0.2)
CFP Alliance, Paris	MN	21,161	4.3	141,075	3.6
TBWA, Paris	MJ	19,568	28.6	130,518	28.6
Foote, Cone & Belding, Neuilly	MJ	19,218	0.7	128,174	0.7
MGTB Ayer, Paris	MN	18,653	1.2	120,698	0.5
DMB&B, Paris	MJ	15,188	74.3	107,229	65.4
Equateur/EWDB, Paris	MJ	14,108	3.0	94,050	3.0
BSB France, Paris	MJ	13,400	9.3	89,300	13.4
Robert & Partners/EWDB, Paris	MJ	13,167	3.8	87,780	3.8
Alice/CDP, Paris	JV	12,000	NA	80,000	NA
Bordelais, Lemeunier/Leo Burnett, Paris	MJ	11,128	(4.8)	74,191	(4.8)
J. Walter Thompson Co., Paris	MJ	10,746	10.3	71,675	10.3
The Creative Business, Issy-les-Moulineaux	MJ	10,000	(16.7)	62,700	(21.6)
BCRC, Paris	NA	8,621	13.3	57,998	14.3
M.A.O./EWDB, Paris	MJ	8,182	5.2	54,576	5.2
Eldorado/EWDB, Paris	MJ	7,687	0.8	50,042	1.3
Australie/EWDB, Levallois-Perret	MJ	5,486	13.8	17,243	10.8
Audour, Soum, Larue/SMS, Paris	MJ	4,822	119.2	32,146	119.1
Faure Vadon Forest Bridoux, Paris	MJ	4,703	NA	31,084	NA
RSCG Export, Issy-les-Moulineaux	MJ	4,420	47.3	22,102	8.9
Lowe Quadrillage, Boulogne	MN	3,182	(19.5)	21,216	(19.5)
GGK Paris, Levallois-Perret	MJ	2,736	(13.7)	18,251	(13.7)
Ateliers ABC, Paris	MJ	2,508	NA	16,816	NA
Collette, Paris	MJ	2,351	NA	15,688	NA
Agence Amazonie, Paris	NA	2,351	15.9	9,405	32.4
Black Pencil, Paris	MJ	2,075	56.2	13,831	56.2
CPV, Paris	MJ	1,959	NA	13,076	NA
Conquest Europe, Paris	MJ	1,736	15.4	11,810	17.4
Meunie Granier Deferre, Paris	MJ	1,729	NA	11,830	NA
Promo 2000, Paris	MJ	1,568	NA	10,389	NA
154-Testa, Paris	MN	1,411	NA	7,838	NA
Edifrance, Paris	MJ	1,332	NA	8,817	NA
Domino Ketchum, Paris	MN	1,070	NA	7,200	NA
Publicite Claude Michel, Paris	NA	760	(5.1)	3,159	(1.2)
HVA Conseil, Montauban	NA	658	(23.7)	1,505	(19.1)
Monhard Flimon, Paris	MJ	537	NA	3,099	NA
Landrin et Associes, Paris	MJ	314	NA	2,061	NA

■ **Notes:** Publicis Conseil includes BCA Publicis, Edico Publicis, Grand Angle Publicis, Publicis Mediterrance, Projectis, Publicis Soleil, Publicis Qualigraphie, Intermarco, Loeb & Associes, Orexa, Siquier Courcelle & Associes, Success Siad; Publicis Sante:Young & Rubicam includes Wunderman, Cato-Johnson, Sudler & Hennessey, Burson-Marsteller; RSCG France includes 24 French regional agencies, plus RSCG Best Seller, RSCG Communicance, RSCG Sante and RSCG Corp.; RSCG Export covers agencies in Africa, the Middle East and the Caribbean; The Creative Business 51% owned by RSCG; Agence Amazonie, part of the Crossworld group; McCann-Erickson France includes Joannis Schneider, Universal Media, France SP.3, Grenoble, Internal, Fab, Lyon, Creation, Lauro, Paris and AMP France; FCB includes Effi FCB, Media Synthese, Empr Media, Empr (Nucleus), Axe (Declic) and Mactual Nonc; Synergie EWDB was named Synergie Polaris BJKE France until the end of 1989; Black Pencil/Paris majority owned by Leo Burnett Co.; Ateliers ABC, Promo 2000, Collette, Edifrance, Landrin et Associes, Monhard Flimon, Faure Vadon Forest Bridoux, CPV and Meunie Granier Deferre, all majority-owned by RSCG; Alice/CDP, joint venture with Collett Dickenson Pearce, London.

Greece	Exchange rates: 0.00626 0.00712 drachma				
Spot/Thompson Advertising, Athens	MN	5,668	23.2	37,810	23.2
Adel/Saatchi & Saatchi, Athens	JV	4,691	54.7	26,635	54.1
Bold Advertising, Athens	NE	3,789	(5.0)	26,524	(5.0)
Lintas:Athens, Athens	MJ	3,572	19.1	23,827	19.1
Olympic DDB Needham, Athens	MJ	3,385	36.6	22,576	36.6
Leo Burnett Co., Athens	MJ	2,982	13.4	19,882	13.4
BBDO/Athens, Athens	MJ	2,531	18.5	16,884	18.5
McCann-Erickson Hellas, Athens	MJ	2,279	15.5	15,202	15.5
Leoussis Advertising, Athens	NA	2,004	34.0	13,152	31.9
Gnomi/FCB, Athens	MN	1,978	0.9	12,443	(5.3)
Alector Advertising, Athens	NA	1,691	25.0	10,647	24.2
BSB Athens Advertising, Athens	MJ	1,666	32.7	11,105	40.0
Geo/Young & Rubicam, Athens	MN	1,468	98.3	8,455	44.8
DMB&B Ergon, Athens	MJ	867	17.3	5,511	22.9
Target Advertising, Athens	MN	770	223.0	5,134	223.0
Magnet Advertising, Athens	NE	689	NA	4,040	NA
Echo Advertising, Athens	NA	639	1.3	4,541	5.1
RSCG Palavidis, Athens	MJ	532	99.4	3,319	86.5
Epsilon-Epsilon, Athens	NA	431	28.0	2,818	11.5
Comark, Athens	MN	424	(46.4)	1,904	(51.0)
Conquest Europe, Athens	MJ	314	NA	2,112	NA
Sigma Ltd., Athens	NA	254	(5.6)	1,692	(5.6)
Grant Hellas, Athens	MN	203	30.7	1,491	49.5

■ **Notes:** Bold Advertising affiliated with Ogilvy & Mather; Magnet Advertising affiliated with Saatchi & Saatchi Advertising; Comark minority-owned by Bozell, is the coordinating office for Bozell Middle East; Grant Hellas minority-owned by Bozell; Target Advertising minority-owned by HDM.

Guatemala	Exchange rates: 0.35792 0.39670 quetzal				
Publicidad McCann-Erickson, Guatemala City	MJ	1,392	13.5	9,287	13.5
Communica Publicidad S.A., Guatemala City	NE	1,008	37.4	6,717	37.4
Avance/BBDO Publicidad, Guatemala City	MN	724	63.1	4,824	63.1
FCB Publicidad, Guatemala City	MJ	693	(2.7)	4,619	(2.7)
Publimerca, Guatemala City	NE	238	29.6	1,595	42.7

■ **Notes:** Publimerca affiliated with N W Ayer; Communica Publicidad affiliated with Leo Burnett Co. APCU Thompson, 40% owned by J. Walter Thompson Co., with offices in Panama, Costa Rica, El Salvador and Honduras, did not submit figures.

Honduras	Exchange rates: 0.50000 0.36350 lempira				
McCann-Erickson Centroamericana, Tegucigalpa	MJ	898	48.5	5,985	48.4
Zeus Publicidad, Tegucigalpa	MN	706	83.4	3,104	60.8
FCB/Artefilmo, Tegucigalpa	MJ	328	124.8	2,189	124.8

■ **Notes:** Zeus Publicidad 20% owned by BBDO Worldwide.

Hong Kong	Exchange rates: 0.12820 0.12820 Hong Kong dollar				
Ogilvy & Mather, Hong Kong	MJ	12,402	15.3	85,534	58.4
Leo Burnett Ltd., Hong Kong	MJ	8,706	28.0	58,045	28.0
J. Walter Thompson Co., Hong Kong	MJ	7,340	13.8	48,931	13.8
HDM Hong Kong, Hong Kong	MJ	6,859	20.4	45,750	20.2
Backer Spielvogel Bates, Hong Kong	MJ	6,511	47.8	43,407	48.5
Ball Partnership, Hong Kong	MJ	6,022	23.9	40,165	23.9
BBDO Hong Kong, Hong Kong	MJ	4,631	41.7	30,888	41.7
DDB Needham, Hong Kong	MJ	4,292	24.0	28,628	30.0
McCann-Erickson, Hong Kong	MJ	4,249	24.2	28,338	24.2
People & Grey, Hong Kong	MJ	3,673	31.7	24,498	31.7
Bozell, Hong Kong	MJ	3,530	40.5	23,535	40.5
Saatchi & Saatchi Advertising, Hong Kong	MJ	2,931	24.0	19,539	43.8
Lintas: Hong Kong, Hong Kong	MJ	2,485	13.6	16,576	13.6
DMB&B Modern, Hong Kong	MJ	2,165	10.9	14,577	12.1
Foote, Cone & Belding, Hong Kong	MJ	1,515	(0.9)	10,102	(0.9)
Lee Davis Ayer, Hong Kong	MJ	1,366	22.7	9,110	22.7
Campaign Advertising, Hong Kong	NA	1,282	56.3	6,410	56.3
PMP Advertising, Hong Kong	NA	1,038	38.5	6,923	38.5
Far East-Ketchum Advertising, Hong Kong	MN	986	23.5	5,842	9.7

■ **Notes:** PMP Advertising gross income for both years AA estimate.

Hungary	Exchange rates: 0.01290 0.00000 forint				
Young & Rubicam Hungary, Budapest	ND	865	NA	5,770	NA
McCann-Erickson Hungary, Budapest	MJ	196	NA	1,305	NA
Ogilvy & Mather, Budapest	MJ	5	NA	33	NA

India	Exchange rates: 0.06288 0.07360 rupee				
Hindustan Thompson Associates, Bombay	NE	9,543	21.7	63,622	21.7
Lintas:India, Bombay	MN	8,000	(5.9)	53,363	(5.9)
Ogilvy Benson & Mather, Bombay	MN	5,174	13.6	35,686	17.4
Mudra Communications, Ahmedabad	NE	5,087	22.3	19,971	(44.3)
Ulka Advertising, Bombay	NA	3,622	2.5	24,146	2.5
Everest Advertising, Bombay	NE	3,572	19.2	22,046	10.3

Agency, city	Outside equity	Gross income	% chg	Billings	% chg
India (continued)					
R.K. Swamy/BBDO Advertising, Madras	NE	3,018	1.3	20,122	1.3
Advertising & Sales Promotion, New Delhi	NE	1,985	(6.0)	11,344	(6.0)
Jaisons Intl. Associates, Bombay	NA	1,889	0.5	10,703	0.5
Chaitra Advertising, Bombay	NA	1,855	2.0	12,362	2.1
daCunha Associates, Bombay	NA	1,700	(6.1)	10,990	(5.7)
MAA Communications, Bangalore	NA	1,654	104.3	11,004	6.8
Trikaya Grey, Bombay	ND	1,554	20.8	10,368	20.8
Sista's Private, Bombay	NE	1,270	(18.6)	8,460	(19.1)
Contour Advertising, Bombay	NA	762	23.3	4,770	23.5
McCann-Erickson Tara Sinha, New Delhi	NE	534	NA	3,562	NA
Raka Advertising, Bombay	NA	309	13.7	1,945	8.2
Arms Communications, New Delhi	NE	308	4.7	2,201	2.1

■ **Notes:** Mudra Communications affiliated with DDB Needham Worldwide. Everest Advertising minority owned by Saatchi & Saatchi Advertising. Sista's Private affiliated with Backer Spielvogel Bates. Advertising & Sales Promotion affiliated with N W Ayer. Hindustan Thompson Associates non equity affiliation with J. Walter Thompson Co.. Arms Communications affiliated with Bozell. Rediffusion Advertising, affiliated with HDM, did not submit figures.

Indonesia	Exchange rates: 0.00057 0.00059 rupiah				
P.T. Citra:Lintas, Jakarta	NE	3,544	39.0	23,639	39.0
Matari Inc., Jakarta	NE	3,438	90.4	19,482	93.0
P.T. Indo Ad, Jakarta	NE	1,918	35.4	13,227	43.7
Cipta, Jakarta	NE	1,779	NA	11,924	NA
Adforce-J. Walter Thompson Co., Jakarta	NE	1,588	42.8	10,482	41.3
PT Bates Mulia Indonesia, Jakarta	NE	1,157	50.1	7,034	32.0
PT. Rama Perwira, Jakarta	NA	743	2.2	4,641	2.2
P.T.Forum Cahayabuana, Jakarta	MJ	504	NA	3,359	NA
Perwanal DMB&B, Jakarta	MN	396	16.2	2,595	22.8

■ **Notes:** Cipta affiliated with Saatchi & Saatchi Advertising. PT. Rama Perwira gross income for both years AA estimates. Matari Inc affiliated with Bozell. P.T. Forum Cahayabuana majority-owned by Foote, Cone & Belding.

Ireland	Exchange rates: 1.41874 1.53180 pound				
Wilson Hartnell Group, Dublin	MJ	6,445	87.3	44,448	108.9
McConnells Advertising, Dublin	NA	4,370	2.0	29,134	2.0
Saatchi & Saatchi Advertising, Dublin	MJ	4,326	8.0	27,031	33.6
Arks Alliance, Dublin	MJ	3,062	48.2	20,416	48.1
Hunter Advertising, Dublin	MJ	2,410	(4.2)	16,067	36.4
Doherty Advertising, Dublin	NA	2,128	15.8	10,641	15.8
Young Alliance, Dublin	MJ	1,632	(18.1)	10,882	(18.1)
O'Keeffes Ltd., Dublin	NA	1,297	(7.5)	8,661	(5.3)
DMB&B, Dublin	MJ	104	(74.7)	768	(71.9)

■ **Notes:** Hunter Advertising part of Backer Spielvogel Bates. McConnells Advertising gross income figures for both years AA estimates.

Israel	Exchange rates: 0.5477 0.62750 shekel				
Ariely Communications, Tel Aviv	NA	5,537	47.1	27,551	37.2
Gitam Image, Ramat-Gan	NA	3,250	(5.8)	23,000	NA
Fogel Levin, Tel Aviv	NA	1,972	NA	13,146	NA
Pelled Advertising, Tel Aviv	NA	1,700	12.0	10,500	29.0
Bing Linial Advertising, Tel Aviv	NA	1,479	2.5	7,395	2.5

■ **Notes:** Fogel Levin 1989 gross income AA estimate.

Italy	Exchange rates: 0.00073 0.00077 lira				
Publicis.FCB/Mac, Milan	MJ	54,550	15.1	363,851	7.5
Gruppo Armando Testa, Turin/Milan/Rome	MJ	50,232	5.2	349,440	8.1
Young & Rubicam Italia, Milan	MJ	46,980	23.4	383,431	50.9
McCann-Erickson Italiana, Milan	MJ	38,090	3.4	254,064	3.4
J. Walter Thompson Italia, Milan	MJ	28,756	4.6	257,348	14.2
Italia/BBDO, Milan	MN	27,664	8.9	184,184	8.7
EWDB Italia, Milan	MJ	24,424	(2.1)	186,368	12.1
Saatchi & Saatchi Advertising, Rome	MJ	24,170	6.8	221,312	17.3
DMB&B, Milan/Rome	MJ	21,130	7.9	136,699	7.4
Milano & Grey, Milan	MJ	20,206	16.9	148,307	28.6
TBWA Italia, Milan	MJ	18,743	19.5	127,400	0.3
Lintas:Milano, Milan	MJ	18,653	(13.3)	124,414	(13.3)
Canard Advertising, Turin	MJ	17,951	37.1	149,589	38.8
Pirella Goettsche Lowe, Milan	MJ	17,701	12.7	118,006	12.7
Livraghi, Ogilvy & Mather, Milan	MN	16,321	(2.1)	133,760	(0.5)
Leo Burnett Co., Milan	MJ	11,247	9.5	74,984	9.5
BSB Italia, Milan	MJ	9,663	29.6	73,590	8.8
HDM WE, Milan	MJ	9,299	22.6	62,022	22.6
RSCG Mezzano Costantini Mignani, Milan	MJ	8,182	1.2	96,932	0.7
Bozell e Associati, Milan	MJ	7,717	(3.6)	64,428	(3.5)
DDB Needham Italy, Milan	MJ	7,312	36.5	48,771	36.5
Publinter Ayer, Milan	MJ	7,003	(18.5)	66,650	(17.6)
Longari & Loman/BDDP, Milan/Bologna	MJ	6,552	NA	43,636	NA
B Communications Group, Milan	NA	6,398	(1.8)	59,426	2.1
FCA/Sabbatini Baldoni Panzeri, Milan	MJ	6,331	56.7	42,224	56.7
Pubblimarket/Idea2 Alliance, Milan/Udine	MN	5,591	123.7	41,860	151.1
AssociatiGlobe, Milan	MN	3,385	4.7	22,568	4.7
GGK Milan, Milan	MJ	3,349	(19.4)	22,336	(19.4)
Conquest Europe, Milan	MJ	2,944	25.0	33,372	39.6
Adver Pubblicita e Marketing, Padua	NA	1,092	18.2	8,736	12.1
Wirz Italia, Milan	MN	803	(0.7)	5,356	(0.7)

■ **Notes:** Young & Rubicam includes Wunderman, Cato Johnson, Sudler & Hennessey, Burson-Marsteller; Publicis FCB/MAC includes Euro Advertising Group, Park Concept, IPR/Comunicazione Strategica, Art Design, Optimedia, The Promotion Centre, Publicis Communication. Gruppo Armando Testa includes L'Altra, Media Italia Group, Telecontatto, Creativity, In Testa, Ardo Film, Pubblidata/Delphos; Pirella Goettsche Lowe gross income for both years AA estimates; McCann-Erickson Italiana includes Italy and Italy MPI; Longari & Loman/BDDP association with L&L took place in '89, figures are not comparable; B Communications gross income for both years AA estimates; Canard Advertising 60% owned by London-based Collett Dickenson Pearce.

Ivory Coast	Exchange rates: 0.00319 0.00378 Central African franc				
Lintas:Abidjan, Abidjan	MJ	1,549	2.6	10,334	2.6

Jamaica	Exchange rates: 0.1818 0.17560 Jamaican dollar				
McCann-Erickson, Kingston	MJ	1,271	37.8	8,476	37.8
CGR Communications, Kingston	NE	977	117.2	6,520	117.3
Lindo FCB Communications, Kin[illegible]	MN	644	21.9	4,295	21.9

■ **Notes:** CGR Communication affiliated with Saatchi & Saatchi Advertising.

Agency, city	Outside equity	Gross income	% chg	Billings	% chg
Japan	Exchange rates: 0.00745 0.00769 yen				
Dentsu Inc., Tokyo	NA	1,314,400	11.9	10,063,184	12.6
Hakuhodo Inc., Tokyo	NA	585,457	12.1	4,449,166	12.9
Tokyu Agency, Tokyo	NA	156,222	16.0	1,259,398	12.9
Dai-ichi Kikaku, Tokyo	NA	155,795	9.8	1,052,953	7.7
Daiko Advertising, Osaka	NA	152,064	8.9	1,214,107	7.8
Asatsu, Tokyo	NA	113,879	10.8	837,272	13.1
Yomiko Advertising, Tokyo	NA	100,302	11.5	753,480	14.1
I&S Corp., Tokyo	NA	94,734	13.9	770,203	11.2
McCann-Erickson Hakuhodo Japan, Tokyo	MJ	92,712	5.9	618,389	5.9
Asahi Advertising, Tokyo	NA	82,888	17.3	509,429	15.7
Nihon Keizaisha Advertising, Tokyo	NA	56,278	19.6	337,268	19.2
Chuo Senko Advertising, Tokyo	MJ	50,615	7.6	376,396	8.9
Sogei Co., Tokyo	NA	49,239	25.7	300,235	14.2
Orikomi Advertising, Tokyo	NA	47,504	16.3	435,821	3.8
Man-Nen-Sha Inc., Osaka	NA	42,150	15.9	550,376	11.7
HDM KK Japan, Tokyo	MJ	38,444	15.8	291,453	16.1
Nihon Keizai, Tokyo	NA	37,198	25.6	254,812	20.5
Kyodo Advertising, Tokyo	NA	35,319	(0.1)	265,557	(1.6)
Tokyu Agency International, Tokyo	MN	34,866	15.0	272,424	16.7
Meitsu Inc., Tokyo	NA	31,961	3.2	213,070	10.1
J. Walter Thompson Japan, Tokyo	MJ	30,650	11.4	204,333	11.4
Sanko-Sha, Nagoya	NA	28,875	9.5	190,603	9.5
Leo Burnett-Kyodo Co., Tokyo	MJ	21,445	45.0	142,973	45.0
Nambokusha, Tokyo	NA	20,838	37.0	165,181	41.0
Osaka Yomiuri Advertising, Osaka	NA	18,469	14.0	142,070	14.0
Standard Advertising, Tokyo	NA	18,104	2.2	146,020	5.5
Grey-Daiko, Tokyo	JV	11,793	(6.3)	78,662	(6.3)
AD Dentsu, Tokyo	MJ	11,699	9.6	87,140	10.6
Hakuhodo:Lintas, Tokyo	JV	10,731	2.0	71,578	2.1
Toei Advertising, Tokyo	NA	7,145	13.0	54,541	5.7
Cove-Ito Advertising, Tokyo	NA	6,705	15.2	22,350	15.2
Saatchi & Saatchi Advertising, Tokyo	MJ	5,873	9.8	48,332	35.6
Medicus Intercon, Tokyo	MJ	5,544	4.6	24,142	3.0
BSB Japan, Tokyo	MN	4,222	(8.9)	37,953	(13.9)
Ketchum/Japan, Tokyo	MJ	3,846	14.8	25,653	14.8
Bozell Meitsu, Tokyo	MN	3,622	57.7	18,576	50.8
HDM DSH K.K., Tokyo	MJ	3,316	19.2	17,670	12.9
DDB Needham Japan, Tokyo	MN	1,397	NA	9,321	NA
Daiko/FCB Impact, Tokyo	JV	846	16.6	5,640	16.6

■ **Notes:** I&S Corp. fiscal year April to March; Chuo Senko Advertising includes figures for its Thailand (49% equity), Singapore (66%) and Hong Kong (100%) offices. the Malaysian office closed in '89; Dai-Ichi Kikaku 1988 figures do not reflect equity holdings; Tokyu Agency International DMB&B holds 24% equity, Medicus Intercon part of DMB&B; Hakuhodo:Lintas a 50/50 joint venture, McCann-Erickson Hakuhodo Japan is 49% owned by Hakuhodo Inc. and includes Cato Design and KK McIntyre; AD Dentsu part of Dentsu Inc.; Daiko/FCB Impact a 50/50 joint venture, Nambokusha Inc. 51% owned by Toyota Motor Corp.

Kenya	Exchange rates: 0.04525 0.05320 shilling				
McCann-Erickson Kenya, Nairobi	MJ	913	(4.7)	6,090	(4.7)
Ogilvy & Mather, Nairobi	MJ	673	(15.3)	2,836	(16.0)
Marketing Communications, Nairobi	NE	272	4.2	1,584	6.3

■ **Notes:** Marketing Communications affiliated with Saatchi & Saatchi Advertising.

Kuwait	Exchange rates: 3.37335 3.58020 dinar				
Madco Kuwait, Al Kuwait	NA	365	7.4	2,900	26.1
Hiba, Al Kuwait	MN	227	3.1	1,785	24.8

■ **Notes:** Hiba 30% owned by Bozell.

Lebanon	Exchange rates: 0.01834 0.00253 Lebanese pound				
H&C Leo Burnett, Beirut	NE	4,988	295.2	33,255	295.2
Madco Beirut, Beirut	NA	93	32.1	700	55.6
Enterprise Middle East, Athens/Beirut	MJ	7	678.7	48	678.7
Intermarkets, Beirut	NE	NA	NA	NA	NA

■ **Notes:** Intermarkets, non equity affiliation with Saatchi & Saatchi Advertising, is headquartered in London but does business in Lebanon, Saudi Arabia, Bahrain, Egypt, Kuwait, Dubai and Jordan. Enterprise Middle East majority-owned by Leo Burnett Co. and headquartered in Athens, does business in the Middle East.

Malawi	Exchange rates: 0.35486 0.47100 kwacha				
Graphic:Lintas Malawi, Blantyre	MN	287	3.3	1,914	3.3

Malaysia	Exchange rates: 0.37085 0.38350 Malaysian dollar				
Ogilvy & Mather, Petaling Jaya	MN	3,846	19.2	26,522	23.3
McCann-Erickson Malaysia, Kuala Lumpur	MJ	3,301	58.5	22,017	58.6
Leo Burnett Co., Kuala Lumpur	MN	2,730	5.2	18,200	5.2
BSB (Malaysia), Kuala Lumpur	MN	2,719	41.7	18,127	39.0
PTM Thompson Advertising, Kuala Lumpur	MN	2,370	5.9	15,947	6.9
HDM, Kuala Lumpur	MJ	2,225	34.9	14,834	33.4
Lintas:Malaysia, Kuala Lumpur	MJ	1,870	(5.4)	12,476	(5.4)
AP-Foote, Cone & Belding, Kuala Lumpur	MN	1,866	32.3	12,447	32.3
Wings/BBDO, Petaling Jaya	MJ	1,415	17.9	9,438	17.9
Bozell, Petaling Jaya	MN	1,224	17.1	8,159	17.0
Ball Partnership, Kuala Lumpur	MJ	987	14.1	6,582	14.1
Naga DDB Needham DIK, Petaling Jaya	MN	927	NA	5,377	NA
Grey Malaysia, Kuala Lumpur	MN	749	23.1	4,999	24.7
Ramlan & Quay, Kuala Lumpur	NA	483	42.9	3,219	42.9
Francis Lim Zulkifli & Ayer, Petaling Jaya	MN	409	45.3	2,500	45.1
Saatchi & Saatchi Advertising, Kuala Lumpur	MN	175	NA	1,001	NA

■ **Notes:** McCann-Erickson Malaysia includes Mutiara. PTM Thompson 25% owned by J. Walter Thompson Co.

Mexico	Exchange rates: 0.00042 0.00043 peso				
McCann-Erickson, Mexico City	MJ	8,203	61.8	54,711	61.8
Publicidad Ferrer, Mexico City	NA	8,080	38.8	53,867	38.8
J. Walter Thompson de Mexico, Mexico City	MJ	5,651	78.7	37,674	78.7
Publicidad Augusto Elias, Mexico City	NA	5,178	NA	34,517	NA
Leo Burnett Co., Mexico City	MJ	4,961	67.1	33,142	67.5
Panamericana Ogilvy & Mather, Mexico City	MJ	4,861	73.9	33,525	79.7
Bozell S.A., Mexico City	MN	4,750	52.9	31,667	45.8
Garcia Patio, Mexico City	NA	4,061	(3.1)	27,072	(3.1)
DMB&B, Mexico City	MJ	3,933	(24.8)	25,853	(25.9)
Publicidade Oscar Leal, Mexico City	NA	3,744	NA	24,957	NA

Agency, city	Outside equity	Gross income	% chg	Billings	% chg
Mexico (continued)					
Scali McCabe Sloves de Mexico, Mexico City	MJ	3,469	(7.5)	23,126	(7.5)
Young & Rubicam, Mexico City	MJ	3,449	85.2	23,008	85.2
Arellano/Ted Bates, Mexico City	MN	2,792	28.4	18,612	28.4
FCB de Mexico, Mexico City	MJ	1,970	26.8	13,137	26.8
Grey Mexico, Mexico City	MJ	1,845	120.1	12,308	120.1
Dieste/BBDO, Mexico City	MN	1,568	74.7	10,855	59.3
DDB Needham, Mexico City	MJ	1,516	36.2	10,113	20.8
Lintas:Mexico, Mexico City	MJ	1,441	67.6	9,614	67.6
Montenegro-Saatchi & Saatchi, Mexico City	NE	1,326	78.0	8,841	78.8
Teran Publicidad, Mexico City	NA	1,058	78.9	7,054	78.9
■ **Notes:** Montenegro/Saatchi & Saatchi non equity affiliation; Publicidad Augusto Elias and Publicidad Oscar Leal gross income figures for both years AA estimates.					
Namibia	**Exchange rates: 0.37583 0.44310 rand**				
Lintas:Namibia, Klein Windhoek	MJ	93	418.4	619	418.4
Netherlands	**Exchange rates: 0.47195 0.51120 guilder**				
FHV/BBDO Group, Amstelveen	MJ	32,076	(1.6)	213,841	(1.6)
PMSvW/Young & Rubicam, Amsterdam	MJ	23,396	(7.6)	156,055	(7.6)
Ogilvy & Mather (Nederland), Amsterdam	MJ	18,604	(7.6)	128,302	(4.0)
Lintas:Netherlands, Amsterdam	MJ	17,816	12.2	118,832	12.2
PPGH/JWT Group, Amsterdam	MJ	17,650	(5.2)	117,721	(5.2)
Prad Alliance, Amsterdam/Eindhoven	MJ	13,451	(5.2)	89,671	(5.2)
ARA/BDDP, Rotterdam	MJ	13,215	NA	88,009	NA
Saatchi & Saatchi Advertising, Amsterdam	MJ	12,880	15.0	83,535	14.9
Publicis FCB Holland, Amsterdam/Eindhoven	MJ	10,619	NA	70,828	NA
TBWA Groep, Amstelveen	MJ	10,536	23.4	70,226	22.7
DMB&B, Amsterdam	MJ	10,390	(0.6)	55,658	(20.2)
McCann-Erickson Nederland, Amsterdam	MJ	9,180	(1.6)	61,230	(1.6)
Grey, Amsterdam	MJ	8,864	30.6	59,124	30.6
Noordervliet & Winninghoff/Leo Burnett, Amsterdam	MJ	8,523	12.3	56,823	12.3
DDB Needham, Amsterdam	MJ	7,960	9.3	53,092	9.3
Geudeker Oerlemans RSCG, Amstelveen	MJ	5,758	(21.8)	24,258	(49.5)
HDM/VW&A Advertising, Rotterdam	MJ	5,236	(5.2)	34,922	(5.2)
Ted Bates Co., Amsterdam	MJ	5,087	(8.0)	38,330	5.5
De Bussy, Diemen	NA	4,484	3.2	18,878	8.6
HVR Alliance, The Hague	MJ	4,318	2.4	28,789	2.4
Blend Marketing Communications, The Hague	NA	3,610	(3.0)	24,069	(3.0)
ARVH Reklame & Marketing, Zaandam	NE	3,186	9.3	21,238	9.3
VVtH FCA!, Amsterdam	MN	2,950	12.6	19,665	12.6
GGK Amsterdam, Amsterdam	MJ	2,901	(6.5)	20,162	(2.6)
Schulte & Partners, Lochem	NA	2,478	(1.1)	16,518	(0.6)
Ayer Nederland, Deventer	MJ	2,454	14.3	16,361	14.3
Weda, Leeuwarden	NA	2,265	(3.1)	15,102	(3.1)
De Ondernemers, Amsterdam	NA	1,888	2.6	12,507	1.9
Schothorst & Partners, Amsterdam	NA	1,804	(3.9)	12,035	(3.9)
RAL Advertising, Tilburg	NA	1,798	9.9	11,988	10.1
Pieter van den Busken Advertising, Ouderkerk	NA	1,628	(1.2)	10,855	(1.2)
Bozell Advertising, Amstelveen	MJ	1,401	(35.7)	8,092	(33.0)
Klein & Partners/EWDB, Amsterdam	MJ	1,369	(0.8)	16,046	4.6
Lowe Nederland, Amsterdam	MJ	1,218	(4.5)	8,120	(4.6)
Duits Reklame/Marketing, Dordrecht	NA	1,144	22.2	8,495	3.9
Appel Advertising, Naarden	NA	850	10.8	5,663	10.8
Conquest Europe, Amsterdam	MJ	351	30.4	5,562	25.6
■ **Notes:** Lowe Nederland, Weda, ARVH Reklame & Marketing, Appel Advertising, Pieter van den Busken Advertising gross income both years AA estimates; Blend Marketing Communications changed name from Belinfante Major; PMSvW/Y&R includes Wunderman, Cato-Johnson, Burson-Marsteller.					
New Zealand	**Exchange rates: 0.60458 0.65480 New Zealand dollar**				
Clemenger/BBDO New Zealand, Auckland	MN	16,516	(7.8)	82,582	(7.8)
Saatchi & Saatchi Advertising, Wellington	MJ	14,036	4.0	75,496	11.9
J. Walter Thompson New Zealand, Wellington	JV	5,030	44.9	25,151	34.3
Ogilvy & Mather, Wellington	MJ	4,971	10.2	34,286	52.0
DDB Needham, Auckland	MJ	4,654	(25.2)	31,042	5.3
Ted Bates New Zealand, Wellington	MJ	4,215	(2.6)	28,100	29.9
DMB&B, Auckland	MJ	3,631	(26.9)	21,205	(23.3)
Lintas:New Zealand, Auckland	MJ	3,094	(87.3)	20,639	26.9
Young & Rubicam, Auckland	MJ	2,728	11.4	18,196	11.4
Dobbs-Wiggins McCann-Erickson, Auckland	MJ	2,692	(23.3)	17,954	(23.3)
HDM Mattingly, Auckland	MJ	2,391	NA	24,010	NA
Chiat/Day/Mojo, Auckland	MJ	1,983	65.8	9,915	24.4
Leo Burnett-New Zealand, Auckland	MJ	1,866	(10.9)	9,332	(10.9)
Ayer New Zealand, Auckland	MJ	1,061	(46.7)	7,074	(41.7)
A&P Alliance, Auckland	MJ	967	0.5	6,451	1.1
Mainstream/FCB, Auckland	MN	927	24.8	6,182	24.8
Grey Advertising (NZ), Auckland	ND	898	105.0	5,992	105.0
Anderson Hughes Bail, Auckland	MJ	877	6.9	4,383	35.2
■ **Notes:** HDM Mattingly figures are AA estimates; Clemenger/BBDO NZ includes Colenso Communications and HKM/Rialto Advertising; Mainstream/FCB 24.5% owned by Foote, Cone & Belding.					
Nigeria	**Exchange rates: 0.13605 0.20000 naira**				
Insight Communications, Lagos	NE	10,724	228.0	40,197	146.0
Rosabel Advertising, Lagos	NE	558	NA	2,857	NA
■ **Notes:** Rosabel Advertising affiliated with BBDO Worldwide; Insight affiliated with BSB.					
Norway	**Exchange rates: 0.14541 0.15400 kroner**				
BSB Batesgruppen Norway, Oslo	MJ	21,095	(7.0)	140,633	54.1
Scaneco-Young & Rubicam, Oslo	MJ	12,508	9.4	83,428	9.4
DMB&B Lund & Lommer, Oslo	MJ	5,444	(16.6)	26,329	10.3
Myres/Lintas, Oslo	MJ	5,062	240.9	33,761	240.9
Art & Copy.FCB Group, Oslo	MJ	4,990	32.8	33,282	32.8
Ogilvy & Mather, Oslo	MJ	4,513	(31.9)	31,123	(30.3)
Nordskar & Thorkildsen Leo Burnett, Oslo	MJ	4,101	NA	27,339	NA
Jenssen & Borkenhagen/BBDO, Oslo	MN	3,119	24.1	29,144	26.3
ScanPartner Norge, Oslo	NA	2,975	(37.5)	19,832	(37.5)
Reklamens Hus/McCann, Oslo	MJ	2,743	2.2	18,297	2.2
Norway (continued)					
Avanti DDB Needham, Oslo	MJ	2,398	NA	15,994	NA
Jensen Grey, Oslo	MN	1,667	(16.1)	11,116	(16.1)
Schjaerven/J. Walter Thompson Co., Oslo	NE	1,624	(0.7)	10,829	(0.7)
Saatchi & Saatchi Advertising, Oslo	MJ	1,243	34.6	8,287	34.5
Jenssen & Borkenhagen 3/BBDO, Oslo	JV	910	11.4	5,147	(7.0)
Bj. Kverneland, Oslo	NA	902	(35.0)	4,929	(29.8)
Copyright Alliance, Oslo	MJ	872	NA	5,816	NA
Jenssen & Borkenhagen 2/BBDO, Oslo	JV	659	(19.6)	4,007	(27.3)
■ **Notes:** Scanpartner Norge gross income figures for both years AA estimates; Schjaerven/JWT non equity affiliation with J. Walter Thompson Co.; Scaneco, Y&R includes Burson-Marsteller.					
Pakistan	**Exchange rates: 0.05057 0.05650 rupee**				
R:Lintas, Karachi	NE	1,181	(3.3)	7,880	(3.3)
MCM Advertising, Karachi	NA	683	18.5	4,551	18.5
Prestige Communications, Karachi/Lahore	NA	373	(6.1)	3,034	2.0
Manhattan International, Karachi	NE	303	(5.8)	2,023	(5.8)
G.H. Thaver, Karachi	NA	136	16.7	960	16.6
■ **Notes:** R:Lintas non equity affiliation; Manhattan International non equity affiliation with BBDO Worldwide.					
Panama	**Exchange rates: 1.00000 1.00000 U.S. dollar**				
McCann-Erickson de Panama, Panama City	MJ	513	41.7	3,422	41.6
Rogelio Diaz Publicidad, Panama City	NA	330	50.0	1,500	50.0
Paraguay	**Exchange rates: 0.00084 0.00146 guarani**				
Almirall y Cia Publicidad, Asuncion	NA	151	(20.9)	504	(21.2)
JWT SA, Asuncion	MJ	116	(12.1)	775	(12.1)
McCann-Erickson, Asuncion	MJ	48	0.6	319	0.6
Peru	**Exchange rates: 8.00044 0.01388 inti**				
CNP & Grey, Lima	ND	734	NA	4,896	NA
J. Walter Thompson Peruana, Lima	MJ	2,824	NA	13,383	NA
McCann-Erickson, Lima	MJ	1,782	NA	11,886	NA
MIG Publicidad, Lima	NE	1,891	NA	12,616	NA
Perdomo-Ted Bates/Public, Lima	NE	121	NA	684	NA
■ **Notes:** MIG affiliated with Saatchi & Saatchi Advertising; Perdomo-Ted Bates/Public non equity affiliation.					
Philippines	**Exchange rates: 0.04743 0.04770 peso**				
McCann-Erickson, Manila	MJ	3,869	24.3	25,805	24.3
J. Walter Thompson Co., Manila	MJ	3,111	22.8	21,690	22.2
Ace/Saatchi & Saatchi, Manila	MJ	2,683	27.6	17,896	27.6
Basic/FCB, Manila	MN	2,533	60.3	16,894	60.3
Amacon, Manila	NA	2,513	22.8	17,082	22.8
Hemisphere-Leo Burnett Co., Manila	MJ	1,659	13.0	11,063	13.0
HDM-Alcantara, Manila	MN	1,647	19.5	11,761	21.2
Lintas:Manila, Manila	MN	1,585	22.6	10,570	22.6
PAC/BBDO Worldwide, Manila	MN	1,401	9.9	9,345	9.9
Olbes, Ogilvy & Mather, Manila	MN	1,248	11.7	8,607	15.5
Aspac & Grey, Manila	MN	622	2.1	4,146	2.1
Admakers, Quezon City	NA	589	29.3	3,927	29.3
Atlas Bozell, Manila	NE	236	(1.7)	1,465	7.4
■ **Notes:** Atlas Bozell non equity affiliation; Basic/FCB 30% owned by Foote, Cone & Belding.					
Portugal	**Exchange rates: 0.00640 0.00703 escudo**				
McCann-Erickson/Hora, Lisbon	MJ	8,651	21.7	57,701	21.7
J. Walter Thompson Publicidade, Lisbon	MJ	6,050	34.0	40,353	34.0
Lintas:Portugal, Lisbon	MJ	5,582	36.4	37,230	36.4
Sistema, Lisbon	MN	5,425	42.9	36,186	43.0
FCB Publicidade, Lisbon	MJ	4,091	6.3	27,274	6.3
Team Young & Rubicam, Lisbon	MN	3,556	10.3	23,719	10.3
Ciesa NCK, Lisbon	MJ	3,316	(1.3)	22,106	(1.3)
Ogilvy & Mather Portugal, Lisbon	MJ	3,177	22.2	21,191	22.2
Publicis, Lisbon	MJ	3,128	39.5	20,857	39.5
BSB Boom, Lisbon	MJ	2,714	17.7	18,087	103.5
DDB Needham & Guerreiro, Lisbon	MJ	2,437	29.1	16,258	25.5
Timing Alliance, Lisbon	MJ	1,695	109.3	11,302	108.3
Bozell Sensus Publicidade, Porto	MJ	1,464	114.1	5,792	9.8
HDM Portugal, Lisbon	MJ	1,363	21.2	9,088	21.2
Antena/BBDO, Lisbon	MN	1,326	8.7	8,810	28.6
Latina, Lisbon	NA	994	(2.9)	4,167	(4.3)
Park Publicidade, Lisbon	MJ	970	59.9	6,466	59.9
Comunicar, Lisbon	MJ	689	(28.6)	4,595	(28.6)
RSCG Portugal, Lisbon	MJ	500	NA	4,165	NA
Ayer Portugal, Lisbon	MN	285	NA	1,899	NA
DMB&B, Lisbon	MJ	208	NA	1,354	NA
■ **Notes:** Sistema minority-owned by Saatchi & Saatchi Advertising; Team Y&R includes Wunderman; McCann-Erickson/Hora includes International Portugal; Park Publicidade and Comunicar, part of Publicis-FCB.					
Puerto Rico	**Exchange rates: 1.00000 1.00000 U.S. dollar**				
Badillo/Saatchi & Saatchi, San Juan	MJ	12,200	6.1	86,178	12.4
Marti, Flores, Prieto & Wachtel, San Juan	MN	7,850	2.9	52,400	2.9
Young & Rubicam Puerto Rico, San Juan	MJ	6,272	(11.0)	41,834	(11.0)
West Indies & Grey, San Juan	ND	5,275	19.3	35,184	19.3
BBDO Puerto Rico, Hato Rey	MJ	4,181	49.3	27,890	60.3
FCB Puerto Rico, Isla Verde	MJ	3,864	5.0	25,773	5.0
McCann-Erickson, San Juan	MJ	3,558	19.9	23,732	19.9
Leo Burnett Co., San Juan	MJ	3,356	28.4	22,374	28.4
De la Cruz & Goachet, San Juan	MN	2,283	19.8	15,226	19.8
Bozell/CPV Advertising, Santurce	MJ	989	74.9	6,593	74.8
■ **Notes:** Marti, Flores, Prieto & Wachtel 22.5% owned by J. Walter Thompson Co.; Y&R Puerto Rico includes Burson-Marsteller; De la Cruz & Goachet 20% owned by JWT.					
Saudi Arabia	**Exchange rates: 0.26680 0.26670 riyal**				
Saatchi & Saatchi Advertising, Jeddah	ND	2,100	NA	14,000	NA
Targets Advertising, Jeddah	NE	1,592	23.0	10,601	23.0
Madco Saudi Arabia, Jeddah	NA	810	2.0	4,800	4.3
Orientations, Jeddah	MN	750	13.7	4,716	15.0
DMB&B, Jeddah	MJ	46	(41.1)	329	(42.7)
■ **Notes:** Targets Advertising affiliated with Leo Burnett Co.; Orientations affiliated with Bozell.					

Agency, city	Outside equity	Gross income	% chg	Billings	% chg
Singapore	Exchange rates: 0.51212 0.49360 Singapore dollar				
Batey Communications, Singapore	MN	6,750	NA	44,953	NA
Ogilvy & Mather, Singapore	MJ	5,055	NA	34,863	NA
McCann-Erickson Singapore, Singapore	MJ	3,999	8.6	26,672	8.6
Saatchi & Saatchi Advertising, Singapore	MJ	3,073	48.2	20,485	52.0
Leo Burnett Ltd., Singapore	MJ	2,881	20.9	19,210	20.9
HDM Singapore, Singapore	MJ	2,877	47.6	15,945	45.9
J. Walter Thompson Singapore, Singapore	MJ	2,446	21.0	16,317	21.0
Ko Advertising, Singapore	NA	2,253	14.1	11,267	14.1
Lintas:Singapore, Singapore	MJ	1,706	17.6	11,381	17.6
Grey, Singapore	MN	1,613	29.4	10,760	29.4
Bozell Advertising, Singapore	MJ	1,581	3.0	10,546	3.0
Chiat/Day/Mojo, Singapore	MJ	1,383	13.6	9,255	14.1
BBDO Advertising, Singapore	MJ	1,169	(7.0)	7,795	(7.0)
DMB&B, Singapore	MJ	1,155	63.6	7,417	50.4
Ball Partnership, Singapore	MJ	1,077	51.5	6,247	45.3
Backer Spielvogel Bates, Singapore	MJ	936	(26.0)	7,777	(1.5)
Ketchum/Singapore, Singapore	MJ	929	19.7	6,200	19.7
DDB Needham D.I.K., Singapore	MN	642	47.5	4,281	104.9
Tropical Alliance, Singapore	MJ	476	28.7	3,175	28.7

■ **Notes:** DDB Needham Worldwide holds 25% of Batey Communications, in which Paris-based BDDP holds 20% equity, includes offices in Hong Kong, Taiwan, Malaysia, the Philippines and Los Angeles.

South Africa	Exchange rates: 0.38694 0.45510 rand				
Grey Holdings, Johannesburg	MN	14,784	21.6	98,612	21.6
Ogilvy & Mather Rightford, Cape Town	MN	14,124	4.2	97,409	18.6
Lindsay Smithers-FCB, Johannesburg	MN	11,334	0.1	75,599	0.1
Young & Rubicam South Africa, Cape Town	MJ	8,574	(15.6)	57,193	(15.6)
Klerck & McCormac, Johannesburg	NE	7,682	5.6	46,553	5.6
McCann-Erickson DeVilliers, Johannesburg	MJ	6,489	(16.9)	43,281	(16.9)
Lintas:South Africa, Johannesburg	MJ	6,324	20.0	42,181	20.0
J. Walter Thompson South Africa, Johannesburg	MN	4,625	(2.7)	28,029	(11.6)
Bernstein, Loxton, Golding & Klein, Johannesburg	NA	2,364	13.3	14,990	18.8
Partnership in Advertising, Johannesburg	MN	1,874	3.7	12,500	5.8
Louis Wilsenach Group, Doornfontein	NA	1,230	19.1	6,150	19.1
P.N. Barrett, Cape Town	NA	633	(13.4)	4,450	(10.7)

■ **Notes:** Klerck & McCormac, which formerly was Klerck & White, has non-equity affiliation with Saatchi & Saatchi Advertising; Louis Wilsenach non-equity affiliation with Bozell; Lindsay Smithers-FCB and Partnership in Advertising 24% owned by Foote, Cone & Belding; Grey Holdings includes Grey Philips, Bunton Mandel & Blake, Grey Perspectives and Bridge International. Ogilvy & Mather Rightford 40% owned by O&M, includes Meridian, O&M Direct and Liaison PR.

South Korea	Exchange rates: 0.00149 0.00134 won				
Cheil Communications, Seoul	NA	64,018	43.1	247,471	27.5
Oricom, Seoul	NA	45,112	38.8	173,002	26.3
LG Ad, Seoul	NE	24,102	26.6	160,677	26.6
Korad Ogilvy & Mather, Seoul	MN	18,794	30.8	118,949	31.4
Daehong Ad, Seoul	NE	16,185	37.9	156,207	22.4
Diamond Ad, Seoul	MN	12,456	31.5	69,647	34.4
Seoul Advertising, Seoul	NA	7,120	54.6	52,880	36.4
Nara Communications, Seoul	NA	3,944	6.5	27,371	(4.8)
Eastern Ad Co., Seoul	NE	1,366	35.9	8,613	28.6

■ **Notes:** Diamond Ad 10% owned by Backer Spielvogel Bates; Eastern Ad non-equity affiliation with N W Ayer; Daehong Advertising non-equity affiliation with DDB Needham Worldwide; Cheil Communications, formerly known as Korea First, has non-equity affiliation with Bozell; LG Ad non-equity affiliation with BBDO Worldwide.

Spain	Exchange rates: 0.00842 0.00857 peseta				
Grupo BSB, Madrid	MJ	37,907	28.6	252,836	22.4
TAPSA/N W Ayer, Madrid	MJ	27,198	54.9	198,838	69.8
McCann-Erickson S.A. Group, Madrid	MJ	26,626	15.4	177,593	15.4
BBDO Espana, Barcelona	MJ	25,966	64.5	183,292	54.2
Lintas:Spain, Madrid	MJ	24,686	27.2	164,653	27.2
J. Walter Thompson Co., Madrid	MJ	23,240	7.5	164,316	13.9
TAPSA Ayer, Madrid	MJ	22,315	27.1	148,838	27.1
Bassat Ogilvy & Mather, Madrid	MJ	22,088	54.5	152,332	60.0
Young & Rubicam Espana, Madrid	MJ	21,681	80.0	144,610	80.0
RCP-Saatchi & Saatchi, Barcelona	MJ	18,375	49.2	120,715	48.6
HDM Spain, Madrid	MJ	17,118	25.8	114,175	25.8
Danis-Benton & Bowles, Barcelona/Madrid	MJ	13,197	12.6	92,990	11.4
Contrapunto, Madrid	MN	11,822	15.0	78,811	15.0
Tandem/DDB Needham, Madrid	MJ	11,732	(1.9)	120,415	10.0
Arge, Madrid	MJ	8,637	26.8	57,582	34.4
Grupo Barro, Madrid	MJ	8,250	NA	55,000	NA
Cid Publicidad, Madrid	MN	7,789	(11.3)	57,719	(4.4)
Grey Espana, Madrid/Barcelona	MJ	7,713	19.2	51,444	19.2
GGK, Madrid/Barcelona	MJ	7,322	225.8	48,836	225.4
Leitmotiv RSCG, Madrid	MJ	6,905	50.0	46,310	35.1
Ricardo Perez Asociados, Madrid	NA	6,736	22.8	50,520	37.1
BCK Alliance, Barcelona/Madrid	MJ	6,441	24.4	42,942	24.6
Leo Burnett Co., Madrid	MJ	5,873	28.9	39,157	28.9
EWDB Espana, Madrid	MJ	5,566	NA	35,701	NA
TBWA-Espana, Madrid	MJ	5,422	40.0	36,139	39.9
Publicis.FCB, Madrid	MJ	4,547	(6.4)	30,337	(6.3)
Slogan, Barcelona	NA	4,479	91.0	29,470	91.0
BDDP/Solucion Diagonal, Madrid/Barcelona	MJ	4,159	95.1	27,702	95.4
Lowe Dos Por Dos, Barcelona	MJ	3,693	24.9	24,622	24.9
Rilova, Zamorano, Rodriguez, Madrid	MJ	3,626	169.8	22,506	153.3
Vigelands, Madrid	MN	2,593	19.6	15,291	19.8
Bozell Espana, Madrid	MJ	1,785	184.7	12,352	494.0
Conquest Europe, Madrid	MJ	1,215	34.3	12,859	30.9
Moline & Publicis, Barcelona	MJ	1,122	48.3	9,332	48.2
Armando Testa, Barcelona	MJ	724	NA	7,999	NA

■ **Notes:** McCann-Erickson includes McCann-Erickson Spain, McCann-Erickson Clarin Publicidad, Iniciativas de Medios, Spain Epic and M-E Universal; Contrapunto 30% owned by BBDO Worldwide; Cid Publicidad 25% owned by FCA! Group, Paris; TAPSA Ayer includes Equipo Tres, CICM and Ayer Direct; Y&R Espana includes Wunderman, Cato-Johnson and Burson-Marsteller; Grupo BSB includes Bates Espana in Madrid, Barcelona and 10 regional offices, plus Delvico/Bates and Central Media in Madrid, Barcelona and Valencia; Howard Marlboro Group and Final Art; Slogan, Lowe Dos Por Dos gross income for both years AA estimate; Lintas includes Iniciativas de Medios; Vigelands, part of London-based Crossworlds Group; BBDO/Espana includes Tiempo/BBDO in Madrid and Barcelona; Grupo Barro 60% owned by London-based Collett Dickenson Pearce.

Agency, city	Outside equity	Gross income	% chg	Billings	% chg
Sri Lanka	Exchange rates: 0.02500 0.03924 rupee				
Thompson (Lanka), Colombo	MN	411	(6.7)	2,744	(6.7)
Minds Lanka, Colombo	MN	75	(9.0)	350	(10.8)

■ **Notes:** Grant/Bozell, minority-owned by Bozell, did not submit figures; Thompson (Lanka) 24.5% owned by J. Walter Thompson Co.; Minds Lanka 40% owned by Bozell.

Sweden	Exchange rates: 0.15595 0.16300 kroner				
Young & Rubicam, Stockholm	MJ	19,879	136.9	132,594	136.9
Swedish Communications, Stockholm	MJ	14,815	17.9	98,818	17.9
BSB Sweden, Stockholm	MJ	13,945	(8.6)	92,971	(2.3)
Intermarco/FCB, Stockholm	MJ	8,453	(6.2)	56,355	(6.3)
McCann-Erickson Sweden, Stockholm	MJ	7,996	12.0	53,335	12.0
HLR & Co./BBDO, Stockholm	MN	5,189	10.1	29,319	NA
Carlsson & Broman/DDB Needham, Stockholm	MJ	4,338	279.9	28,938	610.1
Soren Blanking, Malmo/Stockholm	NA	4,242	0.5	23,564	0.7
Lintas:Sweden, Stockholm	MJ	4,186	15.7	27,921	15.7
KREAB, Stockholm	NA	3,736	NA	24,905	NA
DMB&B, Stockholm	MJ	3,478	12.3	32,978	6.4
Alliance Sverige, Stockholm	MJ	3,275	25.6	21,833	25.5
Saatchi & Saatchi/Laurent, Stockholm	MJ	3,259	(1.2)	21,740	(1.2)
HDM/MK, Stockholm	MJ	3,042	16.6	27,371	57.3
Saatchi & Saatchi Advertising, Stockholm	MJ	2,963	NA	19,764	NA
Welinder, Stockholm	NA	2,916	15.4	21,989	15.3
Blomquist, Stockholm	NA	2,848	(19.0)	16,584	(34.8)
Ehrenstrahle & Co., Stockholm	MJ	2,828	(24.7)	18,856	(24.7)
Lyberg Annonsbyra, Stockholm	NA	2,714	(11.3)	21,858	(5.9)
Ogilvy & Mather 2AB, Stockholm	MJ	2,640	(23.0)	17,612	(23.0)
J. Walter Thompson Co., Stockholm	MJ	2,588	32.3	14,142	8.4
RSCG Hawi, Stockholm	MJ	1,716	26.8	11,439	27.1
Roennberg & Co., Stockholm	NA	1,413	6.2	9,422	6.2
Affaersinformation, Stockholm	NE	1,138	16.4	3,119	3.4
Garbergs Annonsbyra, Stockholm	NA	672	16.0	4,482	16.0
Turbin/Landia Annonsbyra, Stockholm	NA	655	3.0	4,367	3.0
Conquest Europe, Stockholm	MJ	599	70.8	3,995	70.8
Bozell/Svensk Reklamtjaenst, Stockholm	NE	546	(1.5)	1,154	5.7
Producentgruppen, Stockholm	NA	413	NA	2,308	NA

■ **Notes:** Roennberg, Garbergs Annonsbyra, Turbin/Landia Annonsbyra gross income for both years AA estimates; Affaersinformation affiliated with N W Ayer; HLR & Co./BBDO 40% owned by BBDO Worldwide; Ehrenstrahle & Co. 78% owned by BBDO Worldwide; Young & Rubicam includes Wunderman, Cato-Johnson, Burson-Marsteller; Producentgruppen group of small agencies working in the same building in Stockholm; Swedish Communications, a Grey agency, offices in Goteborg, Halmstad and Malmoe, includes Grey Stockholm, Observera, Claesson & Co.

Switzerland	Exchange rates: 0.62005 0.69210 Swiss franc				
Advico Young & Rubicam, Zurich	MJ	16,147	124.4	118,621	147.1
GGK, Basel/Zurich	MJ	13,585	(5.7)	95,202	(0.9)
ASGS/BBDO, Zurich	MN	10,816	(7.3)	72,145	(7.0)
Wirz Advertising, Zurich	MJ	10,603	3.0	70,748	3.6
HDM Marketing Kommunikation, Zurich	MJ	9,782	(4.0)	65,245	(4.0)
Farner Publicis.FCB, Zurich	MJ	8,758	(5.0)	59,041	(3.5)
McCann-Erickson Switzerland, Geneva/Zurich	MJ	8,523	(7.5)	56,849	(7.5)
Lintas:Zurich, Zurich	MJ	5,670	(17.0)	37,819	(17.0)
Marti, Ogilvy & Mather, Zurich	MJ	5,523	15.7	38,092	19.6
Impuls, Zurich	NE	5,227	3.5	35,033	2.9
Grey, Geneva	MN	4,988	(2.6)	33,268	(2.6)
Marsden, Hartmann & Leo Burnett Co. AG, Zurich	MJ	4,097	(23.8)	27,317	(23.8)
J. Walter Thompson Co., Zurich/Lucerne	MJ	3,632	46.6	24,215	51.1
DDB Needham, Kuesnacht/Zurich	MJ	3,535	(8.6)	23,578	(8.6)
Bozell S.A., Geneva	NE	3,442	20.6	21,086	15.1
Saatchi & Saatchi BC, Geneva	MJ	3,224	10.9	21,570	14.0
TBWA, Zurich	MJ	3,069	(4.6)	20,462	(4.6)
Cash RSCG, Zurich	MJ	1,737	(10.4)	11,780	(10.4)
Zogg Kettiger Gasser Werbeagentur, Zurich	NA	1,618	1.7	10,795	1.7
Team Ltd., Zurich	NA	1,488	(2.3)	5,580	0.8
DMB&B, Zurich	MJ	1,244	(11.9)	8,104	(27.0)
Peter Berg, Zurich	NA	1,190	30.2	7,875	29.3
Kern & Kern, Zurich	NA	744	7.5	3,720	7.5
Conquest Europe, Zurich	MJ	310	20.1	2,156	25.2
Rogivue Consulting, Laax-Cons	NA	154	(9.9)	992	9.8
Muller & Partner Alliance, Zurich	MN	150	NA	1,000	NA

■ **Notes:** McCann-Erickson Switzerland includes Unimedia and Services; Bozell S.A. non equity affiliation; Farner Publicis FCB includes Astoria Publicis FCB, a joint venture, and BEP Publicis FCB; Advico Y&R includes Wunderman, Cato-Johnson and Burson-Marsteller; Impuls non equity affiliation with Saatchi & Saatchi Advertising; ASGS/BBDO 34% owned by BBDO Worldwide.

Taiwan	Exchange rates: 0.03665 0.03480 Taiwan dollar				
McCann-Erickson (Taiwan), Taipei	MJ	6,107	43.2	40,736	43.2
Ogilvy & Mather (Taiwan), Taipei	MJ	5,174	38.6	34,512	38.6
Hwa Wei & Grey, Taipei	MN	4,618	54.0	30,801	54.0
Leo Burnett Co., Taipei	MJ	3,295	46.1	21,965	46.1
Bozell CCAA, Taipei	MN	3,181	18.9	22,723	14.6
Eastern Advertising, Taipei	NA	3,179	24.2	21,477	25.4
J. Walter Thompson Taiwan, Taipei	MJ	3,060	361.9	20,158	356.1
Saatchi & Saatchi Gaynor, Taipei	MJ	3,002	24.1	20,025	86.9
International Advertising, Taipei	NA	2,750	31.4	18,332	31.4
Regal International, Taipei	NA	2,694	(14.0)	17,959	(14.0)
Lintas:Taiwan, Taipei	MJ	2,459	29.4	16,404	29.4
Target Advertising, Taipei	NA	2,337	35.4	14,609	35.4
Stentor/BBDO Advertising, Taipei	MJ	2,325	33.6	19,058	33.6
Public Communications, Taipei	NA	2,126	35.7	14,660	40.4
DDB Needham, Taipei	MJ	1,462	49.0	9,750	63.7
Ball Partnership, Taipei	MJ	1,429	NA	7,084	NA
HDM Taiwan, Taipei	MJ	868	NA	5,097	NA
BSB Taiwan, Taipei	MJ	742	NA	4,293	NA
Golden Flower Advertising, Taipei	NA	724	56.6	9,529	44.1

■ **Notes:** Target Advertising affiliated with N W Ayer; McCann-Erickson Taiwan merged with United Advertising in 1989. M-E holds 70%; Regal International, International Advertising and Stentor/BBDO gross income for both years AA estimates; Eastern Advertising has joint venture with Tokyu, Tokyo, and an affiliation with Standard Advertising. Bozell CCAA 45% owned by Bozell.

Agency, city	Outside equity	Gross income	% chg	Billings	% chg
Thailand	Exchange rates: 0.0391 0.04174 baht				
Lintas:Thailand, Bangkok	MJ	7,197	7.2	48,006	7.2
Ogilvy & Mather, Bangkok	MJ	5,611	40.0	38,696	40.3
Far East Advertising, Bangkok	MN	4,271	16.9	28,483	47.6
Spa Advertising Co., Bangkok	NA	3,365	34.4	16,904	34.1
Saatchi & Saatchi Advertising, Bangkok	MJ	3,015	622.4	20,110	588.3
Leo Burnett Ltd., Bangkok	MJ	2,818	176.4	18,790	176.4
Prakit & FCB, Bangkok	MN	2,739	21.5	18,274	21.6
McCann-Erickson Thailand, Bangkok	MJ	2,167	17.8	14,455	17.9
HDM, Bangkok	MJ	2,113	26.6	14,087	29.8
J. Walter Thompson Co., Bangkok	MJ	1,971	13.4	12,114	11.5
DMB&B, Bangkok	MN	1,112	4.1	7,117	6.6
Damask Advertising, Bangkok	NA	1,096	75.0	5,870	36.5
Amex & Grey, Bangkok	MN	931	8.6	7,516	31.4
Bali Partnership, Bangkok	MJ	735	57.0	4,903	57.0
BSB Thailand, Bangkok	MJ	540	NA	1,174	NA
Mayford Ltd., Bangkok	NA	176	(15.6)	1,174	(14.8)

■ **Notes:** Far East Advertising 10.02% owned by DDB Needham Worldwide; Mayford Ltd. gross income for '89 AA estimate.

Trinidad	Exchange rates: 0.23529 0.25870 Trinidad dollar				
McCann-Erickson Trinidad, Port of Spain	MJ	2,050	(2.5)	13,674	(2.5)
Lonsdale/Saatchi & Saatchi, Port of Spain	MN	948	44.8	6,324	39.0
Hernandez/FCB, Port of Spain	MN	574	16.6	3,830	16.6

Turkey	Exchange rates: 0.00050 0.00080 lira				
Cenajans-Grey Reklamcilik, Istanbul	MN	4,900	10.7	29,696	9.4
Manajans/Thompson, Istanbul	MN	3,928	4.8	20,557	5.9
Guzel Sanatlar, Istanbul	NE	3,448	30.6	22,985	30.6
Ajans Ada, Istanbul	NA	3,245	28.4	21,769	27.4
McCann-Erickson Pars, Istanbul	MJ	3,124	17.2	20,834	17.2
RPM/Radar, Istanbul	MN	2,415	NA	16,099	NA
Moran, Ogilvy & Mather, Istanbul	MN	2,126	(7.2)	12,527	(12.1)
Grafika:Lintas, Istanbul	MN	1,961	31.1	13,079	31.1
Merkez Ajans Reklam, Istanbul	NA	1,578	(1.3)	8,137	0.2
Reklamevi, Istanbul	NE	1,177	42.0	8,955	56.7
Markom/Leo Burnett, Istanbul	MN	924	30.4	6,157	30.4
Yaratim/FCB, Istanbul	MN	921	27.0	6,138	27.0
RPM Reklam Paz. Mus., Istanbul	NA	859	45.7	5,808	47.3
Birlesik Reklamcilar, Istanbul	NA	851	NA	6,340	NA
Ajans Ekol Reklam, Istanbul	NA	741	10.6	5,575	24.9
Rota Advertising, Istanbul	NE	545	(14.1)	4,548	(20.0)
Repro Reklam Ajansi, Istanbul	NA	501	19.4	3,025	(15.6)
HDM/Fulmar, Istanbul	MN	493	NA	3,288	NA
IRA Reklam Ajansi, Istanbul	NA	492	19.7	4,225	22.2
Admar Reklam ve Pazarlama, Istanbul	NE	484	34.6	4,629	70.2
Ajans Ultra Reklam, Istanbul	NA	478	(6.4)	2,767	8.1
Era Tanitim Yayin Hizmetleri, Istanbul	NA	424	(5.6)	4,024	(1.5)
Parajans, Istanbul	NA	424	NA	2,706	NA
Birikim Reklamcilik, Istanbul	NA	345	41.9	2,689	43.9
Iliancilik Reklam, Istanbul	NA	129	(32.4)	5,121	(5.5)
Manset Reklam, Istanbul	NA	78	NA	704	NA

■ **Notes:** Reklamevi non-equity affiliation with Young & Rubicam; Guzel Sanatlar gross income for both years AA estimate. Non-equity affiliation with Saatchi & Saatchi Advertising; Cenajans/Grey 30% owned by Grey; Manajans/Thompson 25% owned by J. Walter Thompson Co.; Yaratim/FCB 30% owned by Foote, Cone & Belding; Rota Advertising affiliated with Backer Spielvogel Bates; Admar Reklam ve Pazarlama affiliated with DDB Needham Worldwide; RPM/Radar 30% owned by London-based Collett Dickenson Pearce.

Uruguay	Exchange rates: 0.0019 0.00330 peso				
Corporacion/Thompson, Montevideo	NE	822	(13.5)	5,479	1.5
McCann-Erickson, Montevideo	MJ	323	(10.1)	2,156	(10.1)
Grey Uruguay, Montevideo	MN	315	(0.5)	2,102	(0.5)

U.S. agencies with overseas billings	Exchange rates: From dollars				
McCann-Erickson Worldwide, New York		506,363	10.1	3,377,441	10.1
Saatchi & Saatchi Advertising Worldwide, New York		494,780	19.5	3,271,051	15.0
Young & Rubicam, New York		455,838	18.5	3,135,693	20.7
Backer Spielvogel Bates Worldwide, New York		449,171	10.3	2,985,231	10.0
Ogilvy & Mather Worldwide, New York		394,560	11.4	2,723,515	21.8
Lintas:Worldwide, New York		368,465	9.7	2,457,662	9.7
J. Walter Thompson Co., New York		359,861	19.2	2,556,535	23.5
HDM, New York		337,601	43.6	2,004,719	49.7
BBDO Worldwide, New York		283,042	15.3	1,893,997	15.7
Grey Advertising, New York		258,193	26.1	1,662,117	21.7
DDB Needham Worldwide, New York		249,920	60.7	1,709,126	56.6
D'Arcy Masius Benton & Bowles, New York		239,190	9.1	1,747,846	11.6
Foote, Cone & Belding Communications, Chicago		230,393	9.6	1,542,756	8.9
Leo Burnett Co., Chicago		195,017	18.2	1,300,182	18.2
TBWA Advertising, New York		90,428	21.8	605,387	16.9
NW Ayer Inc., New York		81,663	42.2	539,121	34.5
Scali, McCabe, Sloves, New York		48,027	36.7	279,802	32.7
Chiat/Day/Mojo, Venice, Calif.		44,000	33.3	275,000	17.3
Bozell Inc., New York		35,250	21.8	235,000	21.8
W.B. Doner, Southfield, Mich.		7,904	62.2	72,065	108.5
Hill, Holliday, Connors, Cosmopulos, Boston		7,633	7.1	50,914	7.1
Ketchum Communications, Pittsburgh		4,807	(38.5)	60,800	21.6
Kert Advertising, Ft. Lauderdale, Fla.		2,907	(1.5)	20,014	(10.8)
Telephone Marketing Programs, New York		2,700	48.8	17,900	47.9
Griffin Bacal, New York		1,742	8.9	13,509	13.5
Lally, McFarland & Panteilo, New York		500	100.0	4,020	142.9
Brady Co., Menomonee Falls, Wis.		431	55.5	2,875	55.5
Wells, Rich, Greene, New York		NA	NA	2,000	0.0

■ **Notes:** Parent agencies and the amount of contribution in international gross income and billings (in millions) received from subsidiaries: Saatchi & Saatchi—$0.9/$6.1 from McCaffrey & McCall, Young & Rubicam—$33.2/$221.3 from Wunderman Worldwide, $27.2/$181.1 from Cato Johnson Worldwide, $8.2/$54.9 from Sudler & Hennessey, and $109.5/$747.3 from its percentage ownership in HDM outside the U.S.; DDB Needham Worldwide—$8.3/$55.5 from Bernard Hodes Group, and $4/$27 from Kallir, Philips, Ross; BBDO Worldwide—$1.1/$9 from Doremus & Co.; D'Arcy Masius Benton & Bowles—$31.6/$229.9 from Medicus Intercon International; Backer Spielvogel Bates Worldwide—$14/$93.3 from Kobs & Draft, Foote, Cone & Belding Communications—$186.7/$1,320 from its 49% holding in Publicis FCB B.V., its alliance in Europe with Publicis Communications.

Agency, city	Outside equity	Gross income	% chg	Billings	% chg
U.S.S.R.	Exchange rates: 0.16800 0.00000 ruble				
Y&R/Sovero, Moscow	JV	273	NA	545	NA
Tisza, Ogilvy & Mather, Moscow	MN	34	NA	232	NA

■ **Notes:** Y&R/Sovero is a joint venture.

Venezuela	Exchange rates: 0.02688 0.03130 bolivar				
Corpa, Caracas	MN	7,144	24.1	49,269	25.3
Leo Burnett-Venezuela, Caracas	MJ	3,752	32.4	25,014	32.4
J. Walter Thompson de Venezuela, Caracas	MJ	3,176	(13.6)	21,174	(13.6)
JMC Creatividad/Young & Rubicam, Caracas	NE	2,935	17.1	19,569	17.1
ABC-McCann Publicidad, Caracas	MJ	2,714	14.3	18,104	14.3
FCB/Sibony/Uribe, Caracas	MJ	2,424	36.5	16,170	36.5
Fischer-Grey, Caracas	ND	2,393	54.7	15,963	54.7
AW/Saatchi & Saatchi, Caracas	MN	1,793	31.4	11,954	31.4
Publicistas Venezolanos, Caracas	MN	1,157	52.8	5,510	60.0
BSB Ghersy Quintero, Caracas	NE	1,107	17.9	7,392	15.2
Vapro Publicidad, Caracas	NE	609	0.8	4,785	3.3
DMB&B de Venezuela, Caracas	MN	403	NA	2,016	NA

■ **Notes:** Corpa 19.9% owned by Ogilvy & Mather; BSB Ghersy Quintero non equity affiliation with Backer Spielvogel Bates; DMB&B de Venezuela 19.99% owned by DMB&B; Publicistas Venezolanos 19% owned by BBDO Worldwide; Vapro Publicidad non-equity affiliation with Bozell.

West Germany	Exchange rates: 0.5328 0.57220 mark				
Lintas:Germany, Hamburg	MJ	52,322	0.4	348,986	0.4
Ogilvy & Mather Germany, Frankfurt	MJ	46,200	10.3	318,621	14.1
BBDO Group Germany, Duesseldorf	MJ	46,062	(4.2)	307,235	(4.2)
McCann-Erickson Germany, Frankfurt	MJ	44,552	(0.3)	297,158	(0.3)
Young & Rubicam, Frankfurt	MJ	39,561	(10.2)	263,876	(10.2)
HDM Germany, Duesseldorf	MJ	39,062	1.6	260,541	1.6
Grey Gruppe Deutschland, Duesseldorf	MJ	38,008	10.0	253,515	10.0
BSB Deutschland Holding, Frankfurt	MJ	31,500	(0.3)	209,996	(0.4)
DMB&B, Duesseldorf/Frankfurt	MJ	31,215	(5.3)	283,712	(2.2)
Saatchi & Saatchi Advertising, Frankfurt	MJ	31,082	7.4	207,315	5.8
Wensauer DDB Needham, Munich	MJ	28,827	26.3	192,274	17.9
Michael Conrad & Leo Burnett, Frankfurt	MJ	23,340	12.5	155,607	12.5
J. Walter Thompson Co., Frankfurt	MJ	21,817	(11.8)	145,516	(11.8)
Wilkens Ayer, Hamburg	MJ	20,343	5.6	135,689	(2.2)
Scholz & Friends, Hamburg	MJ	19,502	(1.2)	130,015	(1.2)
Lowe Luerzer, Frankfurt	MJ	18,387	14.7	122,577	14.7
TBWA, Frankfurt	MJ	17,808	14.1	118,720	14.0
Baums, Mang & Zimmerman, Duesseldorf	MN	13,481	2.0	89,919	2.0
Springer & Jacoby, Hamburg	NA	12,850	11.4	95,913	0.4
Heye & Partner/DDB Needham, Munich	MN	12,134	4.2	80,934	4.2
Hildmann Simon Rempen Schmitz SMS, Duesseldorf	MJ	11,981	18.1	79,914	18.0
Serviceplan Werbeagentur, Munich	NA	11,835	7.7	78,942	7.7
Publicis Germany, Duesseldorf	MJ	11,439	(17.2)	76,296	(15.5)
RSCG Butter Rang, Duesseldorf	MJ	10,710	40.7	71,402	30.8
von Mannstein Werbeagentur, Solingen	NA	9,091	(4.3)	60,638	(4.4)
MWI Markenwerbung, Hamburg	MJ	7,909	(0.5)	52,754	(0.5)
GGK Communications, Duesseldorf/Frankfurt	MJ	6,447	(30.4)	43,001	(30.7)
Agenta Werbeagentur, Muenster	NA	5,592	4.9	37,300	5.1
Gueltig & Hoffmeister Alliance, Frankfurt	MN	3,837	14.6	25,587	14.6
FCB Frankfurt, Frankfurt	MJ	3,449	(28.0)	23,006	(28.0)
Gruppe Marketing & Werbung, Frankfurt	MN	3,091	28.6	21,048	29.1
Dongowski & Simon Agentur, Stuttgart	NA	3,037	1.1	20,248	1.1
Komplett Buro, Frankfurt	MN	2,600	NA	17,300	NA
Schmittgall Werbeagentur, Stuttgart	NA	2,504	36.8	16,785	33.3
Bozell Werbeagentur, Frankfurt	MJ	2,339	32.3	15,602	32.4
Holtkamp Muller Kentenich & May, Duesseldorf	MJ	1,865	NA	12,421	NA
Wirz & Hafner Werbeberatung, Frankfurt	MJ	1,492	(2.3)	9,952	(2.3)
V und B/EWDB, Hamburg	MJ	1,409	NA	9,401	NA
Durana Ketchum, Frankfurt	MJ	1,289	NA	8,601	NA
Logo-FCA!, Duesseldorf	MJ	1,279	10.8	8,537	10.8
FCB Direct Marketing, Hamburg	MJ	812	(11.5)	5,413	(11.5)
Conquest Europe, Frankfurt	MJ	693	28.4	4,644	28.9
Publicis FCB Direkt, Frankfurt	MJ	389	NA	2,594	NA

■ **Notes:** McCann-Erickson Germany includes McCann-Erickson International, Universal-Kommunikations, M-E Intensiv, Art Work, Promotion, Healthcare, Media Intensiv and Krakow; Komplett Buro 40% owned by Ketchum Intl.; Holtkamp Muller Kentenich & May, part of Paris-based BDDP Group; Y&R includes Wunderman, Cato-Johnson, Sudler & Hennessey, Burson-Marsteller; Baums, Mang & Zimmermann 49% owned by Publicis FCB; Lowe Luerzer, Dongowski & Simon gross income for both years AA estimate; Gruppe Marketing & Werbung part of the London-based Crossworld group; HDM Germany includes figures for R.W. Eggert; FCB Frankfurt agency will be closed in March 1990; BSB Deutschland Holding includes Cerca, Ted Bates Werbeagentur and Scholz & Friends. Figures for the latter are listed separately.

Yugoslavia	Exchange rates: 0.00000 0.00065 dinar				
SM Alliance, Ljubljana	MN	4,200	NA	28,000	NA

Zambia	Exchange rates: 0.05520 0.14000 kwacha				
Young & Rubicam Zambia, Lusaka	MJ	321	(38.0)	2,141	(38.0)
Peter Gilbert Advertising, Lusaka	NE	62	(55.6)	219	(47.6)

■ **Notes:** Peter Gilbert Advertising non-equity affiliation with Saatchi & Saatchi Advertising.

Zimbabwe	Exchange rates: 0.44480 0.54950 Zimbabwe dollar				
Barker, McCormac Group, Harare	NE	2,264	33.3	9,869	29.8
Lintas:Zimbabwe, Harare	MJ	937	24.5	6,249	24.5
Michael Hogg/Young & Rubicam, Harare	MN	330	(74.5)	2,201	(74.5)

■ **Notes:** Barker, McCormac Group non-equity affiliation with Saatchi & Saatchi Advertising.

In at presstime	Exchange rates: see countries				
Tamir-Cohen, Tel Aviv	NA	3,000	5.3	20,000	5.3
Grant/Bozell, Colombo	MN	750	(26.5)	2,500	(25.0)
Bozell Wymans Bogaerts, Brussels	MJ	1,487	NA	9,912	NA
Synergie Communications, Bangkok	NE	960	(24.3)	4,000	(23.2)
Scanpartner Sverige, Gothenburg	NA	1,586	NA	10,573	NA
East Meridian Communications, Brussels	MJ	1,286	NA	8,582	NA
Euro Meridian Communications, Amsterdam	MJ	689	NA	4,598	NA

The Top 100 in 46th agency report

For top to bottom, it's Dentsu at $1.3 billion to Rubin Postaer at $17.4 million in billings

RANK: 68

Abbott Mead Vickers, SMS

London

Gross income: **$25.8** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	25.3	23.6	8.9
Volume	194.4	177.6	9.4

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	210	180	16.7
Offices	NA	NA	NA

Annual review

Higher interest rates and a sluggish U.K. stock market have temporarily gridlocked a stock buyback deal in which AMV would unite with Scali, McCabe, Sloves (which owns 23% of AMV) to create a holding company whose shares would be used to reduce WPP Group's ownership in Scali from 80% to 20%. AMV's billings slowed to a 9.4% increase in 1989 after a strong 35% push in 1988. This agency owns 76% each of Leagas Delaney Ltd. and Lippa Newton Ltd. in London, along with 100% of a sales promotion subsidiary, McBain Noel Johnson.

Accounts

Gained: Hoover, Sedgewick, Western Union, British Medical Assn, Milk Marketing Board, Rexel, Katharine Hamnett, Homebase.

Lost: Sealink, Britvic, Link House.

Officers

David Abbott, joint chmn-creative dir; Peter Mead, joint chmn; Adrian Vickers, dep chmn; Michael Baulk, managing dir-exec.

Headquarters

Abbott Mead Vickers SMS Limited
191 Old Marylebone Road
London NW1 5DW
Phone: 01 402 4100
Fax: 441 935 5863

RANK: 47

Admarketing Inc.

Los Angeles

Gross income: **$44.9** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	44.9	40.4	11.1
Volume	252.0	224.5	12.2
U.S.			
Gross income	44.9	40.4	11.1
Volume	252.0	224.5	12.2

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	133	138	(3.6)
Offices	1	1	0.0

Annual review

Growth of 15% is expected in billings in 1990 as the agency produces a full-year of work for new accounts gained during 1989—including Ortho Mattress ($8-10 million), Public Storage ($10 million), and Sav-On/Osco. Such gains helped push billings up 12.2% in 1989, and produce $37.5 million in new billings. Existing accounts provided $19 million in billing's growth, while departing accounts including Circuit City Stores ($15 million) took away $29 million in billings.

U.S. accounts

Gained: The Good Guys Stores, Ortho Mattress, RB Furniture, Public Storage.

Lost: Circuit City Stores, Home Club.

Officers

Jack Roth, president-ceo; Robert Recht, chmn; Robert Roth, treasurer; Martin Cagan, exec vp; Denis Kalscheur, exec vp-cfo; Howie Kradow, exec vp, creative; George Abdell, Arlynn Whittaker, Frank Farrell, sr vps-acct supers; Patricia Gleason, vp-national media director; Larry Mandel, vp-California media director.

Headquarters

Admarketing Inc.
1801 Century Park East
Los Angeles, Calif. 90067
Phone: (213) 203-8400
Fax: (213) 277-7621

Holding companies interlock

Holding companies now are buying into each other: FCB and Publicis have exchanged stock, as have WCRS and Eurocom and Interpublic and Lowe Group PLC, the latter now 35.4% owned by Interpublic (in exchange for Lowe's purchase of the rest of Lowe Marschalk). □

RANK: 75

Allen Brady & Marsh

London

Gross income: **$23.8** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	23.8	22.5	5.7
Volume	158.4	149.9	5.7

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	128	142	(9.9)
Offices	NA	NA	NA

Annual review

ABM experienced a year of staff departures and changes in creative direction as billings rose a healthy 13.1% in pounds, which included a new campaign for John Player Special ($11.7 million account) and coordination of TV spending ($33.5 million) for Britvic Corona. The Lowe Group PLC agency believed it had a bead on the Conservative Party account, but the work now is expected to be spread around.

Accounts

Gained: BBC, National Trust, Conservative Party (Europe elections), Adams Foods (Kerrygold), Imperial Tobacco (Embassy Mild, Celebrated Best Counter, St. Bruno).

Lost: Weetabix, Caradon Everest (double glazing).

Officers

John Wood, chmn; David Grey, president.

Headquarters

Allen Brady & Marsh
912 Tavistock Square
London WC1H 9SX, UK
Phone: 01-388-1100
Fax: 441-388-2469

RANK: 90

Alliance International U.K.

London

Gross income: **$20.1** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	20.1	20.7	(3.1)
Volume	133.9	138.2	(3.1)

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	345	282	22.3
Offices	NA	NA	NA

Annual review

The agency, which grew only 1.4% in billings in pounds in 1989, served as a fulcrum for its parent, Lopex Group PLC, to create a single advertising identity in the UK. The agency got its new name when Lopex acquired Rex Stewart Group UK and merged Stewart's Wethey Scott Pocock agency into ASL Alliance/-Alliance UK to form Alliance International UK, which also got Lopex's financial ad unit, St. James Communications. The Alliance moniker now applies to 20 ad agencies worldwide that comprise the agency holding company, Alliance International. That company itself is controlled by Lopex PLC, London.

Accounts

Gained: Gateway supermarkets, Lucas (auto parts), Woolwich Building Society (financial svcs), Baxters (soups), British Telecom (intl call promo).

Lost: Falcon Holidays.

Officers

John Castle, ceo; Pip Kirby, exec vp; Alison Lewis, contact.

Headquarters

Alliance International UK
63-66 St. Martin's Lane
London WC2N 4JX
Phone: 441 836-0281
Fax: 441 240-7612

RANK: 57

Ally & Gargano

New York

Gross income: **$37.0** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	37.0	34.4	7.6
Volume	316.0	295.2	7.0
U.S.			
Gross income	37.0	34.4	7.6
Volume	316.0	295.2	7.0

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	230	220	4.5
Offices	2	2	0.0

Annual review

Billings are expected to expand from the 7% growth in 1989 to a projected 10% to 15% in 1990 stemming from the full impact of the newly acquired $25 million Shearson Lehman Hutton account, the consolidating of Tambrands business at A&G (it gained the $15 million Tampax brand) and $12 million in new products from Weight Watchers. Lorillard, Jergens and Pfizer also added to the $15 million billings increase from existing business, offsetting $20 million in lost business. In December, 1988, MCA sold 50% of this agency, and operating control, to Wesray Capital Corp. for $30 million, resulting in a reshuffling of personnel. In May, Bill Bishop resigned as president to chair a small healthcare agency. Warren Dechter was promoted to president-ceo from exec vp-client svcs, and relinquished the ceo title to William N. Luceno when he was hired from Welis, Rich, Greene where he had been president. Nancy Vaughan was named exec vp-group creative director to strengthen A&G's ability to address the women's market. The agency's focus shifted to packaged goods.

U.S. accounts

Gained: Shearson Lehman Hutton, Tambrands Inc.'s Tampax brand, Heinz's Weight Watchers (new prod), Jergens' Actibath, Pfizer (new prods).

Lost: Waldenbooks.

Officers

William Luceno, ceo; Amil Gargano, chmn; Warren Dechter, president; Michael Tesch, exec vp-dir creative svcs; Nancy Vaughan, exec vp-group creative head; Dawn Sibley, exec vp-dir media svcs.

Headquarters

Ally & Gargano
805 Third Ave.
New York, N.Y. 10022
Phone: (212) 688-5300
Fax: (212) 418-6875

RANK: 54

ALmap/BBDO

Sao Paulo

Gross income: **$38.0** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	38.0	NA	NA
Volume	144.1	NA	NA

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	3	NA	NA

Annual review

This 20%-owned BBDO unit, fully named Alcantara Machado, Periscinoto/BBDO, gained Visa, Epilady and two chemical clients, among others. Billings show a dramatic increase, although year-to-year comparisons are rendered meaningless because of inflation ranging from 40% to 70% per month in 1989. ALmap operates three offices.

Accounts

Gained: Bradesco Seguros Insurance, Proteeno (Epilady), Pfizer drugs, Petroquisa chemicals, Petrofertil chemicals, Visa.

Officers

Alex Periscinoto, managing dir-creative dir; Nelson dos Santos Ortega, adm/financial vp.

Headquarters

Almap/BBDO
Avenida Paulista 688, 01310 Piso 14
Sao Paulo, SP, Brazil
Phone: 55 11 289-1122
Fax: 55 11 251 1118

RANK: 81

ARC Advertising

London

Gross income: **$21.6** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	21.6	13.8	56.3
Volume	144.0	92.1	56.3

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	127	92	38.0
Offices	1	1	0.0

Annual review

Three subsidiary start-ups involving direct marketing, business-to-business and

Reader's guide to agency profiles

Glossary to information in this report

RANK: 18

International Inseparable Agency

New York

Gross income: **$100.0** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	100.0	75.0	33.3
Volume	667.0	500.3	33.3
Income & volume			
U.S.			
Gross income	50.0	40.0	25.0
Volume	333.5	266.8	25.0

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	3,000	2,500	20.0
Offices	50	45	11.1

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
IIA, New York	283.5
IIA, Houston	12.0
IIA, Detroit	25.0
IIA, Orlando, Fla	3.0
Non-U.S. offices, location	**Billings**
IIA & others, Milan(MJ)	333.5
IIA Spain, Madrid(MN)	15.0
IIA AG, Hamburg(JV)	25.0

International Inseparable Agency, headquartered in New York, answered a questionnaire received from *Ad Age* in late December. But if the editors had not heard from IIA by January, a second form was sent. If IIA still had not responded and had gross income greater than $16.0 million in the prior year, the agency was contacted for a response.

Income: IIA and other agencies are ranked by worldwide gross income, which gives a better indication of size than volume (billings). Gross income is generally the sum of three sources: A percentage markup (15% or less) from media buys; a 17.65% markup for materials and services billed to the client; and the fee charged to the client.

Volume: Volume (short for capitalized billings) is the sum of three types of agency activity: Total commissionable billings for ad space and time; gross billings to clients for materials like artwork, research, etc., when supplied or performed by organizations other than the agency; and capitalized fees. Fees are capitalized by multiplying fees by 6.67. This makes fee income equivalent to billings by treating the fee as if it were a media commission. The 6.67 multiplier is the quotient of 100 divided by 15 (the media commission).

Workforce & facilities: This is IIA's total number of employees and offices worldwide, including all subsidiaries.

U.S. office billings in 1989: IIA broke out billings for each major U.S. office, or these billings were estimated by *Ad Age* and the agency was called for comment. Subsidiary offices are included if the subsidiary's billings are included in the parent's total. Service offices are not included.

Non-U.S. office billings in 1989: Non-U.S. billings and gross income were obtained by questionnaire. Throughout this report, agency affiliations with large multinational agency networks are noted by the following symbols:

(MAJ) majority ownership by the multinational
(MIN) minority ownership by the multinational
(MO) equity ownership not disclosed
(NA) equity not available
(NE) a non-equity affiliation
(JV) a 50%/50% joint venture

printing and publishing operations, and major new accounts won by the main agency in 1989 should effect a billings growth of 25% in 1990. The agency, whose staff increased by 38%, has recorded at least 30% growth in billings each of its past three fiscal reporting periods. Management at ARC recently bought back the agency from Grey Advertising.

■ Accounts

Gained: Jeyes Hygiene (industrial cleaners), Whitehall (additional brands), Norsk Data, *TV Guide*, Nutrition Direct, Blackpool Resort, Argus Newspaper Group, Sky Channel, Phoenix Foods (corporate), BAT (Cortina cigarette in Europe), Thorn Lighting, Birds Eye Wall's, Trusthouse Forte Catering, Griffin Factors (Midland Bank).

Lost: Plasplugs, Royal National Institute for the Blind.

■ Officers

Peter Steadman, ceo; John Goldsmith, chmn; Tony Holman, vice chmn; Graeme Robertson, head of A/C; Paul Brown, media dir; Ray Hearder, Ian Scott, creative dirs; Sharon Skeggs, new business dir; Malcolm Hunter, planning dir; Bharat Khaneka, finance dir.

■ Headquarters

ARC Advertising
195 Euston Road
London NW1 2BN U.K.
Phone: 441-387 7707
Fax: 441-388-3585

RANK: 35

Asahi Advertising

Tokyo
Gross income: **$82.9** million

■ Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	82.9	70.7	17.3
Volume	509.4	440.3	15.7

■ Workforce & facilities

Worldwide	1989	1988	% chg
Employees	787	790	(0.4)
Offices	27	27	0.0

■ Annual review

The agency, with 27 offices in Japan, experienced 15.7% billings growth in 1989, down from a nearly 30% increase in 1988 over the prior year. Asahi anticipates a similar 17% growth in 1990. Asahi also operates a public relations unit, Asako PR, and creative unit, Creative A, in Tokyo.

■ Accounts

Gained: None

Lost: None

■ Officers

Tokushiro Misawa, president-ceo; Noriatsu Ichimura, sr managing dir; Hiroshi Miyazawa, sr managing dir; Hideyuki Hashimoto, managing dir; Akira Mamine, managing dir; Michio Echizen, dir-intl.

■ Headquarters

Asahi Advertising Inc
2-16, Kyobashi 3-chome
Chuo-ku, Tokyo 104, Japan
Phone: 813-272-6763
Fax: 813-272-7349

RANK: 30

Asatsu Inc.

Tokyo
Gross income: **$113.9** million

■ Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	113.9	102.7	10.8
Volume	837.3	740.4	13.1

■ Workforce & facilities

Worldwide	1989	1988	% chg
Employees	1,000	860	16.3
Offices	15	15	0.0

■ Annual review

Asatsu, posting a 13.1% growth in billings in 1989, expects a similar gain in 1990 based on continued worldwide expansion and a favorable economic climate for advertising due in part to the Japanese government's emphasis on local business growth. A Frankfurt, Germany, office was founded in 1989; the agency bought CAM Associates Pte. in Singapore and acquired major equity in Thai Image, Thailand.

■ Accounts

Gained: Pfizer Oral Care (Plax), Rothmans Marubeni Tobacco Corp. (Craven, Vogue), Socie World, NEC Home Electronics.

■ Officers

Masao Inagaki, ceo-president; Kenichi Ishihara, Ichiro Ohta, Hiroshi Shimizu, sr managing dirs; Yoshihide Sano, Tsutomu Takeda, managing dirs-account svcs; Tokuya Kama, managing dir-finance; Isao Sekiya, managing dir-media; Masatsugu Tsuji, managing dir-admin; Tsuneo Nakamura, dir-intl.

■ Headquarters

Asatsu Inc.
1-9-6, Shimbashi
Minato-ku, Tokyo 105 Japan
Phone: 813-575-3111
Fax: 813-572-2428

RANK: 77

Austin Knight

London
Gross income: **$23.0** million

■ Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	23.0	19.1	20.4
Volume	153.6	127.6	20.4

■ Workforce & facilities

Worldwide	1989	1988	% chg
Employees	395	387	2.1
Offices	NA	NA	NA

■ Annual review

Numerous account gains at Austin Knight, Britain's largest recruitment agency, helped boost billings 20.4% in 1989. The agency has 10 shops in the U.K., six in the U.S., three in Australia, two in Canada and one each in France and the Netherlands.

■ Accounts

Gained: Milk Marketing Board, Kentucky Fried Chicken, Anglian Water, BBC.

■ Officers

Ken Fordham, group chmn; Execs—M.J. Goodwin, T.C. Mallott, M.E. Ray, R.J. Ratcliffe, A.T. Knight, M.T.A. Purvis.

■ Headquarters

Austin Knight
Knightway House, 20 Soho Square
London, W1A 1DS, England
Phone: 441 437 9261
Fax: 441 439 3410

RANK: 18

N W Ayer

New York
Gross income: **$210.5** million

■ Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	210.5	185.2	13.6
Volume	1,398.2	1,347.7	3.7

■ Workforce & facilities

U.S.			
Gross income	128.8	127.8	0.8
Volume	859.1	946.7	(9.3)

■ Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

■ Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Zwirner, Collins, Karo, Trusk & Ayer, Chicago	41.8
N W Ayer, Dallas	58.1
N W Ayer, Detroit	43.9
N W Ayer, Houston	45.8
N W Ayer, Los Angeles	37.5
N W Ayer, New York	632.0

Non-U.S. offices, location	Billings
Affaersinformation, Stockholm(NE)	3.1
Ayer Nederland, Deventer, Netherlands(MJ)	18.4
Ayer New Zealand, Auckland(MJ)	7.1
Ayer Portugal, Lisbon	1.9
Ayer Vasquez, Buenos Aires(MN)	4.1
Ayer Great Britain, London(MJ)	62.5
Eastern Ad Co., Seoul(NE)	8.6
FLZ & Ayer, Petaling Jaya, Malaysia(MN)	2.5
J&C Advertising Oy, Helsinki(NE)	2.1
Leo Davis Ayer, Hong Kong(MJ)	9.1
MGTB Ayer, Paris(MN)	120.7
NWA Ltd., London	3.8
Publimerca, Guatemala City(NE)	1.6
Publistor Ayer, Milan(MJ)	66.6
TAPSA Ayer, Madrid(MJ)	148.8
TAPSA/N W Ayer, Madrid(MJ)	196.8
Withens Ayer, Hamburg(MJ)	135.7

■ Annual review

Ayer, which moved to new headquarters in New York's Worldwide Plaza, could not stem the tide of account losses which rolled over the agency in 1989. The $150-$200 million Burger King business was the biggest national defection. New York execs were sent in to shore up the Chicago office which lost key accounts—regional Burger King business ($25 million), Illinois Bell ($15 million), Deere & Co. ($8-$10 million), Citicorp Savings of Illinois ($5 million) and Outboard Marine Corp., which pulled back on consumer advertising and consolidated trade advertising elsewhere. The Chicago office then was merged with Zwiren, Collins, Karo, Trusk, a local shop which Ayer bought in late 1989. Other losses included Sterling Drug's Neo-Synephrine ($3.7 million), although the agency retained Sterling's Phillip's Milk of Magnesia, Haley's M-O and Phisoderm. The Avon Products account also went in-house. In early 1990 its Houston office lost the Continental Airlines account ($45-$50 million). These losses were somewhat offset by $145 million account gains in pan-European billings from Gillette, Beiersdorf AG's Cosmed division and SEAT, the Spanish division of VW, as well as Procter & Gamble's domestic consolidation of Folgers coffee account ($45 million) at Ayer. Midyear, the agency acquired 40% of Canada's Spectrum Group which owns McKim Advertising, Toronto, an estimated $150 million shop. Earlier, it pulled out of Australia by selling back its 49% equity in Connaghan & May. Ayer but continued as an international associate. In December it agreed to acquire 100% ownership of Ayer Barker, its London-based affiliate, in exchange for Ayer's 12.7% stake in parent Charles Barker PLC. Also, it formed a joint venture with World International Network, a TV production company, to develop, produce and distribute programming via "member" broadcast channels reaching 106 countries. In early 1990, the pr unit was reorganized and renamed Wayland Associates after agency founder F. Wayland Ayer. Louis T. Hagopian, 29-year-agency veteran, retired as chairman and was succeeded by Jerry J. Siano. Thomas Maxey, president-international, was named vice chairman responsible for all worldwide offices except New York and Detroit. Charles Decker, former president of Mediatech-East, was named director of worldwide business development, a new post.

■ U.S. accounts

Gained: C.R. Eggs (low cholesterol eggs), Scandinavian Airlines, *Chicago Sun-Times*, Delta Dental, Medical Communications Services, *Outside Magazine*.

Lost: Avon Products, Burger King, Citicorp Savings of Illinois, Deere & Co., Honeywell Inc., Illinois Bell Telephone, Outboard Marine, Neo-Synephrine, *TV Guide*.

■ International accounts

Gained: Montana/Monteil (Groupe Beecham), Beiersdorf Cosmed div; Ryobi, Marlin Gerin.

Lost: Avon Products, Burger King, Copper Development Assn., DuPont, General Motors.

■ Officers

Jerry J. Siano, president-ceo; Thomas F. Maxey, vice chmn; Exec vps—Patrick Cunningham, ceo; Dominick F. Rossi Jr., president, Ayer New York; Stanley B. Mattison, president, Ayer International; Charles W. Meding, managing dir-national opers; Warren E. Albright, dir-New York; James M. Anderson, president-ceo, McKim Advertising, Canada. Dirs-Ayer, New York: David Gantman, Keith B. Gould, Arthur W. Meranus, Fred I. Posner, John F. Walsh; Jerry N. Jordan, fin-adm, New York; Fernando Ocana, president-ceo, Tapsa Ayer, Spain; Theodore M. Regan Jr., managing cr dir-Ayer International; Marcella Rosen, dir-domestic offices.

■ Headquarters

N W Ayer
Worldwide Plaza, 825 Eighth Ave.
New York, N.Y. 10019
Phone: (212) 474-5000
Fax: (212) 474-5400

RANK: 4

Backer Spielvogel Bates Worldwide

New York
Gross income: **$759.8** million

■ Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	759.8	689.8	10.2
Volume	5,143.2	4,677.9	9.9

U.S.			
Gross income	310.7	282.7	9.9
Volume	2,158.0	1,964.2	9.9

■ Workforce & facilities

Worldwide	1989	1988	% chg
Employees	6,975	6,739	3.5
Offices	140	140	0.0

■ Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Backer Spielvogel Bates Worldwide, New York	1,181.3
Campbell-Mithun-Esty, Chicago	161.8
Campbell-Mithun-Esty, Detroit	177.0
Campbell-Mithun-Esty, Minneapolis	321.2
Campbell-Mithun-Esty, New York	199.8
Kobs & Draft, Chicago	44.3
Kobs & Draft, New York	72.7
Kobs & Draft, San Francisco	NA

Non-U.S. offices, location	Billings
Arellano/Ted Bates, Mexico City(MN)	18.6
Backer Spielvogel Bates Canada, Toronto(MJ)	104.2
Backer Spielvogel Bates, Hong Kong(MJ)	43.4
Backer Spielvogel Bates, Singapore(MJ)	7.8
BSB Athens Advertising, Athens(MJ)	11.1
BSB Bolesgruppen Norway, Oslo(MJ)	140.6
BSB Boom, Lisbon(MJ)	18.1
BSB Brussels, Brussels(MJ)	98.0
BSB Deutschland Holding, Frankfurt(MJ)	210.0
BSB Dorland, London(MJ)	530.4
BSB Finsad Advertising, Helsinki(MJ)	84.5
BSB France, Paris(MJ)	89.3
BSB Gherry Quintero, Caracas(NE)	7.4
BSB Italia, Milan(MJ)	73.6
BSB Japan, Tokyo(MN)	38.0
BSB Sweden, Stockholm(MJ)	93.0
BSB Taiwan, Taipei(MJ)	4.3
BSB Thailand, Bangkok(MJ)	1.2
BSB Thailand, Bangkok	NA
BSB (Malaysia), Kuala Lumpur, Malaysia(MN)	18.1
BSB/Gubbins, Lambiasi, Santiago	3.7
BSB/Meza, Bogota(NE)	8.0
Diamond Ad, Seoul(MN)	69.6
Dr. Puttner & Ted Bates, Vienna(MJ)	28.5
George Patterson Pty., Sydney(MJ)	512.2
Grupo BSB, Madrid(MJ)	252.8
Hunter Advertising, Dublin(MJ)	16.1
Insight Communications, Lagos, Nigeria(NE)	0.0
Norgard Mikkelsen Reklamebureau, Denmark(MJ)	40.9
Perdomo-Ted Bates/Public, Lima(NE)	0.7
PT Bates Mulia Indonesia, Jakarta(NE)	7.0
Rota Advertising, Istanbul(NE)	4.5
Scholz & Friends, Hamburg(MJ)	130.0
Sista's Private, Bombay(NE)	8.5
Ted Bates Co., Amsterdam(MJ)	38.3
Ted Bates Holding, Copenhagen(MJ)	129.7
Ted Bates New Zealand, Wellington, N.Z.(MJ)	28.1
VIP Publicidad, Quito(NE)	1.4

■ Annual review

Worldwide billings were up 9.9%, as domestic and overseas businesses shared equally in the growth. In the U.S., $61 million in billings came both from new clients, including J.P. Morgan ($9 million) and Jhirmack ($14 million), and from existing accounts, including new products from Burroughs-Wellcome, Carter Wallace, North American Philips and Xerox. The agency retained CBS' media planning and buying account but lost the CBS entertainment division ($6 million). It suffered one of its biggest losses early this year when Prudential Insurance ($60 million) left after 20 years—a decline likely to cause some layoffs in the New York office. International expansion included the consolidation of the Fisher-Price pan-European account ($9.6 million) at BSB with Dorland as lead office. In early 1990 BSB bought four agencies in Norway and Sweden from Scan Partner. BSB Europe reached a deal in June, 1989, with Goskino, the Soviet state committee for cinematography, to train Soviets in developing TV commercials. During the year, Chairman-CEO Robert Holmen retired, William Backer became president-worldwide creative director, Robert H. Lenz became chairman-exec creative dir and Constantine "Dean" Scaros, president-managing director.

■ U.S. accounts

Gained: Kobacker Shoes, Webster Industries (Good Sense), Ohio State Fair, Playtex Family Products Corp. (Jhirmack brand), J.P. Morgan & Co.

■ International accounts

Gained: Mars Pedigree Petfoods—Dorland.

Lost: Shulton—Dorland.

■ Officers

Carl Spielvogel, chmn-ceo-Worldwide; William M. Backer, president-Worldwide exec creative dir; Alvin A. Achenbaum, vice chmn, professional svcs-Worldwide; Exec vps worldwide—John N. Citron, finance & admin; Anne Melanson, dir human resources; Kenneth R. Rogers, multinational managing dir-Worldwide; Jacqueline Silver, dir rsch svcs & strategic planning; Judy Torello, sr vp-dir corp communications-Worldwide. New York—Robert H. Lenz, chmn-exec creative dir; Constantine Scaros, president; Stephen M. Lee, vice chmn-dir media & admin svcs; Exec vps NY—Randolph Lindel, coo; Mel Epstein, finance & admin; Jay Schoenfeld, media dir; Dennis Zolnierzak, dir business devel; Charles Breen, Nicholas Gisonde, co-creative dirs. E. Michael Roche, general mgr, LA; Raymond S. Caruso, exec vp-genl mgr, Ohio.

■ Headquarters

Backer Spielvogel Bates Worldwide
The Chrysler Building
405 Lexington Ave.
New York, N.Y. 10174
Phone: (212) 297-7000
Fax: (212) 297-7007

RANK: 99

Baker Lovick Advertising

Toronto
Gross income: **$17.7** million

■ Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	17.7	16.3	8.7
Volume	118.4	108.9	8.7

■ Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	6	NA	NA

■ Annual review

Baker Lovick expects billings to grow about 8.5% in 1990, with the increase coming largely from Western Canada covered by its offices in Vancouver, Calgary, Edmonton and a Victoria office to start up this year. Returns in 1989 included those of Grant Tandy Ltd., which merged with BL in June 1989. In the merger, Grant Tandy's core accounts John Deere, Dun & Bradstreet and Merrell Dow Pharmaceuticals came on board. GT's Arby account ($700,000) was resigned due to conflict. Under the new ownership structure, Baker Lovick is owned 100% by Comcore/BBDO Inc., while Omnicom Group's BBDO Worldwide retains 49% equity of Baker Lovick.

■ Accounts

Gained: Bristol Laboratory (pharmaceuticals), Coal Producer's Assn, DOW Chemical, Executive House Hotel, Hoescht U.S. (farm chemicals), Hormel (meat), Interlink Systems (specialty video systems—buses), O'Donal's Restaurant, Real Estate Board of Vancouver, Rogers Entertainment (cable svcs), VTech (electronics), Western Industrial Clay Products.

Lost: Arby's, Canadian Kenworth (trucks), Casabellow Wines, CNCP Telecommunications, Crowntek (custom computer svcs), Frito-Lay, Holiday Juice, Investor's (financial svcs), Lloyd's Bank, Paccar (auto parts), Parallam (wood prods), Taco Time (food), Theon Commerce (pharmaceuticals, cosmetics).

■ Officers

P.R. Mills, president-ceo. Exec VPs—G.D. Baston, secretary; B.V. Damast, national creative dir; M.L. Kingston, regional general mgr; D.M. Lamb, managing dir-B.C.; R.B. Ranson, chmn-Alberta; W.E. Robinson, A.C. Ross, P.E. Stringham, regional general mgrs.

■ Headquarters

Baker Lovick Advertising
60 Bloor St. West
Toronto, Ont. M4W 3B8 Canada
Phone: (416) 963-4487
Fax: (416) 963-8067

RANK: 82

Bartle Bogle Hegarty

London
Gross income: **$21.4** million

■ Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	21.4	19.0	12.8
Volume	159.2	126.7	25.7

■ Workforce & facilities

Worldwide	1989	1988	% chg
Employees	175	160	9.4
Offices	1	1	0.0

■ Annual review

After a 25.7% billings jump last year influenced by major account gains from Sony, Cadbury and Royal Bank of Scotland among others, the London agency predicts growth of 21% for 1990 based on the full effect of 1989 business gains and projected additional business.

■ Accounts

Gained: Sony, Brewers' Society, Spillers, PowerGen, Van den Berghs, Cadbury, Swinton Insurance, Showerings, Royal Bank of Scotland.

■ Officers

John Bartle, Nigel Bogle, joint ceos; John Hegarty, creative dir; Jerry Judge, chmn; Tim Lindsay, Simon Sherwood, joint managing dirs; Martin Smith, deputy chmn; Andrew Jackson, new business dir; Richard Eyre, media dir; Charlie Robertson, head of acct planning.

■ Headquarters

Bartle Bogle Hegarty Ltd
24/27 Great Pulteney St.
London, W1R 3DB
Phone: 441 734 1677
Fax: 441 437 3666

RANK: 7

BBDO Worldwide

New York
Gross income: **$656.6** million

■ Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	656.6	585.9	12.1
Volume	4,550.0	4,051.2	12.3

U.S.			
Gross income	373.6	340.5	9.7
Volume	2,956.0	2,414.3	10.0

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	5,520	5,497	0.4
Offices	222	203	9.4

■ **Office billings in 1989** ($ in millions)

U.S. offices, location	Billings
Ammirati & Puris (50%), New York	110.0
Baxter, Gurian & Mazzei, Beverly Hills, Calif	26.0
BBDO Worldwide, Atlanta	145.9
BBDO Worldwide, Chicago	175.7
BBDO Worldwide, Los Angeles	141.2
BBDO Worldwide, Minneapolis	51.2
BBDO Worldwide, New York	604.7
BBDO Worldwide, Palo Alto, Calif	37.7
BBDO Worldwide, Southfield, Mich	174.4
Blair Advertising, Rochester, N.Y.	20.2
Carravetta Allen Kimbrough, Miami	16.9
Frank J. Corbett Inc., Chicago	65.8
Doremus & Co., Boston	18.0
Doremus & Co., Chicago	7.0
Doremus & Co., Los Angeles	3.0
Doremus & Co., New York	120.0
Doremus & Co., San Francisco	NA
Lavey/Wolff/Swift, New York	107.7
Rapp Collins Marcos, New York	113.0
Tracy-Locke, Atlanta	20.4
Tracy-Locke, Dallas	305.7
Tracy-Locke, Denver	NA
Tracy-Locke, Los Angeles	23.1
Tracy-Locke, New York	55.4
Tracy-Locke, Philadelphia	NA

Non-U.S. offices, location	Billings
AKT/BBDO Business, Helsinki(MN)	13.7
Alberto Garnier, San Jose(NE)	11.5
Almap/BBDO, Sao Paulo(MN)	144.1
Andina/BBDO, Guayaquil, Ecuador(NE)	2.2
Antena/BBDO, Lisbon(MN)	8.8
Anthonissen & Associates, Brussels(MJ)	1.6
Apex Publicidad, San Salvador(NE)	3.0
ASGS/BBDO, Zurich(MN)	0.0
Atenas/BBDO, Bogota(NE)	11.4
Avance/BBDO Publicidad, Guatemala City(MN)	4.8
Baker Lovick, Toronto(MN)	118.4
BBDO Advertising, Singapore(MJ)	7.8
BBDO Business Communications, Copenhagen(MJ)	6.3
BBDO de Chile, Santiago(MN)	19.0
BBDO Espana, Barcelona(MJ)	183.2
BBDO Group Germany, Duesseldorf(MJ)	307.2
BBDO Hong Kong, Hong Kong(MJ)	30.9
BBDO Puerto Rico, Hato Rey, P.R.(MJ)	27.9
BBDO Retail Canada, Toronto(MJ)	11.9
BBDO, London(MJ)	52.7
BBDO Athens, Athens(MJ)	16.9
Clemenger/BBDO New Zealand, Auckland(MN)	82.6
Clemenger/BBDO, Melbourne(MN)	325.1
CLM/BBDO, Paris(MJ)	177.8
Comcare Direct, Toronto(MJ)	6.5
Contrapunto, Madrid(MN)	78.8
David Ratto/BBDO, Buenos Aires(MN)	31.2
Diesto/BBDO, Mexico City(MN)	10.9
Ehrenstrahle & Co., Stockholm(MJ)	18.9
FHV/BBDO Group, Amstelveen, Netherlands(MJ)	213.8
Henriksen & Sieling/BBDO, Copenhagen(MJ)	34.6
Harmonika, Zegers, Santiago(MN)	5.8
HLR & Co./BBDO, Stockholm(MN)	29.0
Impact/BBDO International, Nicosia, Cyprus(MN)	26.1
Italia/BBDO, Milan(MN)	184.2
Jenssen & Borkenhagen/BBDO, Oslo(JV)	4.0
Jenssen & Borkenhagen/BBDO, Oslo(JV)	5.1
Jenssen & Borkenhagen/BBDO, Oslo(MN)	29.1
LG Ad, Seoul(NE)	160.7
Manhattan International, Karachi, Pakistan(NE)	2.0
Media Team, Brussels(MJ)	9.4
Moors Brasselaer, Brussels(MJ)	15.9
Marael & Partners, Antwerp(MJ)	6.4
Nielsen, Mikkelsen & Duus, Copenhagen(MJ)	16.0
Obre, Gronholm & Bydal, Copenhagen(MJ)	4.3
Oy Avant/BBDO, Helsinki(MN)	2.4
PAC/BBDO Worldwide, Manila(MN)	9.3
Publicistas Venezolanos, Caracas(MN)	5.5
Rogelio Diaz Publicidad, Panama City	1.5
Tunsabel Advertising, Lagos, Nigeria(NE)	2.9
R.K. Swamy/BBDO Advertising, Madras, India(NE)	20.1
Sorenson, Selig & Goldmann, Copenhagen(MJ)	4.1
Stentor/BBDO Advertising, Taipei(MJ)	19.1
Team/BBDO, Vienna(MJ)	26.3
VVL/BBDO, Brussels(MJ)	35.1
Wings/BBDO, Petaling Jaya, Malaysia(MJ)	9.4
Zeus Publicidad, Tegucigalpa, Honduras(MN)	3.1

■ **Annual review**

Worldwide expansion remained a priority at BBDO which named a new European board of directors in January 1989, to prepare for 1992. By November, a joint venture in the Soviet Union was being planned with West German publishing giant Burda and Soviet government agency Vneshtorgizdat. In between, BBDO bought a minority stake in Jenssen & Borkenhagen, Oslo; bought Gallardo Cordoba & Associates, San Juan, Puerto Rico, increased its minority equity in Stentor/BBDO, Taipei, to a majority; and signed non-equity affiliation agreements with shops in Ireland (Dublin) and Pakistan. Major account gains at BBDO-named shops included Hellmann's and Best Foods mayonnaise brands ($20 million), additional business from Sara Lee Corp.'s European coffee and groceries unit ($30 million) and Federal Express international ($20 million). These gains outweighed losses of Lorillard's Kent brand ($10 million), Lever Bros.' Wisk ($13 million) and Alamo Rent A Car ($5 million) to help BBDO post consolidated billings growth of 12.3%. Norman Campbell retired as chairman-ceo of BBDO Worldwide and was succeeded by Allen Rosenshine. Separately, Arthur Sturgess was named to new post of president at BBDO Asia-Pacific, while Willi Schalk resigned as president-ceo BBDO Worldwide and Carl Casselman took the new post of senior vp-senior creative director in New York. Carmichael-Lynch in Minneapolis bought subsidiary Doremus & Co.'s Kansas City office, and subsidiary Tracy-Locke's LA office suffered the loss of the $75 million Taco Bell account. T-L's Phil Slott, chairman-chief creative officer, retired.

■ **U.S. accounts**

Gained: Chicago—Central Telephone, Telephone Company Services; New York—Best Foods (Skippy Peanut Butter, Mueller's Children's Pasta), Converse, Federal Express Intl; Minneapolis—Twin Cities Television Coalition, Surdyk's Liquor, Federal Express; Atlanta—Ryland Homes, South Florida Dodge Dealers; LA/SF—Pizza Hut, Glendale Federal Savings, Pioneer.

Lost: Chicago—Mindscape, Affiliated Banc Group; New York—Lever (Wisk), Lorillard (Kent), Chrysler First, Converse; Atlanta—Alamo Rent A Car, Portman Berry Companies; LA/SF—Claris, Bumble Bee, Fisher.

■ **International accounts**

Gained: Seagram—Argentina, Hong Kong, Netherlands, Spain; Sara Lee—Australia, Belgium, France, Germany, Malaysia, Netherlands, Singapore; Schwarzkopf—Australia, Austria, Germany, Netherlands; Ralston Energy Systems—Austria, Belgium, France, Italy, Spain, Switzerland; DMV-Campina—Belgium, El Salvador, Germany, Greece, Hong Kong, Middle East, Netherlands; S.C. Johnson—Greece, Middle East, New Zealand; Sopral/Rowntree—Greece; Polaroid—Portugal.

Lost: Mexx—Austria; Agfa—Belgium; Johnson & Johnson—Belgium; Hasbro—Hong Kong; Wrigley—Netherlands.

■ **Officers**

BBDO Worldwide: Allen Rosenshine, chmn-ceo; Philip B. Dusenberry, vice chmn; J. Thomas Clark, vice chmn-chmn BBDO N. America; James Cannon, exec vp-cfo; Bruce Macdonald, exec vp; Lewis Pringle, exec vp-chmn Europe, Mid-East, Africa; Eduardo Vargas, exec vp-chmn Latin America; Arthur Sturgess, chmn Asia-Pacific; Andrew Donchak, sr vp; Barry Wagner, secretary. BBDO Atlanta—Donald C. Mitchum, president-ceo. BBDO Chicago—Eric Harkna, president-ceo; Roger Mohr, chmn. BBDO Detroit—W.R. Kelly, ceo-president. BBDO LA/SF—Gene Cameron, ceo-president. BBDO Minneapolis—Jon Firestone, president-ceo. BBDO New York—Philip B. Dusenberry, chmn-ceo; Gary de Paolo, exec vp-managing dir.

■ **Headquarters**

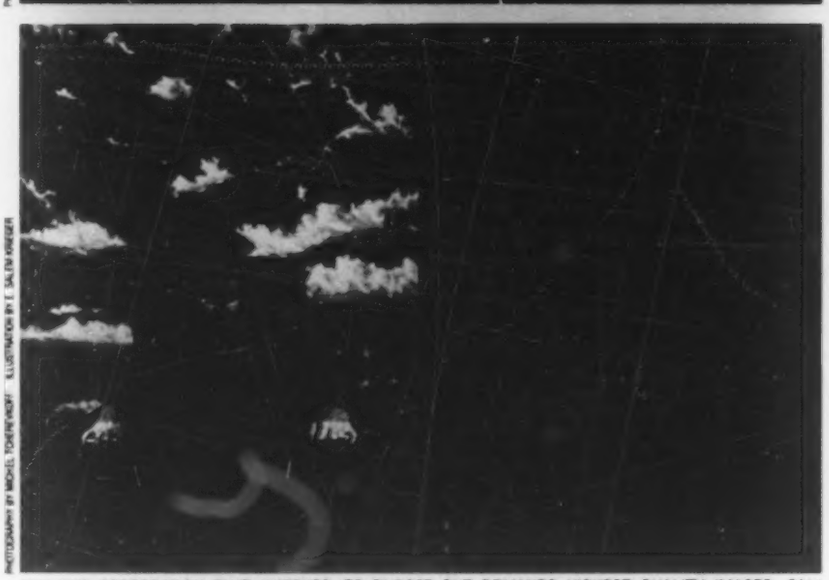
BBDO Worldwide
1285 Ave. of the Americas
New York, N.Y. 10019
Phone: (212) 459-5000
Fax: (212) 459-6645

Weaving tangled webs

Lopex PLC is a "double" holding company through its majority ownership of another holding company, Alliance International, that manages a network of 20 advertising agencies. Buoyed by mergers and strong European markets—the source of most of its business—Alliance increased billings by 25.2% to $835 million. Of the 20 agencies in Alliance, only four are less than 50% owned by the network. In the ownership structure of Alliance, 17 agencies own one share (one per country), while Lopex owns one share per country, plus one. Directors of Alliance are the CEO's of each agency (one for each country). Aside from advertising, Lopex drew $505 million, up 30%, from its "communication" side that includes M.E.A.L., the U.K.'s media-monitoring

THE IMAGE BANK DIFFERENCE
MAKES BUSINESS SENSE

PHOTOGRAPHY BY ELLEN SCHUSTER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RANK: 36

BDDP Paris

Paris

Gross income: **$79.2** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	79.2	69.3	14.2
Volume	527.9	462.5	14.2

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Office billings in 1989 ($ in millions)

Non-U.S. offices, location	Billings
ALS/BDDP, Toulouse(MJ)	NA
Jambon/BDDP, La Reunion(MJ)	NA
Caiman/BDDP, Strasbourg(MJ)	NA
Horizons Media, Paris(MN)	NA
Jump/BDDP, Lyon(MJ)	NA
Michel/BDDP, Lille(MJ)	NA
Nouvelle Vague, Nantes(MJ)	NA
Opera, Paris(MJ)	NA
Grand Bleu/BDDP, Marseille(MJ)	NA
Tonic/BDDP, Bordeaux(MJ)	NA
Vibrations/BDDP, Montpelier(MJ)	NA

Annual review

Billings increased 14.2% in 1989 as a new-business drive succeeded in pulling in eight new accounts. Two were Europewide (Polaroid film and Reckitt & Colman toiletries) and another was worldwide—TAG-Heuer (luxury sport watches). BDDP Paris is the lead agency of BDDP Group, a holding company which had $118.6 million in gross income and $791 million in billings in 1989. The agency received three Gold Lions for ads at the Cannes International Advertising Film Festival last year. Eric Tong Cuong replaced Jacques Levy as head of the Paris shop.

Accounts

Gained: France Loto (national lottery), Korean Air, Matra Telecommunications, Mc Cain (frozen food), Pier Import (furniture), Polaroid (conventional film and instant-Europe), Reckitt & Colman (toiletries-Europe), TAG-Heuer (luxury sport watches—worldwide).

Lost: Printemps (department store), Suze.

Officers

Jean-Claude Boulet, Jean-Marie Dru, Marie-Catherine Dupuy, Jean-Pierre Petit, co-founders/principals; Eric Tong Cuong, president; Jean-Yves Nollet, cfo; Nick Baum, managing dir-intl.

Headquarters

BDDP Paris
162-164 Rue de Billancourt
92103 Boulogne-Billancourt
France
Phone: 331-49-09-70-10
Fax: 331-49-09-72-32

RANK: 91

Bloom Cos.

Dallas

Gross income: **$20.0** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	20.0	22.1	(9.5)
Volume	168.2	182.6	(7.9)
U.S.			
Gross income	20.0	22.1	(9.5)
Volume	168.2	182.6	(7.9)

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	255	263	(3.0)
Offices	2	2	0.0

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Bloom Cos., Dallas	103.4
Bloom Cos., New York	64.8

Annual review

Bloom spent 1989 rebounding from its unsuccessful pitch for the $100 million Nissan Infiniti account, on which it finished second after resigning the $10 million Alfa Romeo account to gain the final round. It reported a drop of $14.4 million in billings that also included the departure of Sterling Optical ($5 million) and Pinkerton Tobacco, which consolidated its account at Buntin Advertising. The agency won and then lost the $4 million Grandy's Restaurants account. Gains included Deposit Guaranty Bank ($5 million) and New Zealand Marketing Development Board ($2 million). Bloom Public Relations, not included in the parent's total results, reported $9.4 million in billings, up 40.3%. In November, C. Anthony "Tony" Wainwright, president-coo, resigned after nine years and Robert Bloom assumed his titles and management responsibilities.

U.S. accounts

Gained: Grandy's Restaurants, Associated Importers' Suntory Beer, John Bull lager, Double Diamond Ale; Deposit Guaranty Bank/Team Bank; Ross Laboratories' Exceed, New Direction; Airwick's Magic Mushroom; Carnation's Buitoni pasta, Liggett Group NBA Hoop Cards.

Lost: Sterling Optical, Pinkerton Tobacco, Grandy's Restaurants.

Officers

Robert H. Bloom, chmn-president-ceo; Marion T. Flores, exec vp-cfo. Bloom Dallas: Paul MacMahon, chmn-ceo; Seth Werner, president. Bloom New York: Jeffrey I. Fine, chmn-coo; Penelope J. Hawkey, president. Bloom Public Relations: Brian Cummings, president.

Headquarters

Bloom Cos.
3500 Maple Ave.
Dallas, Texas 75219-0950
Phone: (214) 443-9900
Fax: (214) 443-0002

RANK: 19

Bozell Inc.

New York

Gross income: **$190.7** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	190.7	179.2	6.4
Volume	1,400.0	1,283.0	9.1
U.S.			
Gross income	155.4	150.3	3.4
Volume	1,165.0	1,090.0	6.9

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	2,243	2,172	3.3
Offices	60	59	1.7

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Bozell Inc., Atlanta	35.0
Bozell Inc., Chicago	84.0
Bozell Inc., Dallas	260.0
Bozell Inc., Detroit	180.0
Bozell Inc., Los Angeles	90.0
Bozell Inc., Minneapolis	45.0
Bozell Inc., New York	401.0
Bozell Inc., Omaha	30.0
Bozell Inc., Tampa	40.0

Non-U.S. offices, location	Billings
Arms Communications, New Delhi(NE)	2.2
Atlas Bozell, Manila(NE)	1.5
Bozell Advertising, Amsteleven, Netherlands(MJ)	8.1
Bozell Advertising, Singapore(MJ)	10.5
Bozell CCAA, Taipei(MN)	22.7
Bozell e Associati, Milan(MJ)	64.4
Bozell Espana, Madrid(MJ)	12.4
Bozell Meitsu, Tokyo(MN)	18.6
Bozell Palmer Bonner, Toronto(MJ)	13.4
Bozell Publicitas, Vienna(MN)	16.6
Bozell Rydge, Waverton, Australia(MJ)	8.8
Bozell Sonsus Publicidade, Porto, Portugal(MJ)	5.8
Bozell S.A., Geneva(NE)	NA
Bozell S.A., Geneva(NE)	21.1
Bozell S.A., Mexico City(MN)	31.7
Bozell Werbeagentur, Frankfurt(MJ)	15.8
Bozell, Hong Kong(MJ)	23.5
Bozell, Petaling Jaya, Malaysia(MN)	8.2
Bozell/CPV Advertising, Santurce, P.R.(MJ)	6.6
Bozell/Svensk Reklamtjanst, Stockholm(NE)	1.2
Comark, Athens(MN)	1.9
Creatoem, Frederiksberg, Denmark(NE)	16.5
Grant Hellas, Athens(MN)	1.5
Hilbo, Al Kuwait, Kuwait(MN)	1.8
J. Sanchez Asociados, Bogota(NE)	3.3
Kauppamainos Oy, Helsinki(NE)	22.1
Matari Inc., Jakarta(NE)	19.5
Minds Lanka, Colombo, Sri Lanka(MN)	0.4
Norton Publicidade, Sao Paulo(NE)	96.8
Orientations, Jeddah, Saudi Arabia(MN)	4.7
Prologo/Bozell, Santiago(NE)	2.7
Vapro Publicidad, Caracas(NE)	4.8

Annual review

Of the $128 million increase in billings, the U.S. claimed 75% of the growth because of major new business gains from new accounts, Long John Silver's ($30 million) and Pfizer ($25 million). International growth was credited to new account gains from Samsung, Holiday Inns and Rockwell International, a boost in its London equity investment from 20% to 40%, and the opening of new shops in Portugal and Taiwan in which it took 75% and 45% positions, respectively. Bozell is part of the Bozell, Jacobs, Kenyon & Eckhardt holding company. A 9%-10% growth is anticipated in 1990 based on anticipated account gains and continued increases from existing accounts. Forecasting more international investments and continued top management involvement in all operations, the agency made several personnel changes including promoting David Bell to president and making Birmingham, Mich., his principal office, close to Chrysler Corp. account. In early 1990, European operations were restructured with Roger Neill becoming chief executive of Bozell Europe and Winston Fletcher, chairman.

U.S. accounts

Gained: Long John Silver's, Pfizer Inc., SEGA of America Inc., Dial Corp: (household and laundry div), Tyco Inc. (Viewmaster), Samsung (consumer electronics), Glaxo, Mexico Tourism.

Lost: Case (ag products and construction equipment); Faberge/Elizabeth Arden, Squibb & Sons.

International accounts

Gained: Samsung—Portugal, U.K.; Holiday Inns—Belgium, Holland; Jacobs Suchard (Toblerone)—Hong Kong, Singapore; Totolotto (lottery)—Portugal; Rockwell—France, U.K.; Bergasol—Belgium, France; Alcatel—Spain; Fred Perry, Premier Brands—U.K.

Lost: San Pelligrino, Maggioni Winthrop—Italy; Instituto Mujer—Spain; New World Hotels—China, Hong Kong; Sanofi de Mexico—Mexico.

Officers

Charles Peebler, ceo; J. Liener Temerlin, chmn; Leo Arthur Kelmenson, chmn of exec committee; Joseph Caggiano, vice chmn-cfo; David Bell, president; Ronald DeLuca, vice chmn; Dennis D. McClain, president—Southwest; Ron Anderson, chief creative officer; Linda Robinson, president-RLL&M; Murray Smith, president-intl; Mike Drexler, Sid Marshall, exec vps; Rick Cooper, president-Midwest; Ken Gard, exec vp-treasurer.

Headquarters

Bozell Inc.
40 West 23rd St.
New York, N.Y. 10010
Phone: (212) 727-5000
Fax: (212) 645-9173

RANK: 51

Earle Palmer Brown Cos.

Bethesda, Md.

Gross income: **$40.1** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	40.1	36.2	10.8
Volume	310.5	271.1	14.5
U.S.			
Gross income	40.1	36.2	10.8
Volume	310.5	271.1	14.5

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	469	446	5.2
Offices	8	4	50.0

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Earle Palmer Brown, Atlanta	25.0
Earle Palmer Brown, Bethesda, Md.	164.2
Earle Palmer Brown, New York	7.0
Earle Palmer Brown, Philadelphia	83.0
Earle Palmer Brown, Richmond, Va.	20.3
Earle Palmer Brown, Tampa, Fla.	11.0

Annual Review

A New York office, opened in March, and the January acquisition of Ensslin & Hall, Tampa, brought $18 million of the total $38.1 million in billings gained from new business. Major new accounts included Donnelley Directory-Mid Atlantic Yellow Pages ($10 million), TropWorld Casino & Entertainment Resort ($10 million) and CoreStates Bank ($8 million). Existing business added a slim $1.3 million, mostly from USAir due to its acquisition of Piedmont. Lost accounts totaled $16.7 million and included Freddie Mac ($3 million), Alt Robins Pharmaceuticals ($3 million) and LifeTouch Studios ($2 million). An $800,000 lawsuit filed by former owners of the Atlanta office, acquired in 1987, was settled out of court and EPB bought another Atlanta agency, Noble Liller Neal, to specialize in food advertising. A Miami office, reporting to Tampa, opened in October. Billings growth of 14.5% in 1989 will fall back to about 5% in 1990, according to the agency, citing the paring back of spending from some accounts and the loss this February of the $15-to-$20 million Roy Rogers account, which left when the restaurant was bought by Hardee's Food Systems.

U.S. Accounts

Gained: Donnelley Directories, National Satellite Paging, CoreStates Bank, TropWorld Casino, Gates Energy Products, Fantle's Drug Stores, Council for Solid Waste, *Philadelphia Daily News*, Amerigas, Atlanta Gas, Georgia Pacific, Scientific Atlanta, NTW, NDC, Group Health Associates, FFC, CoreEast Financial, Conrad Hotels, Group W Cable, Blair, *Town & Country*, Group Health Associates, Carl Zeizz Inc., Interbake Foods.

Lost: Freddie Mac, Hechinger's, New York Transit, Paramount Communications, LifeTouch Studios, Save the Children, Rich Food, Alt Robins Pharmaceuticals.

Officers

Jeb Brown, ceo; Gary Jonas, president-corp admin; Mark Goldstein, president-Washington; Lonny Strum, president-Philadelphia; Jane Naas, president-New York; Brad Armstrong, president-Richmond; Alf Nucifora, chmn-Southeast; Don Hofmann, president-Southeast; Bill Westbrook, chief creative officer.

Headquarters

Earle Palmer Brown Cos.
6935 Arlington Road
Bethesda, Md. 20814
Phone: (301) 657-6000
Fax: (301) 657-2590

RANK: 14

Leo Burnett Co.

Chicago

Gross income: **$483.8** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	483.8	428.4	12.9
Volume	3,245.5	2,865.1	13.3
U.S.			
Gross income	288.8	263.4	9.6
Volume	1,945.3	1,765.0	10.2

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	5,653	5,211	8.5
Offices	42	41	2.4

Office billings in 1989 ($ in millions)

Non-U.S. offices, location	Billings
AMA Leo Burnett, Cairo	1.5
Black Pencil, Paris(MJ)	13.8
Bordelais, Lemoenier/Leo Burnett, Paris(MJ)	74.2
Communica Publicidad S.A., Guatemala City(NE)	6.7
Enterprise Middle East, Athens/Beirut(MJ)	0.0
Hemisphere-Leo Burnett Co., Manila(MJ)	11.1
H&C Leo Burnett, Beirut(NE)	33.3
Leo Burnett Co., Athens(MJ)	19.9
Leo Burnett Co., Buenos Aires(MJ)	41.8
Leo Burnett Co., Kuala Lumpur, Malaysia(MN)	18.2
Leo Burnett Co., Madrid(MJ)	39.2
Leo Burnett Co., Mexico City(MJ)	33.1
Leo Burnett Co., Milan(MJ)	75.0
Leo Burnett Co., San Juan(MJ)	22.4
Leo Burnett Co., Santo Domingo(MJ)	4.0
Leo Burnett Co., Taipei(MJ)	22.0
Leo Burnett Co., Toronto(MJ)	88.6
Leo Burnett Ltd., Bangkok(MJ)	18.8
Leo Burnett Ltd., Hong Kong(MJ)	58.0
Leo Burnett Ltd., London(MJ)	200.9
Leo Burnett Ltd., Singapore(MJ)	19.2
Leo Burnett Ltd., Sydney(MJ)	77.7
Leo Burnett Publicidade, Sao Paulo(MJ)	40.0
Leo Burnett-Belgium, Brussels(MJ)	39.0
Leo Burnett-Chile, Santiago(MJ)	9.9
Leo Burnett-Colombia, Bogota(MJ)	14.0
Leo Burnett-Denmark, Copenhagen(MJ)	19.1
Leo Burnett-Kyodo Co., Tokyo(MJ)	143.0
Leo Burnett-New Zealand, Auckland(MJ)	9.3
Leo Burnett-Venezuela, Caracas(MJ)	25.0
Markom/Leo Burnett, Istanbul(MN)	6.2
Marsteo, Hartmann & L.B. Werbeagentur AG, Zurich	27.3
Michael Conrad & Leo Burnett, Frankfurt(MJ)	155.6
Noordervliet & Winninghoff/L.B., Amsterdam(MJ)	56.8
Nordekar & Thorkildsen Leo Burnett, Oslo(MJ)	15.1
Publicidad Commercial, San Jose(MN)	1.4
Radius Advertising, Manama, Bahrain(NE)	8.3
Targets Advertising, Jeddah, Saudi Arabia(NE)	10.6

Annual review

Growth of 13.3% in worldwide billings gave Burnett its fifth year in a row of double-digit growth as it topped the $3 billion mark in 1989. Growth was attributed largely to additional assignments from existing clients. Hallmark awarded its $35-$40 million account to Burnett last year and Pillsbury consolidated its estimated $4.8 million line of bakery sweet goods account at Burnett as part of a strategy to bring Pillsbury Brands and Green Giant division under one agency. Noxell assigned its $7.9 million Noxzema Skin Care products line after previously awarding its shaving cream brand. Other big gains included $8.7 million Gordon's gin and $7.1 million White Horse scotch whiskey (to Burnett-Kyodo). Heaviest losses included the estimated $30 million Mars account in December (which it had just won the previous summer) and $25-$30 million 7 UP international account (when Pepsi-Cola consolidated worldwide advertising at BBDO). In July, three Procter & Gamble shops including Burnett discussed joint media-buying in Europe. Near yearend, the $70 million Madrid agency, Vitruvio, merged with Burnett. Burnett headquarters settled into a new 50-story office building in Chicago.

U.S. accounts

Gained: Black & Decker (Steamworks), First Brands (Premium Cling Wrap), Oldsmobile (owner loyalty), Heinz (9-Lives Kitten Dinners), Kellogg (Oatbake, Heartwise, Smart Start Cereal bars, Common Sense Oat Bran), Kraft (Crockery Spreadables), Maytag (new line of refrigerators), Noxell (Noxzema Shave Creme & Skin Care prods), Samsonite (light-weight suitcases and Ultravalet).

Lost: Harris Trust, Telacton.

Officers

Hall Adams Jr., chmn-ceo, Leo Burnett Co.; Henry J. Feeley Jr., chmn-ceo, Leo Burnett Worldwide Inc.; Richard B. Fizdale, president-cco, Leo Burnett Co.; John C. Kraft, vice chmn-admin and finance, Leo Burnett Co.; William Lynch Jr., chmn-ceo, Leo Burnett USA; John J. Smith, vice chmn-corp dir of creative svcs.

Headquarters

Leo Burnett Co.
35 W. Wacker Drive
Chicago, Ill. 60601
Phone: (312) 220-5959
Fax: (312) 220-3299

RANK: 85

CFP Alliance

Paris

Gross income: **$21.2** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	21.2	20.3	4.3
Volume	141.1	136.1	3.6

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Annual review

Billings slowed to a 3.6% growth at this Alliance network agency which charted a 7.8% increase in the prior year. The agency is 30% owned by Lopex PLC through its ownership of the Alliance network (also a holding company). In addition to the main Paris office of CFP, returns also include subsidiary shops: Rotation (sales promo), J. Larue (direct marketing), Consensus (recruitment) and Corolle (pr). All are located in Paris. CFP ownership varies from 60% to 100% of these shops.

Accounts

Gained: Allied Lyons' Tetley Tea, Institut Geographique, FINA (fuel), Lucas Automotive (accessories), Lifetime/Axa/GDE (residences).

Lost: Canard Duchene champagne.

Officers

Yves Crehalet, chmn; Jean-Michel Foliot, president; Annie Poussielgues, vp-creative dir.

Headquarters

CFP Alliance
61 Rue de Turenne
75003 Paris, France
Phone: 331 42 77 15 30
Fax: 331 42 77 76 20

RANK: 37

Cheil Communications

Seoul

Gross income: **$64.0** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	64.0	44.7	43.1
Volume	247.5	194.1	27.5

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	511	417	22.5
Offices	5	2	150.0

Annual review

Samsung Corp.-owned Cheil Communications, the leading South Korean agency in total billings, changed its name from Korea First Advertising in 1989, affiliated with Bozell Inc., New York, early in the year, and at yearend opened a joint venture in South Korea with Bozell called Cheil Bozell. Through this relationship, Bozell gained $20 million in worldwide Samsung business. In September, Cheil opened three liaison offices in New York, San Jose and London. Cheil expects a 14% increase in billings for 1990, a smaller percentage than its average growth since 1985 due to limited availability of space on Korea's TV CF and the recession in South Korea.

Accounts

Gained: Choong Wae Pharmaceutical, JCP Corp., Sharp Korea audio, Hanchang wireless phones.

Lost: Samyang Foods, Dong Kook Pharmaceutical, United Intl Pictures.

Officers: Cegill Shin, president; Hee-Joon Lee, sr managing dir; Chul-Ho Song, managing dir; Chang-Kue Shin, Jong-Seok Lee and Jae-Yong Bae, exec dirs; Jung-Tae Hwang, advisor.

Headquarters

Cheil Communications Inc.
108-2 Pyong-dong Chongno-gu
Seoul 110-102, South Korea
Phone: 822-730-9711/9
Fax: 822-739-5672

BDDP checked by Omnicom

Ever-hungry holding company BDDP had a billings hike of 58.5% in 1989 spurred by heavy agency consumption, but was rebuffed in its deal to buy Boase Massimi Pollitt, which was rescued in a buyout by friendly predator Omnicom. □

RANK: 24

Chiat/Day/Mojo

Venice, Calif.
Gross income: **$150.0** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	150.0	110.0	36.4
Volume	1,060.0	838.0	26.5
U.S.			
Gross income	106.0	77.0	37.7
Volume	785.0	603.5	30.1

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	1,368	1,204	13.6
Offices	17	17	0.0

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Anderson & Lembke, Stamford, Conn.	45.0
Chiat/Day/Mojo, Los Angeles	355.0
Chiat/Day/Mojo, New York	210.0
Chiat/Day/Mojo, San Francisco	140.0
Perkins/Butler, New York	35.0
Non-U.S. offices, location	**Billings**
Chiat/Day/Mojo, Auckland(MJ)	9.9
Chiat/Day/Mojo, London(MJ)	13.4
Chiat/Day/Mojo, Singapore(MJ)	9.3
Chiat/Day/Mojo, Sydney(MJ)	200.9
Chiat/Day/Mojo, Toronto(MJ)	35.0

Annual review

The billings mix got an infusion of $67.5 million from new accounts while existing accounts (almost exclusively Nissan) yielded growth of $129.1 million in billings to far outpace $15 million in lost business. This produced a domestic gain of 30.1% in billings. New accounts included Bissell Inc. ($15 million potential), American Express Gold Card ($25 million), New York Life Insurance ($30 million) and Eveready-Energizer ($25 million). Cutbacks from existing clients Drexel Burnham Lambert and Golden Grain added to the billings mix. During the year Reebok added its $15 million international account to the London office, but then in early 1990 put C/D/M's $40 million U.S. portion up for review. C/D/M initially resigned from the account but now may be back in the running. The agency, in folding newly acquired Mojo Advertising of Australia into its operations, merged Mojo's two U.S. offices in New York and San Francisco into C/D's shops there, eliminating 26% of Mojo USA/SF staffers. C/D/M plans to target European business, headed by the expanding London office (opened by Mojo in 1987), and to acquire a European-based agency in early 1990. In Australia, the Sydney office, which gained the $15 million Toyota account, dominates billings returns from the agency's five shops in Australia/New Zealand. Singapore, a branch office, remained the lone Asian shop after the Hong Kong agency was closed in 1989. Bob Wolf was named to chairman-ceo of North America so Jay Chiat, as chairman-ceo worldwide, can tend to international expansion. Tom McElligott moved in at yearend as exec vp-executive creative director, replacing Bill Hamilton, who left for O&M. The agency budgets billings growth for 1990 at 16%, but does not include projected billings from new business, which historically has affected overall annual growth of 30%.

U.S. accounts

Gained: Los Angeles—Dep hair products, Eveready-Energizer, Quaker State Corp. (Minit-Lube); San Francisco—3M Home Care Products, Oracle Software, Atari, Arenson, 3M Scotchgard, Esprit Corp.; New York—New York Life Insurance, American Express Gold Card, Bissell, Mr. Goodbuys.

Lost: Los Angeles—Eye Care Centers of America, Pizza Inn/Pantera Corp., Photo Go, Sunbeam Appliances; San Francisco—Dreyer's, Intel, Plus Development, Watermark, Plantronics, Park Lane Hotels, *Oakland Tribune*, Schlage; New York—Gaines, Ricoh, VeryFine Juices, Anne Klein II, Christian Dior, Grandy's.

International accounts

Gained: Robinsons, Air-O-Zone, Down to Earth, Labatts Brewery, S.C. Johnson Personal Products, Dell Computers (UK), Reebok Intl. (London), Glad Products, IKEA, Sheraton Wentworth, Toyota (Australia), Wellcome, Shell Autocare, Fountainhead Pty Ltd., Ray White Real Estate, Retec, Sealy of Australia, Sheraton Resort, Braun, Harrison & Crossfield, Metro Stores, SAFE Stores and Travel, North & South Magazine, Reckitt & Colman (New Zealand), Tums.

Lost: NSW Lotteries, Speedo, UOB Visa Card, Kresta Blinds, Reckitt & Colman (London).

Officers

Jay Chiat, chmn-ceo worldwide; Bob Wolf, chmn-ceo N. America; Lee Clow, president-chief creative dir.; Fred Goldberg, vice chmn-president-ceo SF; exec vps: Jane Newman, president-ceo NY; Bob Kuperman, president-ceo LA; Pete de Vaux, cfo; Allan Johnston, Alan Morris, joint-chmn, Australia-Pacific; Don Morris, chmn-ceo, Australia-Pacific.

Headquarters

Chiat/Day/Mojo Inc. Advertising
320 Hampton Drive
Venice, Calif. 90291
Phone: (213) 314-5000
Fax: (213) 396-1273

RANK: 42

Chuo Senko Advertising

Tokyo
Gross income: **$50.6** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	50.6	47.0	7.6
Volume	376.4	345.8	8.9

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	412	398	3.5
Offices	11	NA	(25.0)

Annual review

Billings, which grew 12.2% in yen in 1989, are expected to drop to a 10% increase in 1990. Business expansion of existing clients will provide most of the growth, says the agency. During 1989 the agency sold the remaining shares in its Malaysian agency, Chuo Senko (M) Sdn Bhd. The agency has three remaining subsidiaries outside Japan—Thailand (49% equity), Singapore (66%) and Hong Kong (100%)—and has seven Japanese branch offices aside from its headquarters in Tokyo.

Officers

Shoji Koshizawa, president; Yutaka Ohsawa, vp.

Headquarters

Chuo Senko Advertising Co. Ltd.
2-6-1, Ginza
Chuo-ku, Tokyo 104, Japan
Phone: 813 562-0151
Fax: 813 535-3576

RANK: 40

Clemenger/BBDO

Melbourne
Gross income: **$52.0** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	52.0	43.1	20.8
Volume	325.1	269.2	20.8

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	13	14	(7.1)

Annual review

Clemenger/BBDO, 46.5% owned by BBDO Worldwide, increased its billings 20.8% in 1989, down from nearly 33% growth in the prior year. Included in totals are Clemenger's percentage ownership in 13 offices throughout Australia, New Zealand and Tasmania.

Officers

P.G. Clemenger, chmn; H.J. Mackley, dir.

Headquarters

Clemenger/BBDO LTD
GPO Box 3850
Melbourne 3001, Australia
Phone: 613 269 4499
Fax: 613 820-1232

RANK: 52

Collett Dickenson Pearce

London
Gross income: **$39.1** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	39.1	31.9	22.5
Volume	269.6	216.1	24.7

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	248	245	1.2
Offices	10	14	(28.6)

Annual review

Heavy spending by Toyota ($13 million) and from the generic sugar account ($13 million) added to CDP's assignments, and the government's Water Privatisation Campaign ($38 million) helped elevate billings by a dramatic 24.7% in 1989. The agency set up an international media department, added four new countries to its network and opened offices in Lisbon, Barcelona and Milan. Billings are projected to increase 33% this year, three-quarters of that increase from organic growth and the remainder from new European partners. CDP subsidiary agencies and their percentage ownership are: Alice, France (50%), Canard, Italy (60%), Grupo Barro, Spain/Portugal (60%), RPM/Radar, Turkey (30%). CDP London also includes Travis Dale and CDP Financial.

Accounts

Gained: National Westminster, Johnnie Walker Black Label, Toyota, Generic Sugar Campaign, Water Privatisation—U.K.; Chico—Germany, France; Dole—Europe; Hertz—Denmark; Lancia—Portugal.

Lost: Land Rover, Scottish and Newcastle's Tartan Special.

Officers

John Salmon, chmn; Antonio de Laurentis, ceo-Italy; Fernando Nieto, ceo-Spain; David McLaren, ceo-UK; Michel Guerend, managing dir-intl; Stephen O'Brien, commercial dir UK; Richard Rivers, deputy managing dir; John O'Donnell, creative dir UK; Terry Alexander, media dir UK.

Headquarters

Collett Dickenson Pearce & Partners
110 Euston Road
London NW1 2DQ
Phone: 441 388-2424
Fax: 441 380-1217

RANK: 66

Cossette Communication-Marketing

Toronto
Gross income: **$28.3** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	28.3	21.0	34.5
Volume	180.7	136.6	32.2

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	490	350	40.0
Offices	4	4	0.0

Annual review

Cossette Communication-Marketing expects a 12% increase in billings in 1990 over last year. Returns include those of subsidiaries: Promotion Blitz, Optimum (pr), Grapheme (graphic design), Impact (market research), Geyser (trade name research), Societe Cossette Communication-Marketing and Cossette Communication-Marketing in Vancouver, all majority-owned.

Accounts

Gained: J. Pascal, Schering Canada, Canada Deposit Insurance, Chief Electoral Officer of Quebec, United Way, Ernst & Young.

Lost: Via Rail.

Officers: Claude Lessard, president-ceo; Francois Duffar, national exec vp; George E. Morin, exec vp, Montreal; Ian Saville, exec vp, Toronto; Richard Hadden, exec vp, Vancouver; Jean-Jacques Streliski, creative vp, Montreal; Peter Lanyon, creative vp, Toronto.

Headquarters

Cossette Communication-Marketing
437 Grande-Allee Est
Quebec City, Quebec G1R 2J5
Canada
Phone: (418) 647 4031
Fax: (418) 647 4031

RANK: 22

Dai-Ichi Kikaku

Tokyo
Gross income: **$155.8** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	155.8	141.9	9.8
Volume	1,053.0	977.7	7.7

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	758	683	11.0
Offices	11	11	0.0

Annual review

Dai-Ichi Kikaku this year expects its billings growth of 7.7% in 1989 to accelerate to near the 15% level. Europe is responsible for the higher expectations. The agency early this year sent staff to London and Duesseldorf in anticipation of establishing a European office. Dai-Ichi Kikaku billings include minor investments in Kresser, Craig/DIK of 33% and shops with U.S. agency associations: DIK Rapp & Collins Direct Marketing (66.8%), and DDB Needham DIK (Japan, Hong Kong, Singapore and Malaysia). It also owns 2% of I&S, another Top 100 agency. The agency also has investments in two U.S. agency holding companies—Omnicom and Mickelberry.

Accounts

Gained: Benetton Group, S.T. Dupont, Sato Seiyaku, Takeda Shokuhin Kogyo, 7-Eleven Japan.

Lost: None.

Officers

Top 25 U.S. cities by local shop billings

Rank	City	Total local shop billings 1989	1988	% chg	Reported shops	Top office in market by local billings	Local office billings 1989	1988	% chg
1	**New York**	$22,025.4	$19,493.6	13.0	164	**Saatchi & Saatchi Advertising**, New York	$1,527.1	$1,380.9	10.6
2	**Chicago**	6,293.6	5,664.8	11.1	78	**Leo Burnett Co.**, Chicago	1,945.3	1,765.0	10.2
3	**Los Angeles**	4,026.9	3,428.1	17.5	55	**Chiat/Day/Mojo**, Los Angeles	355.0	240.0	47.9
4	**Detroit**	3,457.6	3,210.9	7.7	27	**Lintas:Campbell-Ewald**, Warren, Mich.	667.4	598.6	11.5
5	**San Francisco**	1,635.7	1,471.4	11.2	33	**Foote, Cone & Belding**, San Francisco	325.4	297.6	9.3
6	**Minneapolis**	1,085.4	1,014.7	7.0	23	**Campbell-Mithun-Esty**, Minneapolis	321.2	299.0	7.4
7	**Dallas**	992.3	836.3	18.7	13	**Tracy-Locke**, Dallas	305.7	278.2	9.9
8	**Boston**	847.1	858.3	(1.3)	16	**Hill, Holiday, Connors, Cosmopulos**, Boston	293.1	287.4	2.0
9	**Atlanta**	726.2	657.7	10.4	24	**BBDO Worldwide**, Atlanta	145.9	120.5	21.0
10	**Cleveland**	697.0	629.7	10.7	15	**Nationwide Advertising Service**, Cleveland	206.8	185.4	11.5
11	**Philadelphia**	644.1	600.2	7.3	19	**Weightman Group**, Philadelphia	110.0	101.4	8.5
12	**St. Louis**	538.3	560.8	(4.0)	10	**D'Arcy Masius Benton & Bowles**, St. Louis	345.0	324.0	6.5
13	**Houston**	498.2	446.0	11.7	12	**Ogilvy & Mather Worldwide**, Houston	118.0	99.8	18.2
14	**Baltimore**	359.8	316.5	13.7	8	**W.B. Doner & Co.**, Baltimore	94.5	87.4	8.1
15	**Pittsburgh**	319.0	303.7	5.0	7	**Ketchum Communications**, Pittsburgh	111.9	109.4	2.2
16	**Milwaukee**	308.7	273.8	12.7	11	**Bader Rutter & Associates**, Brookfield, Wis.	54.1	50.3	7.6
17	**Washington**	285.1	291.9	(2.3)	6	**Earle Palmer Brown**, Bethesda, Md.	164.2	157.1	4.5
18	**Seattle**	249.3	192.7	29.4	8	**Cole & Weber**, Seattle	75.1	74.1	1.3
19	**Richmond, Va.**	229.4	190.1	20.7	6	**Martin Agency**, Richmond, Va.	140.5	113.0	24.4
20	**Columbus, Ohio**	197.4	179.8	9.8	8	**Fahlgren & Swink**, Columbus, Ohio	79.5	71.7	10.9
21	**Portland, Ore.**	188.9	146.4	29.0	6	**Weiden & Kennedy**, Portland, Ore.	98.0	62.0	58.1
22	**Rochester, N.Y.**	182.0	147.5	23.4	6	**Rumrill-Hoyt**, Rochester, N.Y.	86.6	75.6	14.6
23	**Kansas City, Mo.**	181.4	174.9	3.7	9	**Valentine Radford**, Kansas City, Mo.	79.4	70.3	12.9
24	**Stamford, Conn.**	179.9	158.5	13.5	6	**North Castle Partners**, Stamford, Conn.	62.1	50.4	23.2
25	**Akron, Ohio**	155.2	130.8	18.6	3	**Malone Advertising**, Akron, Ohio	76.4	70.0	9.0

Notes: Dollars are in millions. Prior year figures are for the same shops reporting in 1989

Bunichiro Tanabe, chmn; Naoya Sakai, president-ceo; Exec vps—Makoto Hibino, Teruo Hiraki, Mitsuo Sadakata; Managing dirs—Hidetoshi Miyahara, Mitsuru Naota, Katsumi Kitazato, Yohji Hashimoto, Hironobu Itoh.

■ **Headquarters**

Dai-Ichi Kikaku Co.
Hibiya Kokusai Building
2-2-3 Uchisaiwaicho, Chiyodaku
Tokyo 100 Japan
Phone: 813 595 1311
Fax: 813 595 2963

RANK: 23

Daiko Advertising

Osaka, Japan
Gross income: **$152.1** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	152.1	139.7	8.9
Volume	1,214.1	1,126.7	7.8

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	34	NA	NA

■ **Annual review**

To prepare for further expansion of its international activities, Daiko Advertising established two overseas subsidiaries: Daiko-Communications Asia Co. Ltd. in Hong Kong, and Daiko Advertising USA in New York. In Japan, Daiko has an association with Grey Advertising through Grey Daiko Advertising, Japan, in which it owns 41%, and a joint venture with Foote, Cone & Belding, Daiko-FCB Impact Co. Ltd. The agency also has a non-equity partnership with Union Advertising of South Korea. An 11% increase in billings is forecasted for 1990.

■ **Officers**

Shojiro Nishio, president; Selichi Takada, Yoshiu Maegawa, sr managing dirs; Tokechi Adachi, Takechi Kawazoa, Fujio Okatani, managing dirs; Takashi Touchiya, Takashi Kawai, Takayochi Inoue, Takeo Okanishi, dirs.

■ **Headquarters**

Daiko Advertising Inc.
3-39, 4-chome, Miyahara, Yodogawa-ku
Osaka 532, Japan
Phone: 816-392-8111
Fax: 816-392-8004

RANK: 76

Dailey & Associates

Los Angeles
Gross income: **$23.3** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	23.3	19.6	18.4
Volume	155.2	131.0	18.4
U.S.			
Gross income	23.3	19.6	18.4
Volume	155.2	131.0	18.4

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	196	185	5.9
Offices	1	1	0.0

■ **Annual review**

Dailey's biggest account gain came in October when it won, as the incumbent, a four-year contract for the $50-$60 million California State Lottery, the nation's largest. Other big gains included the $6-$8 million Neutrogena Corp. shampoos, conditioner and new products from existing client, Carnation. Losses included the $5 million Teleflora, Los Angeles, account. Dailey is part of Interpublic.

■ **U.S. accounts**

Gained: Gallo's White Grenache Wine, Bartles & Jaymes wine cooler, Carnation's Friskies, Fresh Catch, Deluxe Ice Cream, Neutrogena, California State Lottery.
Lost: Teleflora, Transamerica Insurance.

■ **Officers**

Phillip Joanou, chmn-ceo; Clifford J. Einstein, president-creative dir; Brian Morris, exec vp-dir client svcs.

■ **Headquarters**

Dailey & Associates
3055 Wilshire Blvd.
Los Angeles, Calif. 90010
Phone: (213) 386-7823
Fax: (213) 380-6655

WCRS pegs future to media

WCRS believes clients want to unbundle their ad service, particularly moving media buying from agencies, which is why it unhinged its agency business for ownership of Carat International in 1989. □

RANK: 15

D'Arcy Masius Benton & Bowles

New York
Gross income: **$471.5** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	471.5	428.7	10.0
Volume	3,803.1	3,360.8	13.2
U.S.			
Gross income	232.3	209.6	10.8
Volume	2,055.3	1,794.2	14.6

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	5,534	5,532	0.0
Offices	93	85	9.4

■ **Office billings in 1989** ($ in millions)

U.S. offices, location	Billings
Clarion Marketing & Communications, New York	125.2
DMB&B, Bloomfield Hills, Mich.	407.9
DMB&B, Chicago	99.0
DMB&B, Los Angeles	167.3
DMB&B, New York	638.6
DMB&B, San Francisco	3.0
DMB&B, St. Louis	345.0
Manning Selvage & Lee, New York	135.7
Medicus Intercon International, New York	133.5
Non-U.S. offices, location	**Billings**
Denis-Benton & Bowles, Barcelona/Madrid(MJ)	93.0
DMB&B de Venezuela, Caracas(MN)	2.0
DMB&B Ergon, Athens(MJ)	5.5
DMB&B Lund & Lommer, Oslo(MJ)	26.3
DMB&B Modern, Hong Kong(MJ)	14.6
DMB&B, Amsterdam(MJ)	55.7
DMB&B, Auckland(MJ)	21.2
DMB&B, Bangkok(MN)	7.1
DMB&B, Brussels(MJ)	79.9
DMB&B, Copenhagen(MJ)	17.1
DMB&B, Dublin(MJ)	0.8
DMB&B, Duesseldorf/Frankfurt(MJ)	283.7
DMB&B, Helsinki(MJ)	13.2
DMB&B, Jeddah, Saudi Arabia(MJ)	0.3
DMB&B, Lisbon(MJ)	1.4
DMB&B, London(MJ)	514.3
DMB&B, Mexico City(MJ)	25.9
DMB&B, Milan/Rome(MJ)	136.7
DMB&B, Paris(MJ)	107.2
DMB&B, Singapore(MJ)	7.4
DMB&B, Stockholm(MJ)	33.0
DMB&B, Sydney(MJ)	126.7
DMB&B, Toronto(MJ)	74.9
DMB&B, Vienna(MJ)	14.3
DMB&B, Zurich(MJ)	8.1
Grafiti DMB&B, Buenos Aires(MN)	63.0
Ipsen & Parme, Copenhagen(MJ)	12.1
Medicus Intercon, Tokyo(MJ)	24.1
Medicus Intercon, (multiple cities)	205.8
Perwanel DMB&B, Jakarta(MN)	2.6
Tokyo Agency International, Tokyo(MN)	272.4

■ **Annual review**

The agency anticipates growth in 1990 to parallel 1989 results which grew 13.2% based on a net increase of $442.3 million in billings. The big growth in the billings mix came from new account wins, up $537.2 million, while existing clients increased their spending by $139.9 million. Some $234.8 million in accounts left the agency. Growth in 1989 was aided by acquisitions of U.S. operations, Penchina Selkowitz Inc., Connecticut Consulting Group and Ives & Associates, and Holko-Somerset in Australia. It formed 1675 Productions, an in-house production company, and in early 1990 created a publicity unit under its entertainment group. It bought a 49% stake in Sosa & Associates, San Antonio, which was awarded the Spanish-language ad and promotion portion of the $90 million Burger King account that D'Arcy won in 1989. In Europe, its U.K.-based, wholly-owned IMP unit launched in October IMP Europe, a network of 19 wholly-owned promotion companies. Result Management in the Netherlands also bought back 85% of its shares held by D'Arcy. Major new account wins included Maxwell House coffee ($50 million) and Gordon's Gin in Europe ($15-$20 million). In April, Kraft General Foods Group consolidated at D'Arcy network and cable TV buying ($300-$325 million). Due to major account losses on the West Coast, including Sun Diamond Growers of California ($12 million for Sun-Maid raisins and Sunsweet prunes), DMB&B sold its San Francisco office to DDB Needham Worldwidein February. In personnel changes, president Roy Bostock was named chief executive officer succeeding John S. Bowen who remained chairman while John Nieman was named U.S. executive creative director, the first such title in the agency's history. In April, John Ferries was named new president of the international division, succeeding Peter Redsell who retired.

■ **U.S. accounts**

Gained: IBM (Yellow Pages), Southwestern Bell Gateway Services, Pet Inc. (Old El Paso Mexican Foods, Accent, Underwood meat spreads, B&M Beans, Hain & Hollywood health foods, Pet-Ritz pie shells, Downey Flake waffles), Pittway Corp.'s Ademco div electronics.
Lost: Centel/Central Telephone, Hughes Aircraft.

■ **International accounts**

Gained: Anheuser Busch—Mexico; General Motors—Venezuela; Mars—Portugal, Mexico; Mobil—Australia; Nokia—Mexico; N.V. Philips—France, Germany, Italy, New Zealand, Norway, Portugal, Sweden; Procter & Gamble—Thailand; Rhone-Poulenc—New Zealand; Texaco—Belgium; United Distillers—Australia, Belgium, Denmark, Germany, Greece, Portugal, Spain.
Lost: Boots (OTC prods)—New Zealand; Hoover (household)—Belgium, France, UK; Kimberly-Clark—Denmark; Pernod—Denmark, UK.

■ **Officers**

John S. Bowen, chmn; Roy J. Bostock, president and ceo; Clayton Wilhite, president-USA div; John C. Ferries, president-intl div; George J. Simko, president-diversified div; Craig Brown, exec vp-cfo.

■ **Headquarters**

D'Arcy Masius Benton & Bowles
1675 Broadway
New York, N.Y. 10019-5809
Phone: (212) 468-3622
Fax: (212) 468-4385

RANK: 11

DDB Needham Worldwide

New York
Gross income: **$552.9** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	552.9	399.9	38.2
Volume	4,095.4	3,020.3	35.6
U.S.			
Gross income	302.9	244.4	24.0
Volume	2,386.3	1,929.3	23.7

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	5,951	4,697	26.7
Offices	110	91	20.9

■ **Office billings in 1989** ($ in millions)

U.S. offices, location	Billings
Aminroll & Paris (50%), New York	110.0
DDB Needham, Chicago	571.9
DDB Needham, Denver	25.8
DDB Needham, Detroit	80.6
DDB Needham, Los Angeles	136.3
DDB Needham, McLean, Va.	33.0
DDB Needham, New York	542.9
DDB Needham, Rancho Cordova, Calif.	27.7
DDB Needham, San Francisco	30.8
Elgin Syferd DDB Needham, Seattle	31.9
M/V/C DDB Needham, Honolulu	25.7
Bernard Hodes Group, New York	203.1
Kallir, Philips, Ross, New York	168.0
Rapp Collins Marcoa 50%, New York	113.0
Non-U.S. offices, location	**Billings**
Admar Reklam ve Pazarlama, Istanbul(NE)	4.6
Avanti DDB Needham, Oslo(MJ)	16.0
BMP DDB Needham, London(MJ)	353.8
Carder Gray DDB Needham, Toronto(MJ)	59.0
Carlsson & Broman/DDBN, Stockholm(MJ)	28.9
Daeborg Ad, Seoul(NE)	156.2
DDB Needham Heye & Partner, Vienna(MJ)	3.4
DDB Needham Italy, Milan(MJ)	48.8
DDB Needham Japan, Tokyo(MN)	9.3
DDB Needham & Guerreiro, Lisbon(MJ)	16.3
DDB Needham, Amsterdam(MJ)	53.1
DDB Needham, Auckland(MJ)	31.0
DDB Needham, Brussels(MJ)	39.3
DDB Needham, Hong Kong(MJ)	28.6
DDB Needham, Kuesnacht/Zurich(MJ)	23.6
DDB Needham, Mexico City(MJ)	10.1
DDB Needham, Paris(MJ)	249.8
DDB Needham, Singapore(MN)	4.3
DDB Needham, Sydney(MJ)	194.5
DDB Needham, Taipei(MJ)	9.8
Far East Advertising, Bangkok(MN)	28.5
Heye & Partner/DDB Needham, Munich(MN)	80.9
Madra Communications, Ahmedabad, India(NE)	20.0
Mega DDBN DK, Petaling Jaya, Malaysia(MN)	5.4
Olympic DDB Needham, Athens(MJ)	22.6
Tandem/DDB Needham, Madrid(MJ)	120.4
Wensauer DDB Needham, Munich(MJ)	192.3

■ **Annual review**

As one of the two leading agency networks of Omnicom Group, DDB Needham had a busy year of global acquisitions, affiliations and joint ventures including Korea (Daehong Advertising, Seoul), Greece (Olympic, Athens), Scandinavia (Carlsson & Broman, Stockholm; Avanti, Oslo and Nielsen Mikkelsen & Duus, Copenhagen), Germany (Wensauer & Partners, Stuttgart; Heye & Partner, Munich), France (Providence, Paris), and Austria (Heye & Partner, Vienna). All this is in keeping with the DDB trend of having non-U.S. affiliates account for almost half of total gross income and a third of overall profits. Major new business gains included Conforama Hypermarket ($50 million), Paris; various General Mills ($20 million) business, Philips Telecommunications & Information ($10 million), Amsterdam; ConAgra Country Pride chicken ($10 million); and the Henkel fa body and bath products ($5 million) for 25 countries. These offset losses: Energizer ($25 million), 1st Nationwide Financial Corp. ($15-$20 million), Johnson & Johnson Carefree line in 11 European markets ($15 million) and Clorox ($20 million in early 1990). During 1989 DDB assembled a pan-European marketing network of pr, corporate and financial communications, direct marketing and sales promotion agencies and at yearend was preparing to enter Eastern Europe with a joint venture in Hungary. In the U.S. it bought D'Arcy's San Francisco office as well as Jack Wodell Associates, a San Francisco agency with a roster of leading motion picture clients, and combined its general and retail agencies in San Francisco. Also it acquired Deulofeau-Wilson, a Culver City, Calif., retail agency, and Elgin Syferd, a Seattle agency. In addition, DDB established Premier Productions, an in-house commercial production unit in New York similar to Zone One Productions unit in its Chicago office. Personnel changes included installation of Bernard Brochand, former Eurocom chief executive, as president of DDB Needham International, Paris-based operation of DDB Needham Worldwide network, succeeding John Bradstock who became New York-based corporate exec vp-global accounts. Alan Pilkington, president of DDB Needham's Asia-Pacific region, added the job of director of corporate planning, and Joe Daly retired as chairman of DDB executive committee.

■ **U.S. accounts**

Gained: Chicago—ConAgra Broiler Co., Anheuser-Busch, General Mills, Ralston Purina Pet Food div, Household Bank; Denver—Alphagraphics, Deep Rock Water, Fashion Bar Stores, Mountain West Banking, Universal Studios; Hawaii—Dole Cannery Square, Diamond Co., Island of Kauai-tourist, City of Kapolei; Los Angeles—Bugle Boy, World Plan Executive; New York—Tropicana, Pepsico, Bermuda Department of Tourism, La Mansion del Rio, Ore-Ida, NEC, Weight Watchers, Michelin, Hersey Chocolate Milk Mix, Cadbury, York & Caramello, Gagliardi Cheese Steak-to-go, GTE Information Systems, Cigna Intracorp, Ortho TEC Project; Retail—California Re-Cycling, Pak-n-Save, Downtown Plaza, Wienerschnitzel; San Francisco—California Kiwi Fruit Commission, Idaho Potato Board, Hyundai Electronics, GTE Mobilnet, Parc Fifty Five Hotel, World Explorer Cruises; Washington—General Electric (various products), Comsat Video Enterprises, Satotravel, National Geographic, Erol's Video, Sporting Club of America.
Lost: Chicago—Eveready, Ramada Inn; Denver—Sir Speedy; Hawaii—McDonalds; Los Angeles—Fred Hayman; New York—The Nashville Network; Retail—Atari, Federated, Safeway Stores; San Francisco—Liquor Barn, Excelan/Kinetics, 1st Nationwide Bank; Washington—*Washington Post*, Associated Press.

■ **International accounts**

Gains: American Airlines—Australia, Belgium, New Zealand; Michelin—New Zealand; Mobil—Malaysia, Portugal; Henkel—Austria, Belgium, France, Netherland, Spain; J. Suchard/Toblerone—Germany, Switzerland; Seagram—Greece (Martell), Mexico; Bristol-Myers Squibb—Greece; Michelin Tire—Japan, Thailand; McDonalds—Mexico; Cigna International—Taiwan.
Losses: Delsey—Germany, Switzerland; Cigna—Italy; Bristol-Myers Squibb—Spain; Spanish Tourist Board—Switzerland; Henkel—Thailand.

■ **Officers**

Keith Reinhard, chmn-ceo; John Bernbach, president; Robert Huntington, vice chmn-coo; Bernard Brochand, president DDB Needham Intl; John Bradstock, corp exec vp; Gerald Germain, exec vp-cfo; Kent DeFelice, exec vp-dir corp dev; Alan Pilkington, president, Asia/Pacific Region; Lou Tripodi, exec vp-corp dir of public affairs; Steven Burton, sr vp-dir, worldwide finance. Presidents—Peter Falcone, New York div; Joel Hochberg, Chicago div; Robert Freeman, Detroit; Joseph P. Landy, Washington; Alan O. Pando, west (California western region); Dave Park, Los Angeles; Ron Snyder, San Francisco; Lawrence Gold, Denver; Frank Valenti, chmn-ceo, Milici Valenti Gabriel/DDB Needham, Hawaii; Dick Girvin, chmn-ceo, DDB Needham-Retail; Dave Syferd, chmn, Elgin Syferd/-DDB Needham, Seattle.

■ **Headquarters**

DDB Needham
437 Madison Ave.
New York, N.Y. 10022
Phone: (212) 415-2000
Fax: (212) 415-3520

RANK: 1

Dentsu Inc.

Tokyo
Gross income: **$1,316.4** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	1,316.4	1,176.2	11.9
Volume	10,063.2	8,939.3	12.6

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	5,867	5,726	2.5
Offices	44	44	0.0

■ **Office billings in 1989** ($ in millions)

U.S. offices, location	Billings
DCA Advertising, New York	94.5
Non-U.S. offices, location	**Billings**
Dentsu Inc., Tokyo	8,612.2
Dentsu (subsidiaries less AD)	579.9
AD Dentsu, Tokyo(MJ)	87.1
Dentsu Australia, Sydney(MJ)	68.0
HDM (27%)	689.5
SSB Advertising, Sydney(MJ)	44.0

■ **Annual review**

Multifaceted Dentsu retained its position as the world's largest advertising agency as it continued to expand from its Japanese base, establishing in January, 1989, Dentsu Spain, and forming joint ventures, DBM Toyko and DBM America, with Burson-Marsteller. Dentsu also acquired Fortune Communication Holdings Ltd. (FCH) in Australia, and renamed the company Dentsu Australia Pty. Ltd. In July HDM, a company in which Dentsu owns 27%, acquired a share of Mattingly in Australia and also set up HDM Korea, a joint venture in Korea with Oricom Inc. Seoul, one of the world's top 100 agencies. Dentsu returns, reflecting the broad range of its services, include Dentsu Prox, largely a TV ad production unit; AD Dentsu Tokyo, Osaka Nagoya, Kyushu and Hokkaido; Dentsu EYE, a woman's creative boutique; Dentsu Wunderman Direct; DCA Advertising, its New York operation. Dentsu Thailand and Dentsu's 27% ownership in HDM. Dentsu operations excluded from its advertising totals were Dentsu Printing; Dentsu Kosan, its real estate holdings; Dentsu Cotec, a commercial printer; Dentsu PR Centre; Dentsu Research Inc.; Dentsu Institute for Human Studies, a think-tank; Information Services International, a computer time-sharing joint venture with General Electric; Dentsu Burson Marsteller; its rep and liaison offices in Germany, Spain, etc., which don't operate as advertising agencies; and Dentsu Australia, acquired in September and not yet folded into the Dentsu account system.

■ **Officers**

Gohei Kogure, president-ceo. Exec vps—Minoru Kamata, Akitoshi Ishihara, Shunya Hashiguchi.

■ **Headquarters**

Dentsu Inc.
1-11, Tsukiji, Chuo-ku
Tokyo 104, Japan
Phone: 813-544-5599
Fax: 813-546-2967

RANK: 69

Direct Marketing Group

New York
Gross income: **$25.7** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	25.7	26.1	(1.5)
Volume	149.6	152.9	(2.2)
U.S.			
Gross income	25.7	26.1	(1.5)
Volume	149.6	152.9	(2.2)

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	625	637	(1.9)
Offices	6	6	0.0

■ **Annual review**

The direct response agency suffered a 2.2% decline in total billings, as it lost major client, Bell Atlantic, although new account gains—particularly two banks and BMW Motorcycles—helped hold down losses.

■ **U.S. accounts**

Gained: Associates National Bank, CIT Group, Coca-Cola USA, National Westminster Bank (all financial svcs), BMW North America.
Lost: Bell Atlantic.

■ **Officers**

John A. DePasquale, chmn; Suti Prakash, Stephen N. Finkel, Theodore C. Krismann, Hank Stromberg, sr vps; Paul R. Nelson, president-DMG 2; George Bradbury, president, Response Communications; William Marano, sr vp/GM, creative tech svcs.

■ **Headquarters**

Direct Marketing Group
477 Madison Ave.
New York, NY 10022
Phone: (212) 355-2530
Fax: (212) 838-0377

RANK: 39

W.B. Doner & Co.

Southfield, Mich
Gross income: $52.1 million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	52.1	41.9	24.4
Volume	381.0	303.3	25.6
U.S.			
Gross income	44.2	37.0	19.4
Volume	309.0	268.7	15.0

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	572	523	9.4
Offices	8	8	0.0

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
W.B. Doner & Co., Baltimore	94.5
W.B. Doner & Co., Boston	8.4
W.B. Doner & Co., Chicago	11.9
W.B. Doner & Co., Cleveland	22.7
W.B. Doner & Co., Detroit	138.7
W.B. Doner & Co., Los Angeles	NA
W.B. Doner & Co., St. Petersburg, Fla.	32.7
Non-U.S. offices, location	**Billings**
Doner Schur Peppler, Toronto	40.0

Annual review

The agency is looking to increase its international business, which more than doubled in billings in 1989 to account for 19% (up from 11% growth in 1988) of Doner's worldwide billings. In Canada, the source of most of Doner's international growth, its Toronto and Montreal offices merged with Schur Peppler & Associates, Toronto, in forming Doner Schur Peppler with billings of $40 million. Expanding domestically, Doner opened a Boston office to handle the New England Ford Dealers Assn. account acquired late in 1988, and formed Consumer Diagnostics, a subsidiary marketing manufacturer-supported, health-screening programs to grocery stores. The agency won Uniroyal Goodrich Tire Co. ($15 million), VAX Appliances ($10 million) and Meijer Supermarkets ($10 million), which helped account for a 25.6% increase in total billings. The death in January 1990 of Wilfred B. Doner, agency founder and executive committee chairman, caused a reorganization in operating structure as chairman-CEO Herb Fried moved to head up operating committees in the co-headquarters of Southfield, Mich., and Baltimore. In early 1990, Isaac Lasky resigned as head of the in-house Hispanic marketing unit. Doner is looking at spinning off its Hispanic unit and merging it into an independent Hispanic agency.

U.S. accounts

Gained: Uniroyal Goodrich Tire Co., Chiquita Brands, VAX Appliance, Meijer Inc., U.S. Dept. of Commerce-NOAA, NuVision, Scudder Stevens Clark, Maryland National Bank, Vroman Foods, Affiliated Banc Group of Illinois.
Lost: Bormans Inc., Cub Foods, Kentucky Lottery, Farmer Jack/A&P Supermarkets-Detroit, Ourisman Chevrolet-Baltimore, Western Auto Supply Co.

International accounts

Gained: Honda Canada

Officers

Herb D. Fried, chmn-ceo; James Dale, vice chmn-corp creative dir; Don Riesett, exec vp-dir acct mgmt; David Sackey, exec vp-genl mgr, Baltimore; Kevin Wixted, sr vp finance; John Considine, exec vp-dir strategic planning; John DeCerchio, exec vp-exec creative dir; Alan Kalter, exec vp-dir retail; Steve Levine, sr vp-exec media dir; H. Barry Levine, cfo; Skip Roberts, exec vp-genl mgr, Detroit.

Headquarters

W.B. Doner & Co.
25900 Northwestern Highway
Southfield, Mich. 48075
Phone: (313) 354-9700
Fax: (313) 827-0840

RANK: 61

Duailibi Petit Zaragoza Propaganda

Sao Paulo
Gross income: $34.6 million

Income & volume ($ in millions)

Worldwide	1990	1989	% chg
Gross income	34.6	NA	NA
Volume	139.6	NA	NA

Workforce & facilities

Worldwide	1990	1989	% chg
Employees	400	410	(2.4)
Offices	3	3	0.0

Annual review

DPZ expects to build on its 5.9% dollar-billings growth in 1989 to a predicted 10% based on growth from new clients gained in 1989 and general market expansion. Figures for subsidiaries in Rio de Janeiro, Brasilia and Blumenau are consolidated under DPZ's Sao Paulo main office.

Accounts

Gained: Petrobras-Petroleum Co. (institutional), Copa Papeis (tissue paper, foil, tablecloths), Moinho Vera Cruz (flours), McDonald's (fast-food), Alcatex (hosiery), Visconti (chocolate Easter eggs, Christmas cakes), Johnson & Johnson (bath and bath line), Central Bank of Brazil, Siderbras (steel), Banco Portugues do Atlantico, Sadia (jelly).
Lost: Tabacow (carpets).

Officers

Roberto Duailibi, Francesco Petit, Jose Zaragoza, Ronyld Persichetti, associated dirs; Flavio O. Conti Jr., general mgr; Jose A. Negrini, admin general mgr; Juan Alberto Vicente, general mgr-DPZ Rio de Janeiro; Daniel Barbara, media general mgr; Paulo Chirotti, Helga Miethke, creative mgrs; Jose Carlos Piedade, account exec mgr.

Headquarters

DPZ—Duailibi, Petit, Zaragoza Propaganda
Av. Cidade Jardim
280-Sao Paulo, Brazil
Phone 55-11-280-5433
Fax: 55-11-853-4298

RANK: 74

Evans Communications

Salt Lake City
Gross income: $24.0 million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	24.0	22.1	8.5
Volume	160.0	147.5	8.5
U.S.			
Gross income	24.0	22.1	8.5
Volume	160.0	147.5	8.5

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	356	336	6.0
Offices	10	10	0.0

Office billings in 1989 ($ in millions)

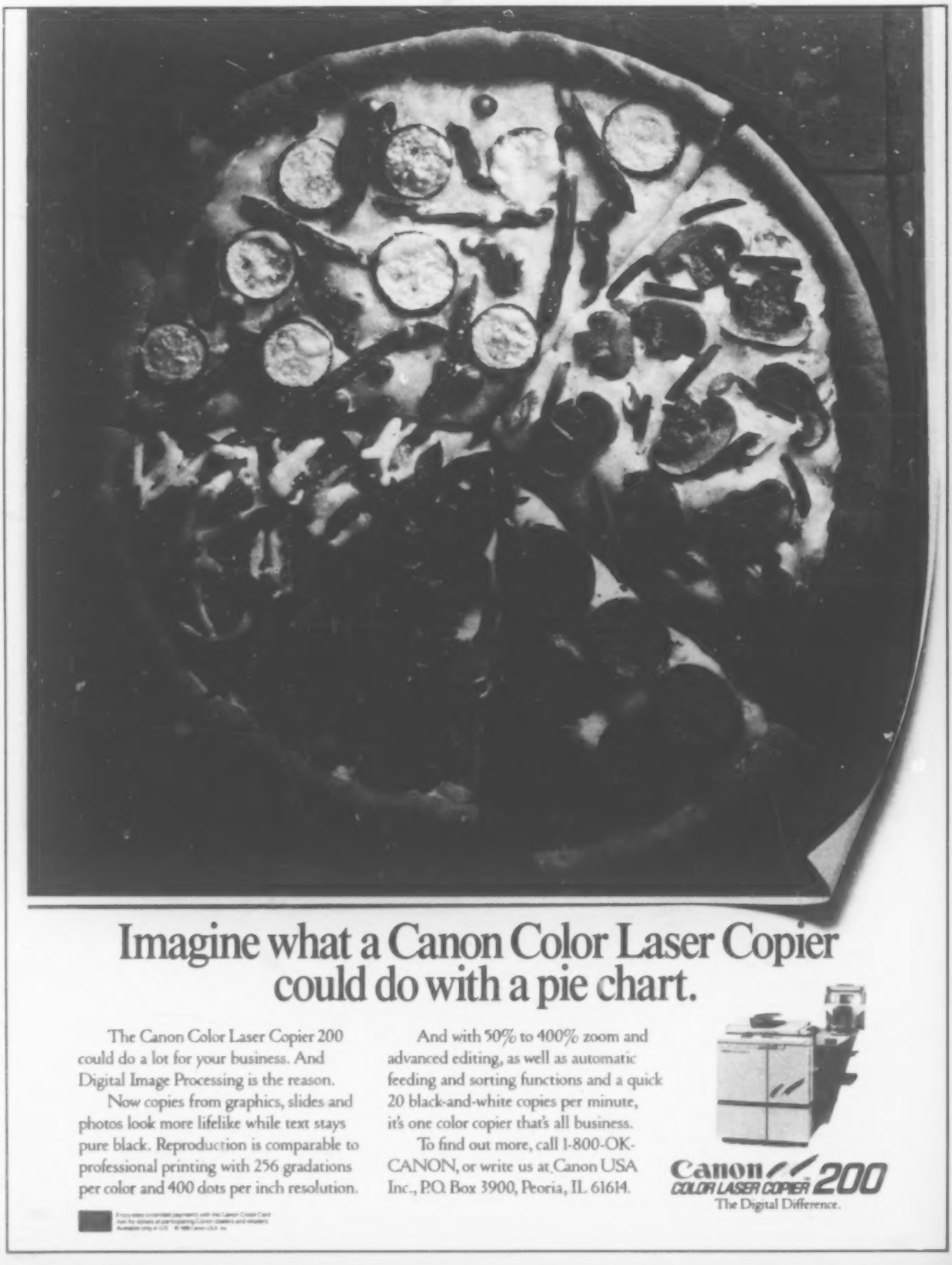
U.S. offices, location	Billings
Evans Communications, Dallas	13.0
Evans Communications, Denver	12.0
Evans Communications, Los Angeles	16.0
Evans Communications, Phoenix	14.0
Evans Communications, Salt Lake City	26.0
Evans Communications, San Francisco	15.0
Evans Communications, Seattle	64.0

Annual review

A growth rate of 7.5% is forecasted for 1990 based on new account gains from FHP ($5 million), the *Dallas Times Herald* and Del Webb Sun City project, each worth about $1.5 million. This will help soften the loss of $15 million in billings from the departures of Quaker State Minit Lube ($9 million), Alaska Seafood Marketing Institute and Frederick & Nelson (both about $3 million). Evans bought Ogilvy Group subsidiary Cole & Weber's Salt Lake City office. The agency secured exclusive North American rights to advertise on U.S.S.R.'s planned broadcast of the 1990 Goodwill Games in Seattle and is in a joint venture with King Broadcasting's Northwest Television Sales to sell Soviet time.

U.S. accounts

Gained: FHP, Utah Travel Council (winter program), Deseret Medical, Del Webb (Sun City Project), United Artists-Cable, *Dallas Times Herald*.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Lost: Quaker State Minit Lube, Alaska Seafood Marketing Institute (domestic program), Frederick & Nelson, Hamburger Hamlet.

Officers

Jon L. Johnson, president-ceo; L. Glen Snarr, chmn; Charles R. Bartholomew, president-Evans/Salt Lake City; Donald B. Kraft, chmn-Evans/Kraft; M. Terrence Lynch, president-Evans/Los Angeles; R. Webb Sherrill, president-Evans/Dallas.

Headquarters

Evans Communications Inc
4 Triad Center, Suite 750
Salt Lake City, Utah 84180
Phone: (801) 364-7000
Fax: (801) 364-0431

RANK: 16

EWDB Worldwide

Paris

Gross income: **$381.0** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	381.0	NA	NA
Volume	2,702.3	NA	NA
U.S.			
Gross income	82.4	NA	NA
Volume	684.0	NA	NA

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Della Femina, McNamee EWDB, New York	617.2
Cohn & Wells/EWDB, San Francisco	45.8
Heller Breene, Boston	21.1

Non-U.S. offices, location	Billings
Australia, Levallois-Perret, France(MJ)	17.2
Ball Partnership, Bangkok(MJ)	4.9
Ball Partnership, Hong Kong(MJ)	40.2
Ball Partnership, Kuala Lumpur, Malaysia(MJ)	6.6
Ball Partnership, Singapore(MJ)	6.2
Ball Partnership, Sydney(MJ)	50.9
Ball Partnership, Taipei(MJ)	7.1
Bolier EWDB Paris, Paris(MJ)	195.5
ECDM, Neuilly, France(MJ)	164.4
Elderado, Paris(MJ)	50.0
Equateur, Paris(MJ)	94.1
EWDB Espana, Madrid(MJ)	35.7
EWDB Italia, Milan(MJ)	186.4
FCD, London(MJ)	36.4
Kalte Londers Deroost, Brussels(MJ)	8.9
Klein & Partners, Amsterdam(MJ)	16.0
M.A.D., Paris(MJ)	54.6
Robert & Partners, Paris(MJ)	87.8
Synergie EWDB, Paris(JV)	100.1
V und B, Hamburg(MJ)	9.4
WCRS Mathews Marcantonio, London(MJ)	255.7
WCRS dma, London(MJ)	6.0
Zangenberg & Lambaurn, Copenhagen(MJ)	4.2

Annual review

French agency holding company Eurocom bought controlling interest in WCRS' advertising agency business in late 1989, giving birth to Eurocom WCRS Della Femina Ball. Structurally, the network is comprised of two halves, each managing various global regions. One half, known as EWDB Ltd., fully owns 100% of U.K., U.S. (largely Della Femina, McNamee/EWDB) and Asia/Pacific (Ball Partnership) agencies in the network. The other half, EWDB S.A., directly controls 30% of the French agencies, and fully controls the European agencies apart from France. However, Eurocom indirectly controls 100% of EWDB S.A., while WCRS directly controls 40% of EWDB Ltd. with the rest controlled by Eurocom. Since its founding, EWDB has expanded with agency acquisitions in Denmark, Germany, Italy and Spain. A new agency, Belier WCRS Espana, also was founded in 1989 prior to the advent of EWDB. EWDB estimates its net account gains in 1989 reached $267 million billings and included the Pan Am worldwide account. WCRS, out of its disinvestment in advertising, plied the $335 million it got from Eurocom to boost its holdings from 50% to 100% in Europe's independent media buying agency, Carat International.

Accounts

Gained: United Distillers' Johnnie Walker Red and Black Label—Europe; Parker Pens—Asia/Pacific; Lego, Elf—France.

Lost: Sheraton Hotels, Taster's Choice coffee.

Officers

Joint chmn—Robin Wight-EWDB, Jerry Della Femina-EWDB, ceo-Della Femina, McNamee/EWDB; Tim Breene, ceo-EWDB; John Biskupski, cfo-EWDB; Michael Ball, chmn-chief exec, Ball WCRS Partnership; Louise McNamee, president-coo, Della Femina, McNamee EWDB; Pierre Lecosse, intl dir-EWDB Europe; Roger Mathews, chmn-ceo, EWDB, Mathews Marcantonio; William Vaughan-Lewis, dir operations-EWDB.

Headquarters

EWDB Worldwide
2729 Rue des Poissonniers
92522 Neuilly-sur-Seine, France
Phone: 331-47-22-27-27
Fax: 331-47-47-88-75

RANK: 48

FCA! Group

Paris

Gross income: **$42.3** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	42.3	NA	NA
Volume	281.7	NA	NA

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Office billings in 1989 ($ in millions)

Non-U.S. offices, location	Billings
CID Publicidad, Madrid(MN)	57.7
FCA! Heslop Beguinin, Brussels(MJ)	4.8
FCA!, Suresnes, France(MJ)	141.5
FCA Sabbatini Baldoni Pasquet, Milan(MJ)	42.2
Logo-FCA!, Duesseldorf(MJ)	8.5
Manly Gilmore Jaume Hill Brooks FCA!, London(MJ)	73.7
VWH FCA!, Amsterdam(MN)	19.7

Annual review

FCA! Group, an emerging Europewide network, expects growth of 18.8% in 1990 as it gains a full year's worth of billings from agencies purchased in 1989. Acquisitions included Brooks Legon Bloomfield in the U.K. which merged into the existing FCA! agency now called Manly Gilmore Jaume Hill Brooks FCA!, and CID, a five-shop Spanish agency in which FCA! purchased 25% after its previous Spanish partner, Vitruvio, left the group. FCA! purchased Paris and Bordeaux agencies that were merged into existing shops resulting in new names—Moors Olivier Chauvat Mougin, Paris, and Atlantique FCA!, Bordeaux. The group also formed FCA! Heslop Beguvin after FCA! parted with its existing agency in Belgium, and created Logo-FCA! in Stuttgart, West Germany. France remains the core of the FCA! network. The suburban Paris shop from which the network emerged remains the group's lead agency. Under the FCA! banner there are 16 French agency operations specializing in all aspects of advertising.

Accounts

Gained: Europewide—Helena Rubinstein, Burberry's, Ducros (spices), Ungaro.

Officers

Philippe Calleux, chmn; Jean Feldman, Marc Bourgery, Jean-Fred Koenig, vice chmn.

Headquarters

FCA!
26, Rue Salomon de Rothschild
92150 Suresnes
France
Phone: 331-42-04-25-75
Fax: 331-42-04-21-96

RANK: 88

Thomas G. Ferguson Associates

Parsippany, N.J.

Gross income: **$29.6** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	20.6	16.9	22.1
Volume	120.7	102.1	18.2
U.S.			
Gross income	20.6	16.9	22.1
Volume	120.7	102.1	18.2

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	120	110	9.1
Offices	1	1	0.0

Annual review

A healthcare agency, Ferguson showed a strong 18.2% growth in billings—$14.5 million from new account gains and $10.6 million more from existing accounts—that offset the departure of Miles Laboratories, which accounted for $6.5 million in billings. A 30% growth in billings is predicted in new and existing business this year, approximating billings growth in those sectors each of the past two years.

U.S. accounts

Gained: Bristol-Myers Squibb, Johnson & Johnson, Rorer Pharmaceutical, Schering-Plough, Warner-Lambert.

Lost: Miles Laboratories.

Officers

Thomas G. Ferguson, chmn-ceo; John F. Zweig, president-coo; Pamela A. Rossetti, exec vp-cfo & admin; John P. Szlasa, exec vp-integrated comm svcs; Rex Bright, sr vp-general mgr, health technologies grp; German Bustos, sr vp-dir creative svcs; Edward J. Gorzalski, sr vp-mkt planning, mkt rsch & media svcs; Howard Larsen, sr vp; Robert P. Muratore, sr vp-mgmt super; Marne Weaver, sr vp-mgmt super, dir new business coordination.

Headquarters

Thomas G. Ferguson Associates
30 Lanidex Plaza West
Parsippany, N.J. 07054
Phone: (201) 884-2200
Fax: (201) 884-2487

RANK: 12

Foote, Cone & Belding Communications

Chicago

Gross income: **$510.9** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	510.9	483.9	5.6
Volume	3,413.9	3,242.5	5.3
U.S.			
Gross income	280.5	273.7	2.5
Volume	1,871.2	1,825.8	2.5

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Foote, Cone & Belding, Chicago	604.0
Foote, Cone & Belding, Los Angeles	326.0
FCB/Leber Katz Partners, New York	530.0
Foote, Cone & Belding, San Francisco	330.0
Albert Frank-Guenther Law, New York	39.7
Albert Frank-Guenther Law, San Francisco	2.1
Lewis, Gilman & Kynett, Philadelphia	106.0
IMPACT, Chicago	77.0
Wahlstrom & Co., Stamford, Conn	38.7
Wahlstrom/West, Los Angeles	16.9
Wahlstrom/L&K, Philadelphia	7.8
Wahlstrom/Midwest, Chicago	4.2

Non-U.S. offices, location	Billings
AP-Foote, Cone & Belding, Kuala Lumpur, Malaysia(MN)	12.4
Basic/FCB, Manila(MN)	16.9
Daiko/FCB Impact, Tokyo(JV)	5.6
FCB de Mexico, Mexico City(MJ)	13.1
FCB Publicidad, Guatemala City(MJ)	4.6
FCB Puerto Rico, Isla Verde, P.R.(MJ)	25.8
FCB/Artefilmo, Guayaquil, Ecuador(MJ)	2.2
FCB/Artefilmo, Tegucigalpa, Honduras(MJ)	2.2
FCB/Hocking, Adelaide(MJ)	5.7
FCB/Pyma, Bogota(MJ)	10.2
FCB/Ronalds Reynolds, Toronto(MJ)	114.3
FCB/Shorter, Perth(MN)	8.1
FCB/Siboney Publicidade, Sao Paulo(MJ)	47.4
FCB/Siboney, San Jose(MJ)	3.4
FCB/Siboney, Santo Domingo(MJ)	3.6
FCB/Siboney/Uribe, Caracas(MJ)	16.2
Foote, Cone & Belding, Hong Kong(MJ)	10.1
Foote, Cone & Belding, Sydney-Melbourne(MJ)	85.4
Hernandez/FCB, Port of Spain, Trinidad(MN)	3.8
Lindo FCB, Kingston, Jamaica(MN)	4.3
Lindsay Smithers-FCB, Johannesburg(MN)	75.6
Mainstream/FCB, Auckland(MN)	6.2
Partnership in Advertising, Johannesburg(MN)	12.5
Pragma/FCB Publicidade, Buenos Aires(MN)	49.5
Prakit & FCB, Bangkok(MN)	18.3
Publicis-FCB B.V. Paris(MN 49%)	1,178.6
P.T. Forum Cahayabuana, Jakarta(MJ)	3.4
Yaratim/FCB, Istanbul(MN)	6.1

Annual review

A third-quarter streak of $100 million in new business gains at the Chicago office alone balanced shakeout losses from the FCB and Publicis Inc. alliance, and brought modest billings growth of 5.3% for 1989. FCB won Cadbury Schweppes' $20 million-plus Canada Dry and Sunkist; S.C. Johnson & Son and Kayser-Roth Hosiery both consolidated business at FCB, adding $40 million and $10 million, respectively; and existing client Coors awarded its $20 million Keystone and Keystone Light brands. Adding to gains, the San Francisco office landed the $75 million Taco Bell account in May and opened new offices in Atlanta, Dallas and Denver. Other new assignments: Levi Strauss & Co. ($22 million), RJR Nabisco ($150 million network, syndication and cable TV media buying) and Clorox detergent ($20 million). In February, FCB sold Golin/Harris Communications PR to Shandwick PLC, London, in exchange for Shandwick stock to increase presence in the global PR market and to prevent potential conflict of interest in FCB's unsuccessful pitch for Burger King (Golin/Harris handles McDonald's PR). As of February 1990, the New York office won the $8 million Jamaica Tourist Board account on condition of sale of FCB's 24% interest in Lindsay Smithers-FCB in Johannesburg. FCB totals include 49% of Publicis-FCB B.V. and 100% of FCB operations outside Europe.

U.S. accounts

Gained: New York—Times Mirror Magazines, Marriott Hotels & Resorts, RJ Reynolds (Winston), Colgate-Palmolive (Automatic Dishwasher Detergent, Fresh Start), Lipton (Sunkist Fruit Spooners), Nabisco (cookie brands, media buying). Chicago—Burlington Sheer Indulgence Hosiery, Cadbury-Schweppes (Canada Dry, Sunkist), Coors (Keystone, Keystone Light, Rocky Mountain Water), Citicorp, Kraft Tombstone Pizza. Los Angeles—Emjoi. San Francisco—Taco Bell, Novell, Johnson's Wax, Dreyers ice cream.

Lost: New York—Econo Lodges of America, Bermuda Tourism. Chicago—First Chicago Corp. Los Angeles—Southern California Gas. San Francisco—Holland-America Lines.

International accounts

Gained: Diner's Club—Venezuela (Banco Mercantil); Nestle—Dominican Republic, Thailand (Dico Coffee); Mazda—Australia; S.C. Johnson—Hong Kong (personal care/household prods); NEC—New Zealand. *For European accounts, see Publicis/FCB B.V.*

Lost: Pirelli Tires—Switzerland; Elida Gibbs Toiletries—UK; Diner's Club—Hong Kong.

Officers

Norman W. Brown, chmn-ceo FCB; Stanley H. Katz, vice chmn FCB; Craig R. Wiggins, chmn FCB Intl; Antonio S. Beja, president FCB Intl-vice chmn Publicis-FCB; W. Bruce Mason, chmn FCB Central; Thomas F. Randolph, chmn FCB West; Dale F. Perona, exec vp-cfo FCB; Charles H. Gunderson Jr., sr vp-secretary-treas FCB; Gregory W. Blaine, exec vp-dir corp resources & devel FCB.

Headquarters

Foote, Cone & Belding Communications
101 East Erie St.
Chicago, Ill. 60611
Phone: (312) 751-7000
Fax: (312) 751-3501

RANK: 93

Geer, DuBois

New York

Gross income: **$19.5** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	19.5	18.0	8.3
Volume	130.0	120.0	8.3
U.S.			
Gross income	19.5	18.0	8.3
Volume	130.0	120.0	8.3

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	201	190	5.8
Offices	1	1	0.0

Annual review

New client Brown & Williamson Tobacco Corp. and recently acquired Sony Communications Product Co. accounted for part of the $10 million increase in billings from new and existing business. The agency maintained its $20 million Jaguar account after Jaguar was bought by Ford Motor Co. A 10% growth is forecasted for 1990.

U.S. accounts

Gained: Brown & Williamson Tobacco Corp., Sony Corp.

Officers

Peter Geer, president; Rodney Underwood, exec vp-creative dir; Doria Steedman, exec vp, dir-agency operations; Joseph Bruce, Michael Garcia, Timothy O'Leary, sr vps-mgmt supers; David Idema, Glenn Kaplan, Maree Mayhew, sr vps-group creative dirs; Dana Christensen, sr vp-rsch dir; Tom Pearse, sr vp-print prod mgr; Joy Sliwa, sr vp-media dir; Rona Yohalem, sr vp-strategic planning; Edward Parella, vp-treasurer.

Headquarters

Geer, DuBois Inc.
114 Fifth Ave.
New York, N.Y. 10011
Phone: (212) 741-1900
Fax: (212) 255-7570

RANK: 71

Gold Greenlees Trott PLC

London

Gross income: **$24.4** million

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For information contact:
Karen Katz, VP/Principal

FORUM PERSONNEL INC

342 Madison Ave., New York, NY 10017 (212) 687-4050

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	24.4	22.1	10.4
Volume	164.4	142.6	15.3

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	673	547	23.0
Offices	17	10	70.0

■ **Annual review**

Strong account gains, particularly the $12 million Access account win, offset the loss of Mazda to give the agency a 15.3% increase in billings in 1989. The London shop, well known for its creative work, is now better connected internationally through its holding company, GGT PLC, which purchased 50% of Austin, Texas-based GSD&M, a shop billing $150.8 million in 1989. GGT has an option to acquire the remainder through 1992. In May, GGT PLC acquired a leading Minneapolis agency, Martin/Williams. During the year GGT's Atlanta-based subsidiary, Babbit & Reiman, opened a New York office, and Coba, GGT's London-based management consultancy, opened Atlanta, New York and Paris offices.

■ **Accounts**

Gained: Access (card), Toshiba post office counters, Pilkington, Conoco jet fuel, London Docklands Development Corp.

Lost: Cadbury Wispa, Mazda, Holsten Export beer.

■ **Officers**

Michael Greenlees, Michael Gold, joint chmn; David Trott, creative dir; Matthew Allen, grp financial dir.

■ **Headquarters**

Gold Greenlees Trott PLC
82 Dean St
London W1V 5AB
Phone: 441-437-0434
Fax: 441-494-0118

RANK: 13

Grey Advertising

New York
Gross income: **$498.9** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	498.9	432.8	15.3
Volume	3,267.4	2,886.5	13.2
U.S.			
Gross income	240.7	227.9	5.6
Volume	1,605.3	1,520.3	5.6

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	6,358	5,690	11.7
Offices	210	165	27.3

■ **Office billings in 1989** ($ in millions)

U.S. offices, location	Billings
Grey Advertising, Los Angeles	160.2
Grey Advertising, New York	1,386.8
Grey Advertising, San Francisco	58.3
Non-U.S. offices, location	**Billings**
Amex & Grey, Bangkok(MN)	7.5
Aspac & Grey, Manila(MN)	4.1
Casares Grey, Buenos Aires(ND)	7.5
Canajans-Grey Reklomcilik, Istanbul(MN)	29.7
CMP & Grey, Lima(ND)	4.9
Fischer-Grey, Caracas(ND)	16.0
Grey Advertising (NZ), Auckland(ND)	6.0
Grey Australia, Sydney(MJ)	40.0
Grey Austria, Vienna(MJ)	34.1
Grey Canada, Toronto(MJ)	119.8
Grey Chile, Santiago(MN)	8.5
Grey Communications Group, Copenhagen(MJ)	51.1
Grey Communications Group, London(MJ)	540.7
Grey Espana, Madrid-Barcelona(MJ)	51.4
Grey Gruppe Deutschland, Duesseldorf(MJ)	253.5
Grey Holdings, Johannesburg(MN)	98.6
Grey Malaysia, Kuala Lumpur, Malaysia(MN)	5.0
Grey Mexico, Mexico City(MJ)	12.3
Grey Uruguay, Montevideo, Uruguay(MN)	2.1
Grey-Daiko, Tokyo(JV)	78.7
Grey, Amsterdam(MJ)	59.1
Grey, Brussels(MJ)	39.1
Grey, Geneva(MN)	33.3
Grey, Paris(MJ)	143.9
Grey, Singapore(MN)	10.8
Hwa Wei & Grey, Taipei(MN)	30.8
Jenson Grey, Oslo(MN)	11.1
Milano & Grey, Milan(MJ)	148.3
MPM Propaganda, Sao Paulo(NE)	220.7
Poopie & Grey, Hong Kong(MJ)	24.5
Sek & Grey Oy, Helsinki(MN)	70.7
Swedish Communications, Stockholm(MJ)	98.8
Trikaya Grey, Bombay(ND)	10.4
West Indies & Grey, San Juan(ND)	35.2

■ **Annual review**

Grey continued to keep its sights glued to the international horizon in 1989. Grey Direct acquired a U.K. direct marketing agency, Dewar Coyle MacLean, and Grey International gained interest in a German shop and Netherlands pharmaceutical agency. Two New Zealand agencies were merged and renamed Grey-New Zealand. European business expanded by more than 25% in 1989 to pace international growth. Grey has turned in three consecutive years of double-digit growth overseas. It established a European Management Board, recently acquired the $15 million SmithKline Beecham's Contac account and the $8 million Ralston Purina Wonder bread account. This continued strength abroad added to heavy new assignment activity in the last quarter of 1989 helped produce a growth of $380.9 million in billings, up 13.2%. Increases from existing clients, led by Thompson Medical Co. and Procter & Gamble ($18 million Sure and $42 million Noxell Cover Girl), produced $254.8 million of the gain, while new accounts—in particular, Tonka ($8 million), Sun Diamond Growers of California ($7 million), 3M ($10 million), Vienna/Budapest World's Fair ($50 million over 5 years) and U.S. Department of Treasury ($15 million over three years)—generated $190.1 million in new billings to offset $64 million in lost billings. The agency sold its interest in LBS Communications, a syndicated TV operation, for $38 million. Norman Vale retired as managing director, Grey International, in early 1990 and will remain as a consultant. Assuming his duties are Frank Clarke, senior vp, and Rob Parker, senior vp-international finance.

■ **U.S. accounts**

Gained: New York—Ernst & Young, NYC Off-Track Betting Corp., Team NFL clothing and accessories, Tonka Corp., U.S. Coast Guard recruitment, U.S. Mint, Vienna/Budapest World's Fair, Grey Western Division—Mag Instruments, Sun Diamond Growers of Calif. (Sun-Maid Growers raisins), Dysan Brand floppy disks.

Lost: New York—Uniroyal Goodrich Tire Co. (B.F. Goodrich tires).

■ **International accounts**

Gained: Armor All—Japan; BankAmerica—Japan, Mexico; Bayer—Hong Kong; Beecham—Thailand; Block Drug—Argentina, Austria; Bristol-Myers—Malaysia; Ciba Geigy—Sweden; Corning—Hong Kong, Mexico, New Zealand, Taiwan; Dunlop—France, India; Mars—Norway, Spain; Mitsubishi—Belgium; Philips Telephone System—Singapore; Procter & Gamble—Australia, Philippines, Taiwan; Samsonite—Spain; G.D. Searle—Mexico; 7-Eleven—Malaysia, Thailand; Shell—Denmark; Tonka—Netherlands, Norway, Sweden; Warner Bros.—Belgium; Wyse Technology—Italy.

Lost: Numerous local accounts.

■ **Officers**

Edward H. Meyer, chmn-president; Robert L. Berenson, exec vp-admin; Barbara S. Feigin, exec vp-dir strategic svcs; Steven G. Felsher, exec vp-finance, worldwide; J. Alec Gerster, exec vp-dir media & programming svcs; Richard M. Karp, exec vp-dir creative svcs; Stephen A. Novick, exec vp-deputy creative dir.

■ **Headquarters**

Grey Advertising Inc.
777 Third Ave.
New York, N.Y. 10017
Phone: (212) 546-2000
Fax: (212) 546-1495

RANK: 79

Griffin Bacal

New York
Gross income: **$22.4** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	22.4	20.0	12.0
Volume	176.2	155.8	13.1
U.S.			
Gross income	20.7	18.4	12.3
Volume	162.7	143.9	13.1

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	193	187	3.2
Offices	2	2	0.0

■ **Annual review**

A billings increase of 13.1% was attributed to the acquisition of the Sharp Electronics Corp. account ($26.2 million) and expanded billings from existing clients Hasbro ($18 million from its Coleco business), that offset the departure of $27 million in billings. Some $16.5 million of the losses were from other Hasbro business. A 6% growth in billings is predicted for 1990 based on expansion of existing accounts, including newly acquired Milton Bradley U.K. ($2.2 million) and Gruner & Jahr's *Young Miss* ($1 million).

■ **U.S. accounts**

Gained: Hasbro, Gruner & Jahr, Sharp Electronics Corp.

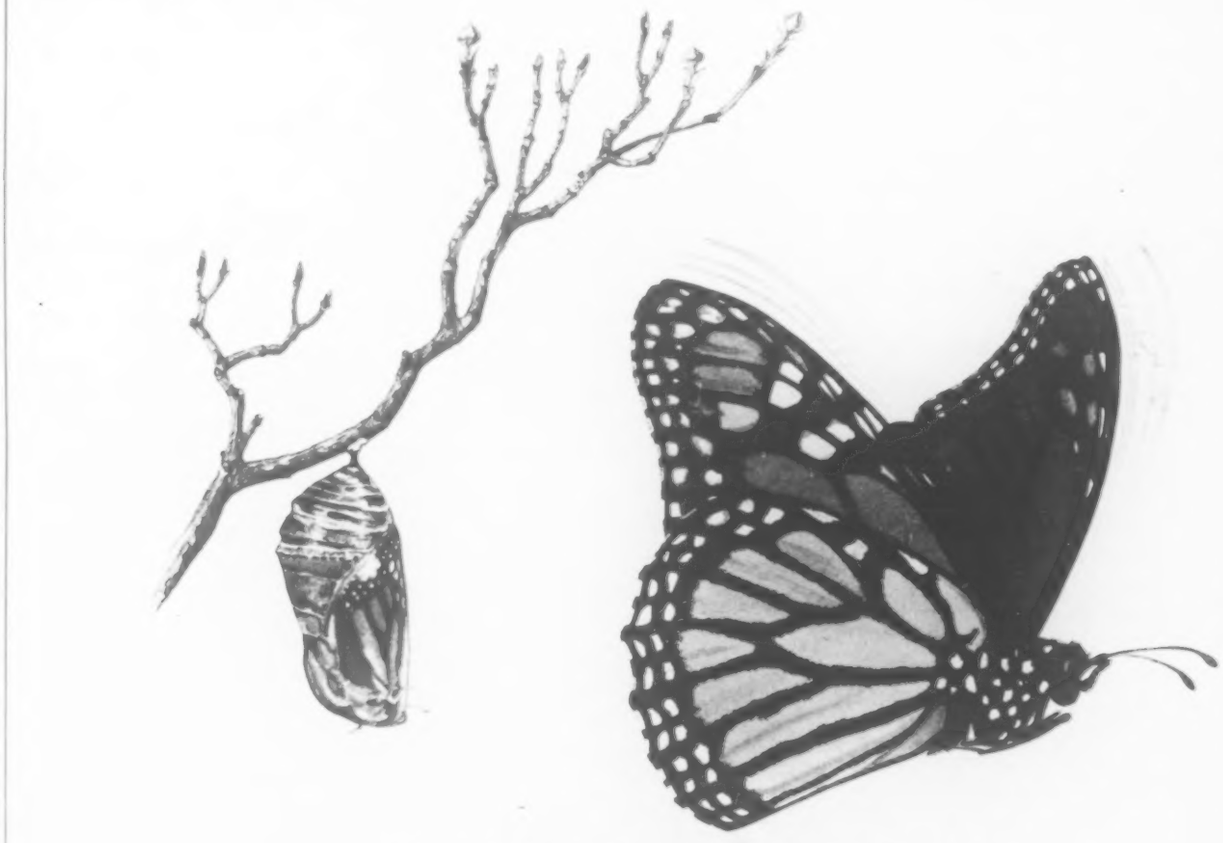
Lost: Commodore Business Machines, Miles Inc.

■ **International accounts**

Gained: Milton Bradley UK, Malaysian Airlines, Asics Footwear.

■ **Officers**

Thomas L. Griffin, Jules M. Bacal, co-chmn; Paul Kurnit, president-coo; Arthur Heller, exec vp-dir media; Lenny



RESPONSE GRAPHICS

Few industries have changed so dramatically in the last ten years as direct marketing. It has evolved into a more targeted business which increasingly uses sophisticated technologies and services.

We ought to know. Through our Response Graphics Division, Moore has been a leader in this evolution. The change in name from Response Graphics to Moore Response Marketing Services reflects the importance we place on this business. We are committing the name as well as the resources of our 2.5 billion dollar corporation to our direct marketing efforts.

The new name also suggests a broadening of focus, from manufacturing exciting direct mail packages to targeting consumers more effectively. Moore Response Marketing Services offers you list enhancement and response analysis as well as sophisticated production and design solutions. It's a single source for all the direct marketing products and services you need.

As targeted marketing becomes even more important, Moore Response Marketing Services will continue to lead the way. Our evolution has just begun!

MOORE

RESPONSE MARKETING SERVICES

1113 South Milwaukee Avenue
Libertyville, Illinois 60048
1-800-722-9001, In Illinois 708-680-0111

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Loekum, exec vp-creative dir; Christopher Mill, exec vp-dir new business; William J. Beihl, sr vp-cfo; Arnie Berger, Norman Hajjar, Bob Kantor, sr vps-group dirs; Tom Hadlock, Carl Teitelman, David Biebelberg, vps-mgmt supers; Jay Bacal, sr vp-assoc creative dir; Marcia Essig, Joe Donney, Bill Kurth, Maurice Mahler, Lynne McNamara, Ted Shaw, Ed Torton, vps-assoc creative dirs; Loretta Volpe, sr vp-media dir; Jeff Dunetz, Steve Margaritov, vps-assoc media dirs; Heide Kahme, vp-assoc media buying dir; Lisa Kaye, Mary Tricoli, vps-media group supers.

Headquarters
Griffin Bacal Inc
130 Fifth Ave
New York, N.Y. 10011
Phone: (212) 337-6400
Fax: (212) 645-0618

RANK: 89

GSD&M

Austin, Texas
Gross income: **$20.2** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	20.2	15.3	32.1
Volume	150.8	124.1	21.5
U.S.			
Gross income	20.2	15.3	32.1
Volume	150.8	124.1	21.5

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	234	171	36.8
Offices	1	2	(50.0)

Annual review
GSD&M in February 1990 became part of GGT Group, London, which purchased 50% of the Texas agency for an estimated $48.5 million with an option to buy the remainder through 1992. During 1989, GSD&M had a net billings increase of $26.7 million over 1988 that came mainly from increased spending from Wal-Mart, Texas Department of Commerce and Coors Brewing, aided by new accounts, Ben Hogan, CompuAdd Corp. and Domino's Pizza. These gains more than offset $12.3 million in billings that left with such clients as *The Wall Street Journal* ($10 million) and Mr. Gatti's Inc. pizza ($3 million). The employee count jumped by 37% and all business from former offices in Dallas, Houston and San Antonio was consolidated in Austin. Projections for 1990 of a 20% increase reflect "strong creative strides and prudent financial planning," reports GSD&M. GGT, whose head agency in London, Gold Greenlees Trott, is one of the world's 100 largest agencies, has been expanding rapidly in the U.S. In 1989, GGT acquired Martin/-Williams, Minneapolis, and in 1988, Babbit & Reiman, Atlanta.

U.S. accounts
Gained: Ben Hogan, CompuAdd Corp., Domino's Pizza (Hispanic), Pearle Vision (project), PGA Tour, United Savings Assn.
Lost: Barq's Inc, Gibraltar, Mr. Gatti's Inc., Southwest Airlines (media), *Wall Street Journal*.

Officers
Stephen Gurasich, chmn-ceo; Roy Spence, president; Tim McClure, exec vp-exec creative dir; Judith Trabulsi, exec vp-media dir; Gary Brahl, sr vp-creative dir; Charles Grady, Steve Wille, Steve Dalbey, Steve Braasch, sr vps-acct dirs; Bob Mazerov, vp-rsch dir; Raoul Rodriguez, sr vp-Hispanic svcs.

Headquarters
GSD&M
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Austin, Texas 78746
Phone: (512) 327-8810
Fax: (512) 327-1775

RANK: 10

Hakuhodo Inc.

Tokyo
Gross income: **$585.5** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	585.5	522.2	12.1
Volume	4,449.2	3,939.1	12.9

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	3,657	3,507	4.3
Offices	43	38	13.2

Annual review
Billings growth of 9% in fiscal 1990 is predicted, reflecting a favorable business climate although not as robust as 1989 when Hakuhodo recorded growth of 12.9%. During 1989 the agency expanded its overseas network, establishing London and Paris subsidiaries, and local offices in Milan and Barcelona and Taipei. Domestically the agency participated extensively in expositions and fairs in Yokohama, Fukuoka and other cities, engaged in joint production and distribution in the movie industry and established new business for urban space development and satellite broadcasting. Hakuhodo has joint ventures with Lintas:Worldwide and McCann-Erickson Worldwide in Japan and will be servicing the Nissan corporate account in Europe with TBWA as partner. Hakuhodo and TBWA competed with two other Japanese-European agency "teams" in winning the account this January. The Japanese are forming such partnerships for account pitches because of the lack of Japanese offices in Europe.

Accounts
Gained: Nissan corporate Europe (won in Jan. '90 in tandem with TBWA), Citizen Watch—U.K.

U.S. accounts
Gained: LA—TEAC Data Storage, Interactive Systems Corp.

Officers
Hiromasa Seki, honorary chmn; Michitaka Kondo, chmn & representative dir; Ritsuo Isobe, president-ceo; Atsushi Okumoto, exec vp; Sr managing dirs—Junichi Shimizu, Hirotada Keki, Shigeru Ohno, Takashi Shoji.

Headquarters
Hakuhodo Inc.
3-22 Kanda-Nishikicho, Chiyoda-ku
Tokyo 101, Japan
Phone: 813-233-6160
Fax: 813-233-6166

RANK: 41

Hill, Holliday, Connors, Cosmopulos

Boston
Gross income: **$51.6** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	51.6	50.2	2.7
Volume	344.0	335.0	2.7
U.S.			
Gross income	43.9	43.1	2.0
Volume	293.1	287.4	2.0

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	523	530	(1.3)
Offices	5	5	0.0

Annual review
Newly acquired accounts led by the Insurance Information Institute ($23.5 million), and healthy growth of $20.2 million in existing business including Nissan Motor Corp.'s Infiniti, Hyatt Hotels and Spalding Golf Balls, offset $37.8 million in lost business to produce a 2.7% increase in billings for 1989. The agency entered into a non-equity partnership with Wakeman & deForrest, forming Hill Holliday Wakeman deForrest in Marina del Rey, Calif. Layoffs hit both the New York office as several Revlon group accounts shook free, and the Boston headquarters as Royal Crown Cola pulled its $10 million account. In early 1990, a Toronto service office was opened to handle the Canadian introduction of Nissan's Infiniti ($5 million-$10 million).

U.S. accounts
Gained: A.T. Cross, Boston Edison, Revlon Inc. (new deodorant), Heinz U.S.A. (Weight Watchers new product), Insurance Information Institute, *Los Angeles Times*, PacTel Cellular, SportsChannel America, Staples Inc.
Lost: Aer Lingus, Royal Crown Cola, Revlon Inc. (Intimate, Trouble, Charlie, Eye Gel, Clean & Clear Shampoo).

International accounts
Gained: United Biscuits, W.H. Smith Group, Bakeland Co. Ltd., J&R Bossini International Ltd., Ritz Asia.

Officers
George J. Hill III, chmn; John M. Connors Jr., president-ceo; Jack Sansolo, president-USA; Dick Pantano, vice chmn-creative dir; Joseph Norberg, cfo-treasurer; Felice Kincannon, exec vp, managing dir-Boston; Carolyn Clark, exec vp-dir mktg svcs; Ann Finucane, exec vp, dir acct & creative svcs; Justine Harrington, exec vp, co-dir acct svcs; John Mills, exec vp, finance. New York: John Ferrell, exec vp-chief creative officer; Susan Smith, exec vp, managing dir. LA: Don Easdon, exec vp, creative dir; Chuck Kushell, exec vp, managing dir. Chicago: Pat Casale, exec vp, managing dir. London: Jennifer Laing, chmn-ceo. Hong Kong: Jimmy Hung, managing dir.

Headquarters
Hill, Holliday, Connors, Cosmopulos Inc.
200 Clarendon St.
Boston, Mass. 02116
Phone: (617) 437-1600
Fax: (617) 572-3534

RANK: 33

I&S Corp.

Tokyo
Gross income: **$94.7** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	94.7	83.2	13.9
Volume	770.2	692.9	11.2

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	817	850	(3.9)
Offices	9	9	0.0

Annual review
I&S predicts growth of 11% in billings in 1990 based on a stable consumer index and an expanding client/industry base resulting from the lifting of government control and self-imposed restrictions in Japan. During 1989, billings from new accounts grew by nearly $60 million as the agency experienced significant growth in media and sales promotion departments. The agency handled major exhibitions such as Asia Pacific Exhibition, Hiroshima Exhibition and Yokohama Exhibition and expanded in interior/exterior space design.

Officers
Masato Suzuki, president-ceo; Masaru Iwata, advisor; Kazuteru Yoshino, exec sr vp; Yo Kinoshita, exec vp; Masaaki Kurata, sr vp; Shigeo Yamashita, Masakazu Ito, Tetsuo Fukabori, Kinya Ozeki, Kiyoshi Takuhashi, vps.

Headquarters
I&S Corp.
5-3 Nihombashi, Muromachi 1-chome
Chuo-ku, Tokyo 103, Japan
Phone: 813-246-8780
Fax: 813-246-8792

RANK: 57

Italia/BBDO

Milan
Gross income: **$27.7** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	27.7	25.4	8.9
Volume	184.2	169.4	8.7

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	15	NA	NA

Annual review
Italia/BBDO, 40% owned by BBDO Worldwide, recorded an 8.7% increase in billings in 1989 and predicts growth of 20% this year, most coming from budget increases from existing clients. The agency in general holds between 50% and 80% equity in its various 14 Italian affiliates that cover advertising, pr, sales promotion, video communications, research and business-to-business.

Accounts
Gained: Rizzoli (weekly magazine), Einaudi (books), RAI (state television).
Lost: Hasbro.

Officers
Gianni Muccini, chmn; Mario Cardaro, genl mgr; Bruno Feriazzo, creative dir; Marilena Gallo, media dir; Ricardo Parravicini, group finance dir.

Headquarters
Italia/BBDO
Via Leopardi, 1
20123 Milano, Italy
Phone: 392-867-431
Fax: 392-869-0094

RANK: 53

Jordan, McGrath, Case & Taylor

New York
Gross income: **$38.5** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	38.5	38.5	0.0
Volume	315.0	300.0	5.0
U.S.			
Gross income	38.5	38.5	0.0
Volume	315.0	300.0	5.0

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	282	283	(0.4)
Offices	1	1	0.0

Annual review
During the last half of 1989, strong new account growth helped push overall billings up 5%. Gained during that stretch were the $15 million-$20 million Hasbro account for girls' toys, $12 million-$15 million Nestle Foods daytime network media buying and two Procter & Gamble accounts credited with $5 million in billings—all of which helped the agency overcome account departures worth $25 million in billings. In early 1990, Malcolm MacDougall, vice chairman, left to form his own consulting company with minority backing from the agency.

U.S. accounts
Gained: Reebok International Inc. (Rockport shoes); Quaker Oats Co. (Pritikin Systems); Hasbro Inc. (My Little Pony, new girls' toys); Milton Bradley Co. (Scattergories, Yahtzee, Memory, Trouble); Procter & Gamble (Top Job, Fisher Nuts, new prods).
Lost: Clorox (Deer Park Spring Water); Tonka Toys; Lehn & Fink (Chubs and Wet Ones); Borden (Wise); Ogden Allied.

Officers
James J. Jordan Jr., chmn; Patrick J. McGrath, president; John L. Taylor, exec vice chmn; Gene Case, sr vp.

Headquarters
Jordan, McGrath, Case & Taylor, Inc.
445 Park Ave.
New York, N.Y. 10022
Phone: (212) 326-9100
Fax: (212) 308-4984

RANK: 83

Keller-Crescent Co.

Evansville, Ind.
Gross income: **$21.3** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	21.3	22.0	(3.4)
Volume	106.5	110.3	(3.4)
U.S.			
Gross income	21.3	22.0	(3.4)
Volume	106.5	110.3	(3.4)

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	546	561	(2.7)
Offices	2	2	0.0

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Keller-Crescent Co., Dallas	18.4
Keller-Crescent Co., Evansville, Ind.	88.2

Annual review
Some $2.5 million in billings came in from new business, including FoxMeyer Drug Co. and its Health Mart subsidiary, to counter losses of $2.9 million in billings from departing clients. However, existing clients cut their billings by $3.3 million to leave the agency with a 3.4% billings decrease for the year.

U.S. accounts
Gained: Textron Aerostructures, Remco Enterprises Inc., S.B. International, Lexington Management Corp., Healthmart Inc., FoxMeyer.
Lost: W.F. Meyers, Monterey House, My Alarm, Thermos.

Officers
Thomas M. Smythe, president-ceo; Robert Hampel, exec vp-finance; F.A. Samuelson Jr., exec vp-creative; Fred D. Kitch, Jack Cohen, exec vps-client svcs; Del Graham, exec vp-prod and operating svcs; Miles Jackson, sr vp-mgmt super; Robert Ubelhor, vp-a/v operations; James Weitzel, vp-mktg svcs; Donald Minton, Michael Mayers, vps-mgmt supers; Thomas O'Conner, managing dir; Richard J. Wittgen, sr vp.

Headquarters
Keller-Crescent Co.
1100 E. Louisiana St.
Evansville, Ind. 47711
Phone: (812) 464-2461
Fax: (812) 426-7601

RANK: 29

Ketchum Communications

Pittsburgh
Gross income: **$117.8** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	117.8	109.9	7.1
Volume	915.7	776.0	18.0
U.S.			
Gross income	112.9	102.1	10.6
Volume	854.9	726.0	17.7

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	1,279	1,410	(9.3)
Offices	20	19	5.3

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Ketchum Advertising, Atlanta	11.7
Ketchum/Mandabach & Simms, Chicago	62.3

Six-year income & billings review for top 500 U.S. agencies

	Gross income						Billings					
Year	Worldwide	% chg	U.S.	% chg	Foreign	% chg	Worldwide	% chg	U.S.	% chg	Foreign	% chg
1989	$12,326.9	9.7	$7,291.8	6.8	$5,035.1	14.2	$85,404.2	9.5	$51,543.5	6.7	$33,860.7	14.0
1988	11,238.3	16.9	6,827.5	9.8	4,410.8	29.9	77,988.9	18.7	48,299.2	12.4	29,689.7	30.6
1987	9,613.1	11.1	6,217.7	(4.4)	3,395.4	58.2	65,702.4	10.8	42,971.2	(4.0)	22,731.2	55.9
1986	8,648.9	5.8	6,502.2	3.8	2,146.7	12.3	59,318.8	6.3	44,740.8	8.1	14,578.0	1.0
1985	8,174.6	14.7	6,262.2	18.7	1,912.4	3.2	55,805.5	15.2	41,371.8	15.3	14,433.7	15.0
1984	7,129.4	17.1	5,276.7	18.4	1,852.7	13.6	48,443.9	17.0	35,895.4	18.3	12,548.5	13.5

Notes: Dollars are in millions. Change is computed from previous years' figures, including 1983, not shown. All figures are constant, representing reporting by the top 500 agencies in the year given.

U.S. offices, location	Billings
Ketchum Advertising, Los Angeles	135.5
Ketchum Advertising, Louisville	10.8
Ketchum Advertising, New York	209.2
Ketchum Advertising, Philadelphia	63.0
Ketchum Advertising, Pittsburgh	111.9
Ketchum Advertising, San Francisco	227.2
Ketchum Advertising, Washington	23.3
Non-U.S. offices, location	**Billings**
Domino Ketchum, Paris(MN)	7.2
Durana Ketchum, Frankfurt(MJ)	8.6
Far East-Ketchum Advertising, Hong Kong(MN)	5.8
Ketchum Japan, Tokyo(MJ)	25.7
Ketchum/Singapore, Singapore(MJ)	6.2
Kompakt Berd, Frankfurt(MN)	17.3

Annual review

Domestic growth at Ketchum slipped only slightly to 17.7% in billings in 1989 from 19% in 1988 as the agency continued to build a client base with new account wins: Southwestern Bell Yellow Pages ($12 million), the broadcast creative portion of Foss Stores ($8-$10 million), French Government Tourist Office ($4 million), and consolidation of the Melitta USA business ($10 million). Losses included Roman Meal ($5 million), Pizza Hut of Washington ($3-$5 million) and Poqet Computer Corp. ($4 million), which it gained and lost during the year. Ketchum formed an international pr joint venture with MPR Leedex, London. Last November Ketchum/Hicks & Greist became Ketchum Advertising, New York.

U.S. accounts

Gained: Southwestern Bell, Ross Dress for Less, Palomar Hospital, STOR, William & Clarissa, Thermador/Waste King, Melitta, Prudential Properties, Singer Sewing Machine, French Government Tourist.

Lost: Dakin, Roman Meal, Paragon Foods, Pizza Hut, *L.A. Herald Examiner*, Cullinet, Rohm & Haas, Gandolf.

Officers

William H. Genge, chmn-ceo, KCI; Gerald J. Voros, president-coo, KCI; Edward L. Graf, vice chmn-cfo, KFI; Paul Alvarez, president, Ketchum Specialized Services; John Fitzgerald, chmn, Ketchum Advertising/USA; Herb Gordon, exec vp-corp svcs; Robert W. Kroyer, president, Ketchum Advertising/USA; David Drobis, president, Ketchum Public Relations; Ken Dudwich, chmn, Ketchum Advertising/San Francisco; Lee Lippman, president, Ketchum/Mandabach & Sims/Chicago; J. Craig Mathiesen, president, Ketchum Advertising/Los Angeles; Thomas R. Miller, president, Ketchum Advertising/New York; Hank Seiden, ceo, Ketchum Advertising/New York; Sam Rand, president, Ketchum Advertising/Philadelphia; Tom Rich, president, Ketchum Advertising/Pittsburgh; Dianne Snedaker, president, Ketchum Advertising, San Francisco; James Larkin, exec vp, Ketchum Advertising/USA; Joseph M. Coogle, exec vp, Ketchum Specialized Services; Jan Hedquist, managing dir, Ketchum International Inc.

Headquarters

Ketchum Communications Inc.
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RANK: 95

Korad Ogilvy & Mather

Seoul
Gross income: **$18.8** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	18.8	14.4	30.8
Volume	118.9	90.5	31.4

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Annual review

Billings grew 31.4% at Korad, largely from substantial new account gains. Korad, an agency 30% owned by the Ogilvy Group (itself owned by WPP Group PLC), operates an interior animation unit among its services.

Accounts

Gained: Cealin Asia chemicals, Sun Micro System computer, SEA Land transportation, Peeres cosmetics, Digital Korea computer, Philips electronics.

Lost: Prince blanket, Hanla Sports, Bowon magnetic products, Robocom toys, Ottogi Food instant noodles.

Officers

C.S. Park, ceo; M.H. Kim, managing dir; I.P. Kwan, head of creative; I.S. Shin, head of media; C.K. Kim, M.Y. Lee, heads of accts svcing.

Headquarters

Korad Ogilvy & Mather
Kukje Center Bldg. 10th Flr.
191-2 Ka Han Gang-ro, Seoul, South Korea
Phone: 822-796-8505
Fax: 822-793-7888

RANK: 58

Kyodo Advertising

Tokyo
Gross income: **$35.3** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	35.3	35.4	(0.1)
Volume	265.6	270.0	(1.6)

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	392	398	(1.5)
Offices	11	11	0.0

Annual review

Kyodo expects growth of 15% in billings in 1990 following a narrow 1.5% gain in yen in 1989. Optimistic projections are based on the development of new media, greater use of local TV and media events and new account development.

Accounts

Gained: Fuji Express (railway, hotel), Japan Emba (import fur sales), Komatsu (forklifts), Taka Q. (fashion), Nihon Mines (metal/oil).

Lost: Ivy (cosmetics), Nisshin (travel), Nichiro Fishery.

Officers

Seiya Sekiguchi, president; Yoshimasa Abe, exec managing dir; Susumu Ohashi, Shigeki Tadano, managing dirs; Directors—Tatsuo Kohno, Takahashi Sugita, Naotoshi Takada, Taiji Takeya, Yohsuke Obana, Nobuo Ichikawa, Hiroshi Kudoh.

Headquarters

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Tokyo 100, Japan
Phone: 813-503-1311
Fax: 813-580-9065

RANK: 60

Laurence, Charles, Free & Lawson

New York
Gross income: **$34.6** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	34.6	41.5	(16.5)
Volume	275.2	302.0	(8.9)
U.S.			
Gross income	34.6	41.5	(16.5)
Volume	275.2	302.0	(8.9)

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	322	334	(3.6)
Offices	5	5	0.0

Annual review

New business from Econo Lodges of America ($5 million) and increased spending from existing clients Clairol (Option, $5 million) and American Tobacco (Misty, $6 million, and American Lights, $2 million) wasn't enough to prevent an 8.9% decline in billings traced largely to the departure of the Thompson Medical account ($20 million). The agency predicts 2% revenue growth for 1990. LCFL is one of the three advertising arms of Lowe Group, London.

U.S. accounts

Gained: Econo Lodges of America, Clairol (Option), American Tobacco (Misty, American Lights).

Lost: Thompson Medical.

Officers

Charles Goldschmidt, chmn, exec comm; Thomas E. Lawson, president-ceo; Laurence D. Dunst, chmn; F. William Free, Martin Smith, vice chmn; Alfred L. Evans Jr., Frank Macina, Alfred Magnane, exec vps-mgmt supers; Paul Hodges, Dan Franklin, exec vps-creative dirs; Todd Middleton, exec vp-business devel; Fred Turdik, exec vp-dir operations.

Headquarters

Laurence, Charles, Free & Lawson
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New York, N.Y. 10016
Phone: (212) 213-4646
Fax: (212) 213-6710

RANK: 56

Levine, Huntley, Schmidt & Beaver

New York
Gross income: **$37.1** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	37.1	32.1	15.7
Volume	250.3	216.4	15.7
U.S.			
Gross income	37.1	32.1	15.7
Volume	250.3	216.4	15.7

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	245	250	(2.0)
Offices	6	6	0.0

Annual review

The agency anticipates a growth rate of 20% in 1990 spurred in part by growth from new accounts in 1989. New account growth for the year hit $21.2 million and included $12 million from Trump Taj Mahal. Existing accounts added an additional $29.7 million in billings to more than offset the departure of $17 million in business, including the Citizen Watch account. The agency is a subsidiary of Grey Advertising, but its returns are not included in Grey's totals.

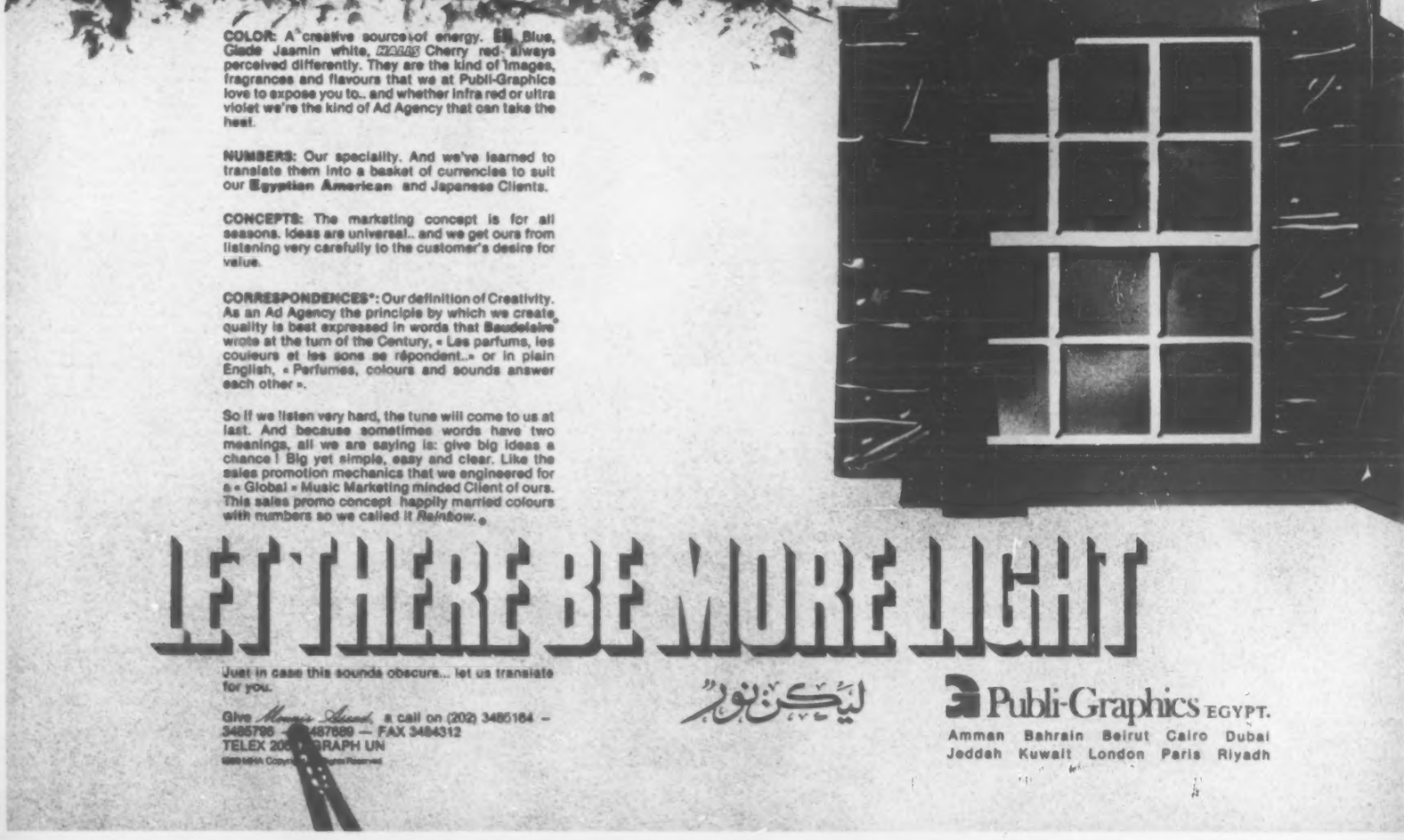
U.S. accounts

Gained: Ethan Allen (furniture); Frito Lay (salty snacks); Schering (new prods); Trump Taj Mahal (casino); Bausch & Lomb (Ray Ban); Ralston Purina (new prods).

Lost: Citizen Watch Co.

Officers

Robert H. Schmidt, chmn-president-ceo; Harold Levine, chmn-exec committee; Allan Beaver, vice chmn-dir creative svcs; Terry Bonaccolta, exec vp-dir new business; James F. Brandhorst, Jr., exec vp-mgmt dir; Anthony DeGregorio, exec vp-creative dir; James Dragoumis, exec vp-dir acct svcs; Jane Pack, exec vp-dir strategic svcs; Len Sternbach, exec vp-dir operations; Jean L. Bergin, sr vp-mgmt super; Matthew R. Bud, sr vp, finance-cfo; Alan Chalfin, sr vp-assoc creative dir; Michael M. Moore, sr vp-dir


COLOR: A creative source of energy. Blue, Glade Jasmin white, HALLS Cherry red- always perceived differently. They are the kind of images, fragrances and flavours that we at Publi-Graphics love to expose you to.. and whether infra red or ultra violet we're the kind of Ad Agency that can take the heat.
NUMBERS: Our speciality. And we've learned to translate them into a basket of currencies to suit our Egyptian American and Japanese Clients.
CONCEPTS: The marketing concept is for all seasons. Ideas are universal.. and we get ours from listening very carefully to the customer's desire for value.
CORRESPONDENCES*: Our definition of Creativity. As an Ad Agency the principle by which we create, quality is best expressed in words that Baudelaire wrote at the turn of the Century, « Les parfums, les couleurs et les sons se répondent..» or in plain English, « Perfumes, colours and sounds answer each other ».
So if we listen very hard, the tune will come to us at last. And because sometimes words have two meanings, all we are saying is: give big ideas a chance ! Big yet simple, easy and clear. Like the sales promotion mechanics that we engineered for a « Global » Music Marketing minded Client of ours. This sales promo concept happily married colours with numbers so we called it Rainbow.
LET THERE BE MORE LIGHT
Just in case this sounds obscure... let us translate for you.
Give Monsieur Amand a call on (202) 3486184 – 3486798 – 3487689 — FAX 3484312
TELEX 20[illegible] GRAPH UN
لیکن نور
Publi-Graphics EGYPT.
Amman Bahrain Beirut Cairo Dubai
Jeddah Kuwait London Paris Riyadh

Public relations' influence on top 10 global agencies

Rank w/out PR	Rank with PR	Agency	Worldwide gross income without PR	Agency PR company	Public relations fees	W'wide gross income
1	1	Dentsu Inc.	$1,316.4	Dentsu PR	NA	$1,316.4
2	2	Saatchi & Saatchi Advertising Worldwide	890.0	Rowland Cos.[1]	41.9	890.0
3	3	Young & Rubicam	805.2	Burson-Marsteller[2]	184.2	865.4
4	4	Backer Spielvogel Bates Worldwide	759.8		NA	759.8
5	5	McCann-Erickson Worldwide	715.5		NA	715.5
6	7	BBDO Worldwide	656.6		NA	656.6
7	6	Ogilvy & Mather Worldwide	642.7	Ogilvy & Mather PR	57.0	699.7
8	8	J. Walter Thompson Co.	626.4	Hill & Knowlton[3]	170.0	626.4
9	9	Lintas:Worldwide	593.3		NA	593.3
10	10	Hakuhodo Inc.	585.5		NA	585.5

Notes: Dollars are in millions. [1] Rowland Cos. is part of Saatchi & Saatchi PLC. [2] Y&R includes $124 million (media-related) fees of Burson-Marsteller in its returns; $60.2 million of B-M's fees are purely PR. [3] H&K is an autonomous unit of WPP.
Source: PR fee totals were provided by agencies. AA accepts PR as part of an advertising total if the unit is not considered an autonomous unit by the agency.

of strategic svcs; Robert A. Nelson, sr vp-exec producer; Kenneth A. Paster, sr vp-mgmt super; Nathan A. Russo, sr vp-assoc creative dir; Philip Sklar, John T. Wheaton, sr vps-mgmt supers; Michael Vitiello, sr vp-assoc creative dir.

■ **Headquarters**
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Phone: (212) 545-3500
Fax: (212) 779-1763

RANK: 73

L.G. Ad

Seoul
Gross income: **$24.1** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	24.1	19.0	26.6
Volume	160.7	126.9	26.6

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

■ **Annual review**
Heavy account wins pushed billings up 14.3% (in Korean won) and should help the Seoul agency attain its projected 17.4% increase in billings in 1990. LG is a non-equity affiliate of BBDO Worldwide.

■ **Accounts**
Gained: Korea Machauer (apparel), Magazine House Co. (magazine), Seoul Cultural Co. (magazine), Seoul Dairy, Saehan Pharmaceuticals, ISS (apparel), Shinhan Intl (apparel), E-Land Co. (apparel), Sewoo Polymer (furniture), Anjin Pharmaceuticals, Ilwha Textile, Booto Co. (poultry), Dongbu Group (autos), Chunho Integration (poultry), Daewan Hwasung Co. (footwear), *Naeway Economic Daily*, Sampoong Department Store.
Lost: Esquire (apparel/footwear), KLM, Green House (entertainment), Kyunglim Co. (apparel).

■ **Officers**
Jwa-Hyon Youn, president; Choon-Taek Lim, head of creative; Seung-Eun Park, head of media; Chang-Son Park, head of accts svcs.

■ **Headquarters**
LG Ad Inc.
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275 Gongdeok-dong, Mapo-gu
Seoul, Korea
Phone: 822-701-1505
Fax: 822-701-1510/1610

RANK: 9

Lintas:Worldwide

New York
Gross income: **$593.3** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	593.3	537.6	10.4
Volume	3,957.6	3,585.6	10.4
U.S.			
Gross income	224.9	201.7	11.5
Volume	1,499.9	1,345.4	11.5

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	6,034	6,372	(5.3)
Offices	135	122	10.7

■ **Office billings in 1989** ($ in millions)

U.S. offices, location	Billings
Lintas:CECO, Warren, Mich.	NA
Lintas:MCM/Direct, New York	NA
Fahlgren & Swink, Parkersburg, W. Va.	161.9
Lintas:USA, Chicago	3.7
Lintas:USA, Los Angeles	34.2
Lintas:USA, Miami	23.3
Lintas:New York, New York	771.4
Lintas:Campbell-Ewald, Warren, Mich.	667.4

Non-U.S. offices, location	Billings
Colonnese:Lintas, Buenos Aires(MJ)	78.0
Grafika:Lintas, Istanbul(MN)	13.1
Graphic:Lintas Malawi, Blantyre, Malawi(MN)	1.9
Hakuhodo:Lintas, Tokyo(JV)	71.6
Lintas:GR:Denmark, Copenhagen(MJ)	50.8
Lintas: Hong Kong, Hong Kong(MJ)	16.6
Lintas:Abidjan, Abidjan, Ivory Coast(MJ)	10.3
Lintas:Athens, Athens(MJ)	23.8
Lintas:Australia, Sydney(MJ)	81.9
Lintas:Austria, Vienna:Salzburg(MJ)	50.8
Lintas:Brussels, Brussels(MJ)	56.4
Lintas:Cameroon, Douala, Cameroon(MN)	NA
Lintas:Chile, Santiago(MJ)	11.5
Lintas:Colombia, Bogota(MJ)	4.1
Lintas:Germany, Hamburg(MJ)	349.0
Lintas:Helsinki, Helsinki(MJ)	47.7
Lintas:India, Bombay(MN)	53.4
Lintas:Make Direct Oy, Helsinki(MJ)	14.3
Lintas:Malaysia, Kuala Lumpur, Malaysia(MJ)	12.5
Lintas:Manila, Manila(MN)	10.6
Lintas:Mexico, Mexico City(MJ)	9.6
Lintas:Milano, Milan(MJ)	124.4
Lintas:Namibia, Klein Windhoek, Namibia(MJ)	0.6
Lintas:Netherlands, Amsterdam(MJ)	118.8
Lintas:New Zealand, Auckland(MJ)	20.6
Lintas:Paris, Paris(MJ)	284.0
Lintas:Portugal, Lisbon(MJ)	37.2
Lintas:Singapore, Singapore(MJ)	11.4
Lintas:South Africa, Johannesburg(MJ)	42.2
Lintas:Spain, Madrid(MJ)	164.7
Lintas:Sweden, Stockholm(MJ)	27.9
Lintas:Taiwan, Taipei(MJ)	16.4
Lintas:Thailand, Bangkok(MJ)	48.0
Lintas:Zimbabwe, Harare, Zimbabwe(MJ)	6.2
Lintas:Zurich, Zurich(MJ)	37.8
MacLaren:Lintas, Toronto(MJ)	188.3
Myres:Lintas, Oslo(MJ)	33.8
P.T. Citra:Lintas, Jakarta(NE)	23.6
R:Lintas, Karachi, Pakistan(NE)	7.9
SPCTD:Lintas, London(MJ)	138.4

■ **Annual review**
Steady gains, amid the tough loss of the $55 million Noxell Corp. account, pushed Lintas' billings up 10.4%, although far behind 1988's 28.6% pace. Procter & Gamble bought Noxell in September and pulled it from Lintas, after 40 years of service, due to conflict of interest with Unilever. Eastern Airlines' bankruptcy in August mandated serious cuts in planned 1989 advertising, and, along with reduction in other existing clients' budgets, forced layoffs in New York. Also, the Michigan office lost Bridgestone USA's $10 million account in August. Existing clients rounded up substantial business: GM Chevrolet consolidated national advertising for Geo ($35 million) at the Michigan shop, which also drew an assignment from IBM to develop retail tactical marketing programs ($15 million-$20 million). Martlet Importing awarded its Molson Beer account ($10 million) to the New York shop, also the recipient of Unilever's Brut 33 account ($9 million). Australia drew Unilever's Unifoods subsidiary media buying account ($40 million) and France won SGEM Vittel ($10 million). In January 1990, the Toronto shop gained GM Corp.'s Canadian media buying account ($51 million), and worldwide creative responsibility of Diet Coke was consolidated with Lintas:WW, which picked up the overseas portion previously handled by McCann-Erickson. Lintas' sister agency in parent Interpublic. Eyeing the international market, it opened Lintas:Integrated Marketing Communications in Bangkok in April, with plans to expand throughout Southeast Asia. In June, Still Price Court Twivy D'Souza was bought and combined with Lintas' U.K. office. Lintas Marketing Communications was set up to encompass all non-media units in the U.S. In consolidating its worldwide management in the U.S., Kenneth Robbins, chairman-ceo of Lintas:International and deputy chairman of Lintas:WW, moved to New York from London. Separately, Barry Day moved to Lintas:WW as vice chmn-dir international advertising development after 18 years with McCann.

■ **U.S. accounts**
Gained: Lintas: New York—Lipton soup mixes, Inter-Continental, Martlet's Molson Beer, Unilever's Faberge fragrances and Brut, Fieldcrest Cannon, Johnson & Johnson KY Jelly. Lintas:MCM/Direct—Applied Graphics, Commerce Clearing House, Fieldcrest Cannon, IBM's ACIS college program, Johnson & Johnson's Vistakon/Acuvue, Phillips-Van Heusen Profile stores, T.J. Lipton Beverage div, Paine Webber Mitchell Hutchins mutual funds. Lintas: Campbell-Ewald (including CECO)—Meineke Discount Muffler shops, AC Rochester auto components; Domino's Pizza chain (intl), General Motors' California Geo, Johnson & Johnson's Acuvue/Tactical mktg, RJR Nabisco's Life savers, IBM computers/tactical mktg, MasterCard, McLouth Steel. Fahlgren & Swink—McDonald's (Southeast, Southwest and Palm Beach Florida Coops); Tampa Bay Performing Arts Center; Jewel Osco; GTE Mobilnet; ARVIDA luxury home community; State of West Virginia-Tourism, Impact Resources.
Lost: Lintas:New York—Motorola Corp; Johnson & Johnson first aid kit; Noxell Cover Girl/Noxzema. Lintas:MCM/Direct—Encyclopaedia Britannica, Carteret Savings Banks. Lintas:Campbell-Ewald (including CECO)—Bridgestone Tires. Fahlgren & Swink—Volvo GM, Trustcorp, Worthington Foods, Quaker State-Southeast.

■ **International accounts**
Gained: Alitalia—Australia, India, Singapore; Casio watches—Austria; Citicorp—Indonesia (Citibank Visa); Thailand (Citibank Visa); Citizen Watches—Italy; Fiat—Italy (Selenia Oil), Switzerland (cars); Inter-Continental Hotel—Canada, Colombia, Mexico, Indonesia, Philippines; NEC—Austria (computer/media), Turkey (facsimile), Mexico (corp); Rowntree Mackintosh—England (Montego); SmithKline Beecham—South Africa.
Lost: Alitalia—Hong Kong (regional acct); Citicorp—Singapore (Citibank); Citizen Watches—England; Inter-Continental Hotel—France, Greece; Noxell—Canada; Philips—England (consumer div), France, Canada; RCA/Columbia—Spain (videotapes); SEB Tefal—France.

■ **Officers**
Lintas:Worldwide—William V. Weithas, chmn-ceo; Kenneth L. Robbins, deputy chmn, chmn-ceo, Lintas International. Lintas:USA—William V. Weithas, chmn; Richard D. O'Connor and Spencer Plavoukos, vice chmns; Jan T. L. Homan, exec vp-dir strategic planning & rsch; Donald A. Peppers, exec vp-business devel; Louis M. Schultz, exec vp-dir media svcs. Lintas:New York—Spencer Plavoukos, chmn-ceo; Francis J. DeVito, president-dir creative svcs; William A. Overlock, exec vp-admin & finance, Group exec vps—Stephen W. Norcia, F. Stone Roberts, Terry L. Rosenquist; Thomas J. Turner, exec vp-dir mktg. Lintas:Campbell-Ewald—Richard D. O'Connor, chmn-ceo; Peter A. Dow, president-coo; Exec vps—Robert P. Roselle, cfo; Robert H. Schirmer, group dir client svcs; Ronald W. Mitchell, dir agency planning; Anthony J. Hopp, Chevrolet acct dir; Deborah A. Karnowsky, creative dir general accts; William J. Ludwig, creative dir Chevrolet; Dennis H. Plansker, dir broadcast svcs. Lintas:CECO—James I. Bernardin, chmn-ceo; Frank E. Hoag Jr., president-coo. Lintas:Muir Cornelius Moore—William P. Muir, chmn-ceo; James Cornelius, vice chmn-dir corp devel; Richard Moore, vice chmn-chief creative officer. Fahlgren & Swink—H. Smoot Fahlgren, chmn-ceo; William J. Farson, treasurer-cfo; James W. Swearingen, vice chmn-coo.

■ **Headquarters**
Lintas:Worldwide
One Dag Hammarskjold Plaza
New York, N.Y. 10017
Phone: (212) 605-8000
Fax: (212) 605-8569

RANK: 25

Lowe International

London
Gross income: **$137.8** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	137.8	NA	NA
Volume	918.6	NA	NA
U.S.			
Gross income	42.0	NA	NA
Volume	279.9	NA	NA

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

■ **Office billings in 1989** ($ in millions)

U.S. offices, location	Billings
Lowe Marschalk, New York	275.0
Lowe Tucker Metcalf, New York	27.0

Non-U.S. offices, location	Billings
Campbell Ewald, Vienna(MJ)	0.2
GJW, London(MJ)	23.7
Hertz Waipolo, Sydney(MN)	23.7
International Poster Management, London(MJ)	12.4
Lowe Bell Communications, London(MJ)	148.5
Lowe Canada/Deacon Day, Toronto(JV)	23.4
Lowe Dos Per Dos, Barcelona(MJ)	24.6
Lowe Howard-Spink, London(MJ)	286.8
Lowe Lsorzer, Frankfurt(MJ)	122.6
Lowe Nederland, Amsterdam(MJ)	8.1
Lowe Quadrillage, Boulogne, France(MN)	21.2
Lowe Troost, Brussels(MJ)	46.1
Pirella Goettsche Lowe, Milan(MJ)	118.0
Services Division, London(MJ)	24.7
The Wight Co., London(MJ)	12.6

■ **Annual review**
Lowe International, a network of international agencies owned by Lowe Group PLC holding company, was led in the billings race by Lowe Howard-Spink, U.K., its leading U.K. unit which gained more than $85 million in new business. The leading U.S. shop, Lowe Marschalk, pulled in the Prudential U.S. account worth $70 million, although its total billings declined by 15.4%. The Italian agency, Pirella Gottsche Lowe, gained more than $50 million in new accounts, including Braun. The network also grew through acquisition: Homer & Durham in the U.S. (folded into Lowe Tucker Metcalf), the remaining stock in Lowe Marschalk and 49% of Deacon Day Advertising, Canada. Lucinda Holmes became president of Lowe International in February 1990.

■ **U.S. accounts**
Gained: Lowe Marschalk: Braun appliances, Citibank card, Lehn & Fink, Hong Kong & Shanghai Bank. Lowe Tucker Metcalf: Avis lube.
Lost: Lowe Marschalk: Johnson & Johnson (Sucralose), Colombo, Ponderosa.

■ **Other network accounts**
Gained: Henkel—Germany, France, Italy, Netherlands, Spain; Benetton—Italy (Sisley)—U.S., Europe, Canada, Argentina; Bristol-Myers Squibb. Mum—Germany; Ferrero Rocher (Raffaelo)—Germany; Interbrew—Belgium, France, Netherlands, Spain (Stella Artois); Hoover—UK, Italy, France, Benelux; Searle—three European markets and Canada (Canderel); also Visa—Belgium; Tesco supermarkets, National Power Co., United Biscuits (Terry's of York), Weetabix cereal, Sky TV and Reebok sports shoes—all UK; Toshiba fax/computers, Parker pens—Spain.
Lost: UDG (Gordons Gin)—UK

■ **Officers**
Frank Lowe, chmn-Lowe Group PLC & Lowe Intl; Lucinda Holmes, president-Lowe Intl

■ **Headquarters**
Lowe International
Bowater House
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London SW1X 7LT
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Fax: 441-581-5742

RANK: 49

Man-Nen-Sha Inc.

Osaka, Japan
Gross income: **$42.2** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	42.2	36.4	15.9
Volume	550.4	492.9	11.7

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	464	472	(1.7)
Offices	11	11	0.0

■ **Annual review**
The agency, which recorded year-to-year billings growth of 11.7% in 1989, expects growth in 1990 to hit 13% as ad expenditures keep pace with economic growth in Japan where its business is concentrated, and as a number of special events—including the International Gardens and Greenery Exposition '90—stimulate advertising activity.

■ **Accounts**
Gained: Japan Railways (Tokai), Japan Railways West Japan Bus, Esso oil, Sanwa Homes.

■ **Officers**
Tsuneji Higaki, chmn; Osamu Hirokawa, president; Makoto Fukui, sr managing dir; Chozo Imanishi, Yukio Hayashi, managing dirs.

■ **Headquarters**
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Phone: 816-202-2212
Fax: 816-227-1651

RANK: 5

McCann-Erickson Worldwide

New York
Gross income: **$715.5** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	715.5	656.8	8.9
Volume	4,772.3	4,381.0	8.9
U.S.			
Gross income	209.1	197.0	6.1
Volume	1,394.8	1,314.0	6.1

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	9,028	8,606	4.9
Offices	149	144	3.5

■ **Office billings in 1989** ($ in millions)

U.S. offices, location	Billings
McCann Direct, New York	40.0
McCann Healthcare, Chicago	53.0
McCann-Erickson Worldwide, Atlanta	48.8
McCann-Erickson Worldwide, Detroit	154.0
McCann-Erickson Worldwide, Houston	87.0
McCann-Erickson Worldwide, Los Angeles	115.0
McCann-Erickson Worldwide, New York	558.0
Phillips-Ramsey, Phoenix	21.0
Phillips-Ramsey, San Diego	34.0
McCann-Erickson Worldwide, San Francisco	134.0
McCann-Erickson Worldwide, Seattle	30.0

Non-U.S. offices, location	Billings
ABC-McCann Publicidad, Caracas(MJ)	18.1
Dobbs-Wiggins McCann-Erickson, Auckland(MJ)	18.0
McCann-Erickson Belgium, Brussels(MJ)	101.6
M-E Centroamericana, San Jose(MJ)	8.1
M-E Centroamericana, San Salvador(MJ)	4.6
M-E Centroamericana, Tegucigalpa, Honduras(MJ)	6.0
McCann-Erickson de Panama, Panama City(MJ)	3.4
McCann-Erickson DeVilliers, Johannesburg(MJ)	43.3
McCann-Erickson Dominicana, Santo Domingo(MJ)	5.9
McCann-Erickson Finland, Helsinki(MJ)	91.6
McCann-Erickson France, Paris(MJ)	213.5
McCann-Erickson Germany, Frankfurt(MJ)	297.2
McCann-Erickson Hellas, Athens(MJ)	15.2
McCann-Erickson Hungary, Budapest(MJ)	1.3
McCann-Erickson Italiana, Milan(MJ)	254.1
McCann-Erickson Japan, Tokyo(MJ)	618.4
McCann-Erickson Jardine, Beijing(MJ)	7.2
McCann-Erickson Kenya, Nairobi(MJ)	6.1
McCann-Erickson Malaysia, Kuala Lumpur, Malaysia(MJ)	22.0
McCann-Erickson Nederland, Amsterdam(MJ)	61.2
McCann-Erickson Pars, Istanbul(MJ)	20.8
McCann-Erickson Singapore, Singapore(MJ)	26.7
McCann-Erickson Sweden, Stockholm(MJ)	53.3
McCann-Erickson Switzerland, Geneva/Zurich(MJ)	56.8
McCann-Erickson S.A. Group, Madrid(MJ)	177.6
McCann-Erickson Tara Sinha, New Delhi(NE)	3.6
McCann-Erickson Thailand, Bangkok(MJ)	14.5
McCann-Erickson Trinidad, Port of Spain, Trinidad(MJ)	13.7
McCann-Erickson U.K., London(MJ)	400.4
McCann-Erickson (Taiwan), Taipei(MJ)	40.7
McCann-Erickson, Toronto(MJ)	194.3
McCann-Erickson, Asuncion, Paraguay(MJ)	0.3
McCann-Erickson, Bogota(MJ)	19.1
McCann-Erickson, Buenos Aires(MJ)	61.7
McCann-Erickson, Copenhagen(MJ)	15.6
McCann-Erickson, Guayaquil, Ecuador(MJ)	7.6
McCann-Erickson, Hong Kong(MJ)	28.3
McCann-Erickson, Kingston, Jamaica(MJ)	8.5
McCann-Erickson, Lima(MJ)	11.9
McCann-Erickson, Manila(MJ)	25.8
McCann-Erickson, Mexico City(MJ)	54.7
McCann-Erickson, Montevideo, Uruguay(MJ)	2.2
McCann-Erickson, San Juan(MJ)	23.7
McCann-Erickson, Santiago(MJ)	24.4
McCann-Erickson, Sydney(MJ)	134.2
McCann-Erickson, Vienna(MJ)	32.5
McCann-Erickson/Hora, Lisbon(MJ)	57.7
Publicidad McCann-Erickson, Guatemala City(MJ)	9.3
Reklamens Hus/McCann, Oslo(MJ)	18.3

■ **Annual review**
After two years of 20%-plus billings growth, McCann dipped to 8.9% growth as Shearson Lehman Hutton ($20 million), American Express Gold Card ($25 million) and R.J. Reynolds Tobacco Co.'s Camel and Winston domestic accounts ($55 million) exited. Gains from Nestle Food Corp.'s Taster's Choice ($24 million), consolidation of Nestle's $56 mil-

lion U.K. grocery division at McCann and three new assignments from American Home Products relieved losses. Overseas volume, which traditionally accounts for about 70% of its billings, grew 10.1%, off from growth of 31% in 1988. McCann continued its international expansion by purchasing majority stake in a West German agency and opening Universal de Medios in Madrid, its first Spanish media-buying company. The new unit helped bring in new global accounts, among them Agfa Photo retail division, Europcar Car Rental, Lufthansa in SE Asia and Nabisco Brands cracker and snack advertising in the U.K. In Europe, McCann created Europe McCann Direct, a consolidation of its 14 direct-marketing offices there with combined $55 million billings. McCann plans to open an agency in the Soviet Union in April, 1990, and is seeking joint ventures in Poland and Czechoslovakia. In Canada, 51% of McCann/Foster was sold to former owners so the shop—now Foster Advertising—could retain its $8.5 million in government business. Among personnel changes, Sean Fitzpatrick, creative director behind Lintas' "Heartbeat of America" Chevrolet campaign, moved to McCann as vice chairman-chief creative officer, and Mike Ferrier succeeded Jerry Shively as chairman in London. Chairman-CEO Robert James added the title of president when John McNamara stepped down in January.

U.S. accounts

Gained: Atlanta—Diversified Products, American Family Life, American Express travel vacations, Six Flags Over Georgia. Detroit—Champion Spark Plug sales promo, General Motors direct mktg. Houston/Dallas—McDonald's Shreveport/Texarkana, Exxon NASCAR Racing, First City Bancorp cash mgmt. Los Angeles—Sea Gallev media buying, Hilton, California Buick. New York—Nestle's Taster's Choice, Fidelity Investments, Brooks Brothers, Mennen Home Expressions Group. San Francisco—Safeway, Poqet Computer,/Chevron Fire Flakes. Seattle—Ronan Meal bread, Alaska Seafood marketing institute, Ernst Home Centers. McCann Direct—India Tourist Board, Gillette Waterman pens. McCann Healthcare (Chicago)—Mennen Baby Magic and MAPS, Marion Labs' Pentasa. Phillips-Ramsey (Phoenix)—Doubletree Hotel, Greater Phoenix Economic Council. Phillips-Ramsey (San Diego)—Scripps Clinic & Research.

Lost: Atlanta—Tru Green lawn care. Houston/Dallas—Gemcraft Homes. New York—R.J. Reynolds cigarettes, American Express Gold Card, Shearson Lehman Hutton. Seattle—Rainier Bancorp. McCann Direct—American Express Gold Card. McCann Healthcare (Chicago)—G.D. Searle sale substitute. Phillips-Ramsey (Phoenix)—Del Webb real estate.

International accounts

Gained: Agfa—Austria, Belgium, Denmark, England, Finland, Germany, Greece, Italy, Netherlands, Spain, Sweden, American Express—Hong Kong (bank, travel), Braun—England/Harrison; Buitoni—England; CPC—Spain (Horniman's Tea), Europcar (auto rental) —Germany, Portugal, Sweden; General Motors—Taiwan (corp); Gillette (Waterman pens)—Belgium, Goodyear-El Salvador (tires), Henkel—Turkey (Persil), Levi Stauss—Chile (jeans), L'Oreal—Panama (Studio Line), Hong Kong; Lufthansa Airline—Australia, Hong Kong, Philippines, Taiwan; Mennen-Mexico, Panama; Sterling Drugs—Jamaica, Trinidad; UPS-Finland, Japan, Sony—Spain; WD-40—Australia, England/Harrison, New Zealand.

Lost: Henkel—France (Le Chat detergent), Germany, Netherlands; General Motors —Venezuela (corp); Goldcorp—Australia, Hong Kong; Olivetti—Austria, England, Italy, Portugal, Switzerland.

Officers

Robert L. James, chmn-president; John F. Bergin, vice chmn; Marcio M. Moreira, vice chmn-chief creative officer, intl; Eugene H. Kummel, chmn emeritus. Exec vps Worldwide—Peter O. Hamilton, Bohdan I. Kurylko, Michael A. Sennott, John Bradbury; Gianni A. Cottardo, regional dir-Europe, Max Cusnir, regional dir-Asia/Pacific, John J. Dooner, president-North America, Michael C. Ferrier, regional dir-Europe, Jens Olesen, regional dir-Latin America, Koji Oshita, president, McCann-Erickson Hakuhodo.

Headquarters

McCann-Erickson Worldwide
750 Third Ave.
New York, N.Y. 10017
Phone: (212) 697-6000
Fax: (212) 867-5170

Euromedia buying's meteoric rise

Saatchi & Saatchi PLC set up Zenith Media in response to the ad/media separation trend in Europe. Not to be outdone, WCRS bought all of Carat In-

RANK: 78

McKim Advertising

Toronto
Gross income: **$22.6** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	22.6	22.1	2.7
Volume	151.1	147.2	2.6

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Annual review

McKim reported a 2.6% growth in billings in its consolidated totals, which included returns for subsidiaries Lowe Case Associates, Toronto, and V.R.H. Communications, Vancouver. Midyear, Ayer acquired 40% of the Spectrum Group Ltd. of Toronto, which owns McKim.

Accounts

Gained: Family Channel, Emerson Electronics, Rorer Pharmaceutical, B.C. StenaLine, Greek National Tourist Organization.

Lost: Dairy Bureau of Canada, Gov't of Ontario.

Officers

J.M. Anderson, president-ceo.

Headquarters

McKim Advertising Ltd.
2 Bloor St. West
Toronto, Ontario, Canada M4W 3R6
Phone: (416) 960-1722
Fax: (416) 960-1531

RANK: 63

Meitsu Inc.

Tokyo
Gross income: **$32.0** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	32.0	31.0	3.2
Volume	213.1	193.5	10.1

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	260	260	0.0
Offices	7	7	0.0

Annual review

New client growth is expected to boost billings in 1990 by 15%, slightly better than Meitsu's 13.5% growth (in yen) in 1989. In 1989 the agency established a joint venture with the largest Korean outdoor agency, now known as Iksan-Meitsu Co. Ltd. It took 49% equity. Meitsu also established an environmental design subsidiary company, Asmex, to complement new public relations and sports marketing units.

Accounts

Gained: Jindo Korean furs; Terro, NTN, DDI Corp., Meidensha, Asahi Breweries.

Officers

Yasoji Shimizu, chmn; Takuji Shimizu, pres-chmn; Yasuichi Shimizu, exec managing dir; Yoshiharu Kawate, managing dir; Kenji Mori, Katsutake Katoh, Kiyoto Nambara, John Kikuchi, Kinya Mori, Takeshi Sugawara, dirs.

Headquarters

Meitsu Inc.
1-1-3 Nishi-Shimbashi, Minato-ku,
Tokyo 105, Japan
Phone: 813-501-8460
Fax: 813-504-0504

RANK: 34

MPM Propaganda

Sao Paulo
Gross income: **$83.9** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	83.9	NA	NA
Volume	220.7	NA	NA

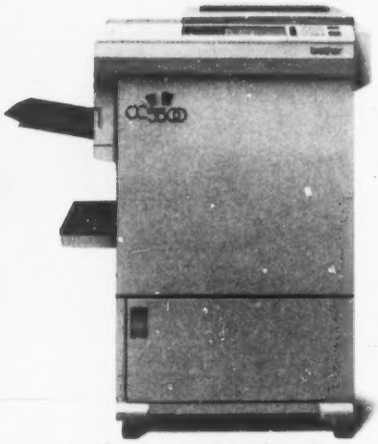
Workforce & facilities

Worldwide	1989	1988	% chg
Employees	900	850	5.9
Offices	13	13	0.0

Annual review

Growth in 1990 billings is expected to top 15% as the Brazilian economy grows

The Copy



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stronger under new president, Fernando Collor, who took office this month. MPM's strong growth in 1989 was stimulated in part by its win of the Procter & Gamble business and the founding of an ad agency called Green. Green, which works with clients in developing their initial ad and marketing programs, had billings of $4 million. MPM has 13 offices.

Accounts

Gained: Procter & Gamble (Phebo soaps, Seiva de Alfazema perfume, Senior male cosmetics line), Kibon Sorvane (ice cream), Fertisul Serrana (agro-fertilizers).

Officers

Petronio Corea Filho, Euler Matheus, Luis Carlos Cotta, exec-vps; Raul Pinto, Waltely Longo, acct svcs dirs; Fabio Siqueira, Gilberto dos Reis, creative dirs; Vera Aldrighi, planning and rsch dir; Ivan Marques, Paulo Penteado, media dirs.

Headquarters

MPM Propaganda
Rua General Jardim 633
01223 Sao Paulo, Brazil
Phone: 55-11-255-31-11
Fax: 55-11-231-34-90

RANK: 86

Nambokusha Inc.

Tokyo
Gross income: **$20.8** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	20.8	15.2	37.2
Volume	165.2	117.2	40.9

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	195	180	8.3
Offices	4	4	0.0

Annual review

Nambokusha predicts billings will increase only about 5% in 1990 after recording a dramatic 40.9% growth in 1989 tied to substantial account wins, new assignments and the opening of a fourth office. The agency operates in Tokyo, Osaka and Nagoya. Nambokusha is 51% owned by Toyota Motor Co.

Accounts

Gained: Miwa Lock Co., Hino Motors (medium-sized trucks), Helene Curtis Japan (new shampoo & conditioner product intro).

Officers

Shoju Kawamura, president; Yoshio Kitagaki, exec managing dir; Takeyoshi Murova, exec vp-intl.

Headquarters

Nambokusha Inc.
No. 2-25-9, Toyota Hacchoubori Bldg.
Hacchoubori, Chuo-ku, Tokyo
Phone: 813-555-9231
Fax: 813-555-9220

RANK: 64

Nationwide Advertising Service

Cleveland
Gross income: **$31.0** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	31.0	27.8	11.5
Volume	206.8	185.4	11.5
U.S.			
Gross income	31.0	27.8	11.5
Volume	206.8	185.4	11.5

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	398	376	5.9
Offices	31	36	(13.9)

Annual review

A healthy 11.5% billings growth in 1989 for this recruitment agency was attributed to growth in its 31-city marketplace, enhanced service and aggressive new business efforts. The agency, which serves personnel departments of client companies, boosted its staff by 6.1%.

Officers

George Gund III, Gordon Gund, co-chmns; John W. Graham, vice chmn-ceo, treasurer; Thomas A. Richey, president-coo.

Headquarters

Nationwide Advertising Service Inc.
Halle Bldg., 1228 Euclid Avenue, 6th Fl.
Cleveland, Ohio 44115
Phone: (216) 579-0300
Fax: (216) 687-6120

RANK: 87

Neville Jeffress Advertising

Sydney
Gross income: **$20.8** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	20.8	16.6	25.6
Volume	138.5	110.7	25.1

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Annual review

Neville Jeffress Holdings is the parent of Armstrong Advertising and Neville Jeffress Advertising, the latter founded in 1949 and now the largest wholly-Australian-owned agency. The group predicts billings growth in 1990 will continue at the 15% growth clip it says it has recorded every year for the past 40 years. It has a staff of 468 in 17 offices. NJA last year entered an international equity link with Bozell Inc., opening its first U.S. office in New York called Bozell Jeffress, and plans further offices in major cities throughout the U.S. and the U.K.

Officers

Neville Jeffress, chmn-ceo; Peter Allen, managing dir; Doug Cameron, secretary-dir.

Headquarters

Neville Jeffress Holdings
7 Parraween St., Cremorne
Sydney, NSW 2090, Australia
Phone: 612-908-9011
Fax: 612-953-8244

RANK: 55

Nihon Keizai

Tokyo
Gross income: **$37.2** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	37.2	29.6	25.6
Volume	254.8	211.5	20.5

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	312	300	4.0
Offices	9	9	0.0

Annual review

Anticipating a slight Japanese business slowdown, the agency expects a 16.9% growth rate in yen this year compared to 24.3% growth in 1989. Not included in its results are returns from five subsidiaries: Nikkei Agency (recruitment), Nikkei Sangyo Kokokusha (industrial advertising), Nikkei Kokoku Seihan (film-making), Nikkei Creative Center and Business Service (consulting and management services).

Officers

Nobukazu Niwa, president; Michio Yamada, exec vp.

Headquarters

Nihon Keizai Advertising
3-6, Kanda Surugadai
Chiyoda-ku, Tokyo 101, Japan
Phone: 813-257-8111
Fax: 813-257-8126

RANK: 38

Nihon Keizaisha Advertising

Tokyo
Gross income: **$56.3** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	56.3	47.1	19.6
Volume	337.3	283.0	19.2

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	502	487	3.1
Offices	14	14	0.0

Annual review

The agency expects to build on the foundation for growth laid in 1989 that was tied to a strengthening Japanese domestic market. A 23% increase in billings is projected for 1990. The agency has 14 branch offices in Japan.

Officers

Yasuo Shimado, president; Takao Kasai, head of creative; Hiroshi Takeda, head of accts svcng.

Headquarters

Nihon Keizaisha Advertising Ltd.
13-20, Ginza 7-chome
Chuo-ku, Tokyo 104 Japan
Phone: 813-542-0411
Fax: 813-546-2707

RANK: 72

Norton Publicidade

Sao Paulo
Gross income: **$24.2** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	24.2	NA	NA
Volume	96.8	NA	NA

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Annual review

Norton, a non-equity affiliate of Bozell Inc., continues its steady growth largely credited to new client gains. In Brazil's high inflationary economy, the new cruzado, devalued at the beginning of 1989, has steadily dropped throughout the year, thus making prior-year comparisons meaningless. Returns include Norton's headquarters in Sao Paulo, and its Rio de Janeiro and Porto Alegre offices.

Accounts

Gained: Pan Am, VASP (local airline), Paes Mendonca supermarket, Voith (heavy equipment), Hotels Eldorado, T-Fal (cookware), Grupo Perrier, Louis Vuitton, Meridien Hotel, Sloper dept store, Multitextil.

Lost: Coppertone.

Officers

Geraldo Alonso Filho, president.

Headquarters

Norton Publicidade S.A.
Rua General Jardim 482-1
Sao Paulo, Brazil
Phone: 55-11-256-7522
Fax: 55-11-257-6045

RANK: 6

Ogilvy & Mather Worldwide

New York
Gross income: **$699.7** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	699.7	635.2	10.1
Volume	4,828.0	4,110.1	17.5
U.S.			
Gross income	305.1	281.1	8.6
Volume	2,104.4	1,874.9	12.2

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	7,725	7,671	0.7
Offices	278	275	1.1

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Ogilvy & Mather Direct, New York	305.3
Ogilvy & Mather, Atlanta	54.0
Ogilvy & Mather, Chicago	390.0
Ogilvy & Mather, Honolulu	20.0
Ogilvy & Mather, Houston	118.0
Ogilvy & Mather, Los Angeles	124.0
Ogilvy & Mather, New York	750.0
Non-U.S. offices, location	**Billings**
Bassat Ogilvy & Mather, Madrid(MJ)	152.3
Centrum/Ogilvy & Mather, Bogota(NE)	7.8
Corpa, Caracas(MN)	49.3
HHD Ogilvy & Mather, Brussels(MJ)	92.7
Konrad Ogilvy & Mather, Seoul(MN)	118.9
Livraghi, Ogilvy & Mather, Milan(MN)	133.8
Marti, Ogilvy & Mather, Zurich(MJ)	38.1
Morse, Ogilvy & Mather, Istanbul(MN)	12.5
Northcote/Ogilvy & Mather, Santiago(MN)	11.8
Ogilvy Benson & Mather, Bombay(MN)	35.7
Ogilvy Group, London(MJ)	623.8
Ogilvy & Mather Direct Response, 37 international offices	434.1
Ogilvy & Mather ZAB, Stockholm(MJ)	17.6
Ogilvy & Mather France, Paris(MJ)	253.3
Ogilvy & Mather Germany, Frankfurt(MJ)	318.6
Ogilvy & Mather Oy, Helsinki(MJ)	17.5
Ogilvy & Mather Portugal, Lisbon(MJ)	21.2
Ogilvy & Mather Rightford, Cape Town(MN)	97.4
Ogilvy & Mather (Nederland), Amsterdam(MJ)	128.3
Ogilvy & Mather (Taiwan), Taipei(MJ)	34.5
Ogilvy & Mather, Bangkok(MJ)	38.7
Ogilvy & Mather, Budapest	0.0
Ogilvy & Mather, Copenhagen(MJ)	28.0
Ogilvy & Mather, Melbourne(MJ)	97.5
Ogilvy & Mather, Nairobi(MJ)	2.8
Ogilvy & Mather, Oslo(MJ)	31.1
Ogilvy & Mather, Petaling Jaya, Malaysia(MN)	26.5
Ogilvy & Mather, Singapore	34.9
Ogilvy & Mather, Vienna(MJ)	40.6
Ogilvy & Mather, Wellington, N.Z.(MJ)	34.3
Olbes, Ogilvy & Mather, Manila(MN)	8.6
Ortiz Scopesi (O&M), Buenos Aires	59.9
P.T. Indo Ad, Jakarta(NE)	13.2
Tizo, Ogilvy & Mather, Moscow	0.2
Non-U.S. offices	**Billings**
Veritas/Ogilvy & Mather, Guayaquil, Ecuador(NE)	10.0
Wilson Hartnell Group, Dublin(MJ)	44.4

Annual review

WPP Group's hostile takeover of Ogilvy Group for $864 million in May generated management shakeups and client departures from subsequent account conflicts, but the agency's billings remained stable, aided by an especially strong 21.8% growth internationally. Creative Director Norman Berry resigned in June, leaving a gap not filled until Bill Hamilton joined O&M in November from the same post at Chiat/Day/Mojo, New York. In December Kenneth Roman, chairman-ceo of the Ogilvy Group, left for a position at American Express and Graham Phillips succeeded. Founder David Ogilvy added the title of WPP chairman. Earlier in the year, Peter Scarperi was named general manager of U.S. operations to aid Mr. Phillips, and Michael S. Lesser became president in New York. Foreign accounts continued to grow, markedly in the U.K. with gains of Ford Europe ($16 million), Argos Distributors ($15 million), Unilever and Lever Bros., bolstered by the February, 1990, gain of Spain's Expo '92, a $40 million account split between Madrid and London offices. Other foreign activity included adding Olivetti in Italy ($40 million), Brahma Beer in Rio ($20 million) and PTT in the Netherlands ($13 million). Losses included Lufthansa in Germany ($9 million), Polaroid pan-European ($20 million) and Shell in three countries ($20 million). Stateside, Maxwell House ($50 million) left midyear causing a 90-person layoff, but Paramount Pictures ($70 million) came aboard in February 1990. More than a $250 million gain in billings from existing clients such as American Express, Nestle and Compaq also contributed to the billings mix. In efforts to focus on the bottom line, O&M sold Euramerica, a language-translation and graphics subsidiary, and parted with Rolf Werner Rosenthal Inc., a $60 million-billing pharmaceutical agency. O&M/Zurich merged with Marti Werbeagentur for combined billings of $40 million, and an international joint media-buying agreement with Omnicom was reached forming The Media Partnership. Ogilvy & Mather Direct Response tallied a 14.2% growth in U.S. billings, or $33 million from a mix of $8.7 million in new business, $31 million in existing business and $6.7 million lost.

U.S. accounts

Gained: Houston—Remco, Electronic Data; New York—Amex Moneygram, Huggies Pull-Ups, Philip Morris Cultural Affairs, AT&T Fax; Los Angeles—Pan Pacific Hotels; Atlanta—CDC, Tru Green; Chicago—EyeMasters; Hawaii—Island of Lanai. O&M Direct: Encyclopaedia Britannica, Kinetico, Paramount Coin, Wherehouse, UA Cable, Wedge, Ford New Holland, Bulgari, Fleur de Lait.

Lost: Chicago—Brown & Williamson; Los Angeles—California Federal; Hawaii—Outrigger Hotels; New York—Best Foods, Maxwell. O&M Direct: California Federal S&L, Paramount Pictures.

International accounts

Gained: Olivetti—Milan; COI—London; Brahma Beer—Rio; Duracell—Sydney; Pepsi—Paris; Nestle—Taiwan, Malaysia, Pakistan, S. Africa, Turkey; Midas—Canada; Simplesse—Europe, based out of Germany; PTT—Netherlands; Wilkinson—UK; Radion—Portugal; Deutsche Bundes Bank—Germany. O&M Direct: Hong Kong Tourist Bureau—Hong Kong; Yamaha Europe GmbH—Germany; Compaq—Paris; American Express—Auckland.

Lost: British Gas Corporate—UK; Shell—Germany, Norway, Sweden; Gulins—Sweden; Lufthansa—Germany; Springer—Brazil.

Officers

Graham Phillips, chmn-ceo; Alexander Brody, president-ceo. O&M Direct: Jerome W. Pickholz, chmn-ceo; Stanley Winston, vice chmn-exec creative dir; Rochelle Lazarus, president-coo; Pam Reese, sr vp-genl mgr, NY; Garth Hallberg, sr vp-mgr, regional offices; Rob Smith, Targeted Communications.

Headquarters

Ogilvy & Mather Worldwide
309 W. 49th St.
New York, N.Y. 10019
Phone: (212) 237-6000
Fax: (212) 237-5515

RANK: 46

Oricom Inc.

Seoul
Gross income: **$45.1** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	45.1	32.5	38.8
Volume	173.0	137.0	26.3

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	421	350	20.3
Offices	1	1	0.0

Annual review

The agency projects growth at 15% in 1990 based on its aggressive plans to pitch new clients and strong growth anticipated for its sales promotion department. Totals include Oricom's 51% ownership in HDM Korea Inc., Seoul. Oricom is owned by the Doosan Group in Korea.

Accounts

Gained: SunKyung Magnetic (audio tape), Data Communications Corp. of Korea (computer communication service), Dongwon Industries Co. (frozen foods and seafood), Shinwoo Co. (leather goods), Kiwi Korea (shoe polish, cleaner).

Lost: Daewoo Motor Co. (autos), Kolon International (formal suit and sports wear), Peeres Cosmetics.

Officers

Jungsuk Yang, president; Taeyong Rhee, Jonghee Han, exec managing dirs; Pyungsoo Min, Hayong Uom, Kenkoo Kan, exec dirs.

Headquarters

Oricom Inc.
105-7, Nonhyun-dong, Kangnam-ku
Seoul, Korea
Phone: 822-510-3114
Fax: 822-542-3966

RANK: 45

Orikomi Advertising

Tokyo
Gross income: **$47.5** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	47.5	40.8	16.3
Volume	435.8	419.9	3.8

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	364	358	1.7
Offices	5	5	0.0

Annual review

Orikomi, whose billings rose only 3.8% in 1989, expects a growth rate of 15% in billings in 1990, reflecting a GNP growth of 4-5% for the year in Japan. Part of the agency increase is based on new account acquisitions, including special events (golf, concerts among them). Orikomi consolidated figures also include its 60% ownership in Backer Spielvogel Bates/-Japan, part of the BSBW network within Saatchi & Saatchi PLC.

Accounts

Gained: Suntory, Fujitsu, Sony, Casio, Tohkai, Olympus, Pioneer.

Lost: Kirin-beer; Kadokawa, Daiichi-Seimei, Nihon-Seimei.

Officers

Fusajiro Saito, chmn; Kazuo Watanabe, president; Kazuo Negishi, Shoji Hosoya, Sohichi Kikuchi, exec managing dirs; Tetsuya Kajitani, Akira Sagawa, managing dirs; Isao Yamada, Hideo Yagihara, Jyosuke Kuroda, Ben Katayama, dirs.

Headquarters

Orikomi Advertising
Ozu Bldg. 2-6-3 Nihonbashi-Honcho
Chuo-ku, Tokyo, 103, Japan
Phone: 813-665-4704
Fax: 813-661-7689

RANK: 97

Osaka Yomiuri Advertising

Osaka, Japan
Gross income: **$18.5** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	18.5	16.2	14.0
Volume	142.1	124.6	14.0

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	290	290	0.0
Offices	3	2	50.0

Annual review

Billings improved 17.7% in yen for the Osaka-based agency, which added an office in 1989. The agency predicts billings will advance more than 12% in 1990 over the prior year because of increased spending from existing clients.

Officers

Yasumitsu Kuwana, chmn; Kenji Akao, president; Seiichi Itakawa, sr managing dir; Susumu Hatanaka, Shin Naruse, Isao Hamasaki, managing dirs; Toshio Ishizaki, Yasuji Inoue, dirs.

BJK&E shortens to Bozell

Bozell Inc. emerged in 1989 as the renamed agency within Bozell, Jacobs, Kenyon & Eckhardt Inc., which had evolved into a holding company also to include agency, Poppe Tyson. An LBO freed the agency from Lorimar Corp. in 1988. Bozell, Jacobs, Kenyon & Eckhardt remains the name of the holding company. □

Headquarters
Osaka Yomiuri Advertising
Higash-Hankyu Bldg.
1-1Kakuda-cho, Kitaku
Osaka, Japan
Phone: 816-313-1321
Fax: 816-315-1971

RANK: 17

Publicis-FCB Communications B.V.

Paris
Gross income: **$358.8** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	358.8	337.0	6.5
Volume	2,405.4	2,278.6	5.6

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Publicis, New York	31.7

Non-U.S. offices, location	Billings
Argo, Madrid(MJ)	57.6
Art & Copy FCB Group, Oslo(MJ)	33.3
Baums, Mang & Zimmerman, Duesseldorf(MN)	89.9
Ciesa NCK, Lisbon(MJ)	22.1
Communicar, Lisbon(MJ)	4.6
Farner Publicis FCB, Zurich(MJ)	59.0
FCB Advertising, London(MJ)	130.6
FCB Direct Marketing, Hamburg(MJ)	5.4
FCB Frankfurt, Frankfurt(MJ)	23.0
FCB Publicidade, Lisbon(MJ)	27.3
FCB/Hiort, Steolen & Walter, Copenhagen(MJ)	9.3
Foote, Cone & Belding, Neuilly, France(MJ)	128.2
Gnomi/FCB, Athens(MN)	12.4
Informare/FCB, Stockholm(MJ)	56.4
Molino & Publicis, Barcelona(MJ)	9.3
Mundo Direct, Brussels(MJ)	3.4
RWI Marktenverbung, Hamburg(MJ)	52.8
Park Publicidade, Lisbon(MJ)	6.5
Publicis Conseil, Paris(MJ)	874.8
Publicis FCB Direkt, Frankfurt(MJ)	2.6
Publicis FCB Holland, Amsterdam(MJ)	70.8
Publicis Germany, Duesseldorf(MJ)	76.3
Publicis Wien, Vienna(MJ)	18.0
Publicis, Lisbon(MJ)	20.9
Publicis, London(MJ)	196.7
Publicis-FCB, Brussels(MJ)	45.1
Publicis-FCB, Madrid(MJ)	30.3
Publicis-FCB/MAC, Milan(MJ)	363.9

Annual review
Publicis-FCB B.V., a manifestation of the alliance struck between Foote, Cone & Belding Communications and Publicis Communications, the advertising side of the French holding company, Publicis S.A., is a combination of the mutual European holdings of the two companies into a single jointly-owned network. Most offices in the various countries have been merged, although some remain separate "to provide distinction and to avoid client conflicts," notes the network. There is a single chairman per country whose responsibilities cover all offices in that country. In 1989, the alliance acquired Italian agency MAC and merged it with Publicis, FCB, Park and Concept operations in that country; bought the Spanish agency Arge and 35% of French media-buyer, Interplan-Idemedia. B.V. also merged FCB Advertising and Mallet McCormick in the U.K.; Publicis and FCB in Netherlands and Spain; Publicis, Impact/FCB and Park in Belgium; Publicis and Ciesa/NCK in Portugal; and Publicis and FCB Goteborg in Sweden. B.V.'s executive committee got new leadership when Maurice Levy, chairman of the Paris agency, Publicis Conseil, added to his title the chairmanship of Publicis-FCB, replacing Craig Wiggins who became chairman, FCB International in New York. B.V. was separated from FCB's non-Europe holdings because the two are structurally linked only through minority investments Publicis and FCB hold in each other.

Network accounts
Gained: Philips-Whirlpool (Europewide)—UK; S.C. Johnson & Son (personal care)—Europewide; Casino supermarket chain—France; ASDA—UK; Air France—Austria; Cadbury Schweppes—Belgium, Holland; Zenith—Belgium; Diner's Club—France; Renault—Italy (cars); Nabisco—Italy; Cadbury Schweppes—Switzerland; Kimberly-Clark—Switzerland (Kleenex); Shulton men's products—UK (Europewide campaign).

Officers
Executive committee—Maurice Levy, chmn-ceo; Gerard Pedraglio, exec vp; Jean-Paul Morin, sr vp, European Management Board—Messers Levy, Pedraglio and Morin, Antonio Beja, Claude Marcus, Stephane Pincas, Claude Pradere, Salomon Salto; vps-intl client svcs; Ned Wiley, vp-new business devel, direct mktg; Simon Lloyd, vp-media; VPs, country mgrs—**Paulo de Abreu (Portugal), Georg Baums (Germany), Michael Conroy (UK), Claudio Masi (Italy).**

Headquarters
Publicis-FCB Communications B.V.
133 Champs Elysees
75008 Paris, France
Phone: 331 47 20 78 00
Fax: 331 47 20 29 60

RANK: 96

Richards Group

Dallas
Gross income: **$18.7** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	18.7	15.1	24.3
Volume	125.1	101.4	23.4
U.S.			
Gross income	18.7	15.1	24.3
Volume	125.1	101.4	23.4

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	194	166	16.9
Offices	1	1	0.0

Annual review
A strong list of new clients including Ponderosa ($17 million), Pizza Inn ($20 million), First Gibraltar and Tony Lama Co. easily cushioned the Long John Silver's loss as billings increased 23.4% in 1989. LJS stayed with the agency only a year. Of the lost accounts, half were resigned. Larry Spiegel came on as the sixth principal of the 13-year-old Dallas shop, which tries to avoid executive layers.

U.S. accounts
Gained: Ponderosa, Pizza Inn, First Gibraltar, Pilgrims Pride, Tony Lama, M/A/R/C, The Container Store, Pardee Construction Co., YYVX Telecommunications.
Lost: Long John Silver's, Hibernia National Bank, *Dallas Times Herald*, Sun Industries, Granada.

Officers
Principals—Stan Richards, Brad Todd, Jim McGhee, Rod Underhill, Scott Crockett, Larry Spiegel.

Headquarters
The Richards Group
10,000 N. Central, Ste. 1200
Dallas, Texas 75231
Phone: (214) 891-5700
Fax: (214) 891-5844

RANK: 62

Hal Riney & Partners

San Francisco
Gross income: **$33.8** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	33.8	23.0	46.7
Volume	225.0	200.0	12.5
U.S.			
Gross income	33.8	23.0	46.7
Volume	225.0	200.0	12.5

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	238	183	30.1
Offices	3	3	0.0

Annual review
Riney spent much of the year denying rumors that it was for sale. After its big win of Saturn Corp. ($80-$100 million) in 1988, the agency was expected to get $40-$50 million additional business from Saturn dealer groups. New accounts gained included $10 million Deere & Co., $10 million Informix Software, $7 million John Nuveen & Co. and $5 million Pharmavite vitamins which easily countered losses including $3 million Shaklee Corp. Best Water Purification System, and the $7 million Dreyer's Grand Ice Cream. Since August, 1989, ten executives have left including four who formed Atlas Citron Haligman & Bedecarre, San Francisco. This month Hal Riney, fielding the weekly "for sale" question, proffered a new headline: "For sale, no; merger, maybe . . . but with the right partner."

U.S. accounts
Gained: Deere & Co. consumer lawn and garden equipment, Golden Nugget, IBM-Rolm, KRON-TV, MONY Financial Services, John Nuveen & Co., Informix Software Inc., Pharmavite Corp. Nature Made vitamins.
Lost: Dreyer's Grand Ice Cream, Blue Cross and Blue Shield Federal Employee Program.

Officers
Hal Riney, chmn-ceo; James D. Travis, president, coo; John Yost, sr vp-genl mgr; Lyn Muegge, sr vp-cfo; Gerald Andelin, Bruce Campbell, sr vps-creative dirs;

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For more information contact:

ASTA

Advertiser Syndicated Television Association, 1756 Broadway, New York, N.Y. 10019
Telephone: (212) 245-0840; Fax: (212) 245-0842

Thomas O. Tieche, sr vp-assoc creative dir, Chicago; Lisa Fortini-Campbell, sr vp-genl mgr; New York: Jim Travis, president-coo; Helayne Spivak, sr vp-exec creative dir; Tully Plesser, sr vp-market planning and rsch.

Headquarters
Hal Riney & Partners Inc
735 Battery St
San Francisco, Calif 94111
Phone: (415) 981-0950
Fax: (415) 955-4392

RANK: 94

Rosenfeld, Sirowitz, Humphrey & Strauss

New York
Gross income: **$19.1** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	19.1	17.4	9.5
Volume	127.0	116.0	9.5
U.S.			
Gross income	19.1	17.4	9.5
Volume	127.0	116.0	9.5

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	176	124	41.9
Offices	2	2	0.0

Annual review
Increases in client budget will continue to pace the agency's growth in 1990, albeit at an anticipated 20% increase compared to the 9.5% in 1989. Existing clients boosted their budgets by $12.8 million in billings 1989, which, added to $7.5 million in new billings gains, more than offset $9.3 million in billings tied to departing clients.

U.S. accounts
Gained: Rax Restaurants, F. Wildman & Sons (Folinari), Fur Vault, Chase Manhattan Bank, Smith Corona-Canada.
Lost: Playtex Family Products (Jhirmack), Block Drug Co. (X14).

Officers
Ronald Rosenfeld, Leonard Sirowitz, Harold Strauss, co-chmn; Linda Srere, exec vp.

Headquarters
Rosenfeld, Sirowitz, Humphrey & Strauss Inc
111 Fifth Ave
New York, N.Y. 10003
Phone: (212) 505-0200
Fax: (212) 979-6120

RANK: 32

Ross Roy Group

Bloomfield Hills, Mich.
Gross income: **$97.7** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	97.7	85.2	14.6
Volume	651.1	568.1	14.6
U.S.			
Gross income	97.7	85.2	14.6
Volume	651.1	568.1	14.6

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	1,046	955	9.5
Offices	16	11	45.5

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Calet, Hirsch & Spector, New York	94.6
Gray & Kilgore, Troy, Mich.	8.0
Griswold Inc., Cleveland	47.5
Group 243, Ann Arbor	65.0
Ross Roy Inc., Detroit	418.8
Wargeles & Drazen, New York	17.2

Annual review
Ross Roy forecasts 8% growth in 1990 from existing and new business. During 1989 when billings grew 14.6%, there was no major change in spending from existing clients, but the agency expanded through acquisition. It bought Group 243 in Ann Arbor and Nathan Fraser Agency in Toronto. Expansion through acquisition continued in early 1990 with the purchase of Anthony M. Franco Inc., Detroit's largest pr company. It will operate as an independent subsidiary. With offices in New York and Cleveland, Franco's 1989 fee income was $4.85 million. Ross Roy Retail also debuted in early 1990, as an outgrowth of last fall's K mart/CBS sweepstakes, to develop joint retailer/vendor promos and advertising for new and existing retail clients. Peter Vetowich, exec vp-director of retail operations, added the title of manager of Ross Roy Retail.

U.S. accounts
Gained: K mart's Builders Square, Chrysler Service, Traverse Bay Fruit Co. (Michigan dried cherries), Citicorp N.A., B.F. Goodrich De-Icing Systems, Royal Appliance Mfg. Co., Duskin Co. Ltd.
Lost: Stroh Foods, Getty Petroleum Corp., Westpoint Pepperell, Hoover.

Officers
Glen W. Fortinberry, ceo-chmn; Chris A. Lawson, exec vp-cfo; Patrick J. Morin, president, Griswold Inc.; Bruce Wagner, exec vp-dir client svcs; Richard C. Ward, exec vp-dir, Ross Roy Communications; Janet Muhleman, president, Group 243; Ricardo Cavillo, president, Calet, Hirsch & Spector; Calvin Parent, president, Commercial Associates.

Headquarters
Ross Roy Group
100 Bloomfield Hills Parkway
Bloomfield Hills, Mich. 48013
Phone: (313) 433-6000
Fax: (313) 433-6135

RANK: 20

RSCG

Paris
Gross income: **$175.3** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	175.3	151.6	15.7
Volume	1,234.3	1,128.2	9.4
U.S.			
Gross income	27.3	18.2	49.6
Volume	216.8	151.9	42.7

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Tatham-Laird & Kudner, Chicago	220.8
Lally McFarland Pontello, New York	58.0
Messner Vetere BCS/RSCG, New York	64.0
Non-U.S. offices, location	**Billings**
Ateliers ABC, Paris(MJ)	16.8
Cash RSCG, Zurich(MJ)	11.8
Collette, Paris(MJ)	15.7
Colman RSCG, London(MJ)	107.3
CPV, Paris(MJ)	13.1
Creative Business, Issy-les-Moulineaux, Fr.(MJ)	62.7
Edifrance, Paris(MJ)	8.8
Faure Vadon Forest Bridoux, Paris(MJ)	31.1
Geudeker Oertemaes RSCG, Amsteiveen, Neth.(MJ)	24.3
Landrin et Associes, Paris(MJ)	2.1
Latimotiv RSCG, Madrid(MJ)	46.3
Meunie Granier Deferre, Paris(MJ)	11.8
Monhard Flimon, Paris(MJ)	3.1
Promo 2000, Paris(MJ)	10.4
RSCG Buttor Rang, Duesseldorf(MJ)	71.4
RSCG Export, issy-les-Moulineaux, France(MJ)	22.1
RSCG France, Issy-les-Moulineaux, France(MJ)	705.4
RSCG Havi, Stockholm(MJ)	11.4
RSCG Jasch & Schramm, Vienna(MJ)	14.0
RSCG Mezzano Castantini Mignani, Milan(MJ)	96.9
RSCG Palavidis, Athens(MJ)	3.3
RSCG Portugal, Lisbon(MJ)	4.2

Annual review
Growth by acquisition characterized RSCG as it opened 1989 with the buyout of KLEM, Casablanca, Morocco's second-largest agency, and launched 1990 by taking over KLP Group, London, and firing its managing director, Gerry Postlethwaite. In between, RSCG gained a stronger U.S. foothold by buying 51% of Messner Vetere Berger Carey Schmetterer, New York, in March and Lally McFarland Pantello, New York, in September, prior to purchasing Chapman/-Palavidis in Athens in October and the creation of RSCG Portugal, Lisbon, in December. RSCG typically takes 51% equity in an agency, leaving the remainder in local hands, but expands its ownership incrementally—a process that includes exchanging shares of RSCG with owners of the local agency. RSCG is buying a majority interest in Madell Wilmot Pringle & Partners, London, to handle the Citroen account in the U.K., thereby terminating RSCG's link with Woollams Moira Gaskin O'Malley there, in which it held 26% equity. RSCG's biggest agency outside Europe is Chicago's Tatham-Laird & Kudner, owned 70% by RSCG.

U.S. accounts
Gained: Richardson-Vicks (Vicks Throat Drops, Chloraseptic), Stouffer Foods (Lean Cuisine, Right Course Entrees), Grace Cocoa (Mrs. Fields Chocolate Chips) Ralston Purina (Double Chex Brand Cereal, Beggin' Strips, new prods.) Sunbeam Appliance Co., Illinois Bell, First Chicago Corp. (retail & commercial).
Lost: Kayser-Roth Hosiery, Household Bank, Ralston Purina (Wonder Bread).

Other network accounts
Gained: Office du Tourisme Tunisien, Le Printemps dept store, Moulinex, Tambrands, Piaget, Bel/Vache Qui Rit, 1992 Winter Olympic Games, Celio men's wear, Cleyeux baby's wear, Atari, Guerlain's Samsara perfume, Sandoz medicines.
Lost: La Redoute (mail order), Gymnase Club, Fisher Price, Tensia/Carolin cleaning prods, Au Bon Marche dept store, Mariner men's wear, Paris Mutuel Urbain, Alain Afflelou glasses.

Officers
Bernard Roux, chmn; Jacques Seguela, Charlotte Beers, vice-chmn; Alain Cayzac, president RSCG France; Jean-Michel Goudard, president RSCG Intl.

Headquarters
Roux Seguela Cayzac & Goudard
99-115 Quai du President Roosevelt
92136 Issy-les-Moulineaux, France
Phone: 331 40 93 92 93
Fax: 331 40 93 00 01

RANK: 100

Rubin Postaer & Associates

Los Angeles
Gross income: **$17.4** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	17.4	17.5	(0.6)
Volume	143.1	128.7	11.2
U.S.			
Gross income	17.4	17.5	(0.6)
Volume	143.1	128.7	11.2

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	157	148	6.1
Offices	2	2	0.0

Annual Review
An $11.2 million increase in billings from existing accounts dominated the billings mix that also drew $3.2 million in new business gains. No clients departed the agency. Existing clients particularly stimulating growth were Home Federal Bank, Yokohama Tire and American Honda Corp. Early in the year, the agency drew praise for its work for American Honda that featured a mock-up of the Stealth bomber to introduce the Honda CRX Si. Growth of 10%-12% is predicted for 1990 from new and existing business.

U.S. accounts
Gained: Fred Hayman Beverly Hills, Seiko Instruments USA.

Officers
Gerrold R. Rubin, president; Larry Postaer, exec vp-dir creative svcs. Sr vps—Gary Wenzel, dir acct planning; Pam Warren, dir media resources; Chuck Valentine, Tom Kirk, group acct dirs; Vincent Mancuso, vp-dir finance & admin; Bill Cummins, vp-dir of rsch.

Headquarters
Rubin Postaer & Associates
11601 Wilshire Blvd
Los Angeles, Calif. 90025
Phone: (213) 208-5000
Fax: (213) 478-3103

RANK: 2

Saatchi & Saatchi Advertising Worldwide

New York
Gross income: **$890.0** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	890.0	740.5	20.2
Volume	6,049.9	5,053.9	19.7
U.S.			
Gross income	395.2	326.3	21.1
Volume	2,778.9	2,209.6	25.8

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	7,267	7,750	(6.2)
Offices	NA	NA	NA

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
AC&R Advertising, Ft. Lauderdale	0.4
AC&R Advertising, Los Angeles	78.5
AC&R Advertising, Miami	NA
AC&R Advertising, New York	284.6
AC&R Advertising, San Diego	5.7
AC&R Advertising, San Francisco	NA
Conill Advertising, Los Angeles	4.2
Conill Advertising, New York	32.3
Hoffman York & Compton, Chicago	0.2
Hoffman York & Compton, Milwaukee	37.7
HoffmanYork & Compton, Minneapolis	2.3
Kleinman Advertising, New York	121.1
McCaffrey & McCall, Atlanta	3.0
McCaffrey & McCall, Irvine, Calif.	13.0
McCaffrey & McCall, New York	228.0
McCaffrey & McCall, Zionsville, Ind.	10.0
Rumrill-Hoyt, Rochester, N.Y.	86.6
Saatchi & Saatchi Advertising, New York	1,527.1
Saatchi & Saatchi/DFS, San Francisco	58.0
Saatchi & Saatchi/DFS, Torrance, Calif.	267.0
Team One, El Segundo, Calif.	110.0
Saatchi & Saatchi Direct, Atlanta	NA
Saatchi & Saatchi Direct, New York	25.9
Saatchi & Saatchi Direct, Rochester, N.Y.	25.3
Saatchi & Saatchi Direct, San Francisco	2.7
Non-U.S. offices, location	**Billings**
Ace/Saatchi & Saatchi, Manila(MJ)	17.9
Adal/Saatchi & Saatchi, Athens(JV)	26.6
Adv. Assoc. Compton, Hamilton, Bermuda(NE)	13.1
AW/Saatchi & Saatchi, Caracas(MN)	12.0
Badillo/Saatchi & Saatchi, San Juan(MJ)	86.2
Barker, McCormac Group, Harare, Zimbabwe(NE)	9.9
Beiler Comunicacao, Sao Paulo(NE)	35.1
CDR Communications, Kingston, Jamaica(NE)	6.5
Cipta, Jakarta(NE)	11.9
Cumbre/Saatchi & Saatchi, Santo Domingo(NE)	1.8
Everest Advertising, Bombay(NE)	22.0
Guzel Sanatlar, Istanbul(NE)	23.0
Horizon Advertising, Gaborone, Botswana(NE)	1.1
Impuls, Zurich(NE)	35.0
Infermarkets, Beirut(NE)	NA
Israel & De Bianchi, Santiago(NE)	7.8
KHBB, London(MJ)	185.3
Klerck & McCormac, Johannesburg(NE)	46.6
Lautres/Saatchi & Saatchi, Buenos Aires(NE)	51.4
Lonsdale/S&S, Port of Spain, Trinidad(MN)	6.3
Lonsdale/S&S, St. Michaels, Barbados(MN)	3.2
Magnet Advertising, Athens(NE)	4.0
Marketing Communications, Nairobi(NE)	1.6
MIG Publicidad, Lima(NE)	12.6
Montenegro-Saatchi & Saatchi, Mexico City(NE)	8.8
Oy Interplan, Helsinki(NE)	20.2
Peter Gilbert Advertising, Lusaka, Zambia(NE)	0.2
Propaganda Sancho, Bogota(NE)	18.0
Publicitas, Guayaquil, Ecuador(NE)	3.1
RCP-Saatchi & Saatchi, Barcelona(MJ)	120.7
Saatchi & Saatchi Advertising, Amsterdam(MJ)	83.5
Saatchi & Saatchi Advertising, Bangkok(MJ)	20.1
Saatchi & Saatchi Advertising, Copenhagen(MJ)	8.8
Saatchi & Saatchi Advertising, Dublin(MJ)	27.0
Saatchi & Saatchi Advertising, Frankfurt(MJ)	207.3
Saatchi & Saatchi Advertising, Hong Kong(MJ)	19.5
S&S Advertising, Jeddah, Saudi Arabia	14.0
Saatchi & Saatchi Advertising, London(MJ)	1,042.3
Saatchi & Saatchi Advertising, Oslo(MJ)	8.3
Saatchi & Saatchi Advertising, Paris(MJ)	224.5
Saatchi & Saatchi Advertising, Rome(MJ)	221.3
Saatchi & Saatchi Advertising, Singapore(MJ)	20.5
Saatchi & Saatchi Advertising, Stockholm	19.8
Saatchi & Saatchi Advertising, Sydney(MJ)	106.1
Saatchi & Saatchi Advertising, Tokyo(MJ)	48.3
Saatchi & Saatchi Advertising, Vienna(NE)	34.9
S&S Advertising, Wellington, N.Z.(MJ)	75.5
Saatchi & Saatchi BC, Geneva(MJ)	21.6
S&S Compton Haylurst, Toronto(MJ)	107.4
Saatchi & Saatchi Gayner, Taipei(MJ)	20.0
Saatchi & Saatchi FDBP, Brussels(MJ)	15.3
Saatchi & Saatchi/Laurent, Stockholm(MJ)	21.7
Sistema, Lisbon(MN)	36.2
S&SA, Kuala Lumpur, Malaysia(MN)	1.0

Annual review
As parent Saatchi & Saatchi PLC suffered an earnings decline and looked at putting on the block much of its consulting companies, it made an avowed commitment to refocus on advertising. Winning the retail half of the $215 million Burger King account midyear became the largest parcel of new business that Saatchi & Saatchi Advertising has won since 1987. For the whole year, the agency gained $198 million worldwide from new accounts gained, including $20-$25 million Thompson Medical's Dexatrim (plus Cafferdrine, Cortizone 5 and Encare). The biggest chunks of the $49 million in billings that left with departing clients were $10 million each for CPC International Best Food's Skippy peanut butter and Pioneer Electronics. Overseas account gains included $60 million Johnson & Johnson pan-European TV and print sanitary products campaign, and $30 million Unicliffe's Plax dental rinse launch in Europe, Africa, the Middle East and India. Losses included $40 million worth of TV buying in the U.K. for H.J. Heinz (to comply with Mars client-conflict policy) and $35 million Toyota Australia although it kept part of the business. Gary Susnjara resigned as president-coo of Saatchi & Saatchi DFS in May to pursue independent consulting after 22 years at the agency. Michael Keeshan was promoted to president-coo of the New York office and Edward Wax became president-ceo of Saatchi & Saatchi Advertising, the North American unit of Saatchi & Saatchi Advertising Worldwide, assuming the responsibilities previously held by O. Milton Gossett and Stuart Upson, who continue as co-chairmen-ceos. The Torrance, Calif., and San Francisco offices were merged into a new group, Saatchi & Saatchi DFS/Pacific. John Hirschboeck succeeded David Wager who resigned as president of Saatchi & Saatchi Team One, formed mainly to handle the estimated $60 million Lexus account. In December Gary Landis was moved to vice chairman, a new post at Saatchi & Saatchi Affiliate Group, from president-coo of McCaffrey & McCall which is buying itself back from Saatchi. He was succeeded by William Vieser, formerly vice-chairman, director of client services. Midyear Werner Goerke, chmn-ceo of Saatchi & Saatchi Advertising, Frankfurt, was named the company's first European director for international client services to oversee work for marketers taking a pan-European approach—starting with Procter & Gamble. Saatchi & Saatchi Direct Worldwide, Paris, merged with Cezame Conseil to create Cezame/Saatchi & Saatchi Direct. Saatchi & Saatchi Advertising Worldwide, London, bought a majority share in Jahnsson & Sjogren, Stockholm, and ended its affiliation with Blanking, Malmo. Saatchi & Saatchi Advertising Japan was formed by the merger of Saatchi & Saatchi Advertising K.K. and Yomiko DFS, both located in Tokyo. At yearend, the Saatchi brothers, Maurice and Charles, turned over the reins of the holding company to its first outsider, Robert Louis-Dreyfus, who was the former IMS International Research chief.

U.S. accounts
Gained: Saatchi & Saatchi Advertising Worldwide: Burger King (national retail and new prods), L.A. Gear (intl ads), Salomon (ski equipment), Thompson Medical (Dexatrim, Caffedrine, Cortizone 5 and Encare), Conroy's, Apollo Computers, Cancun Resorts, Cozumel Resorts, Ixtapa Resorts, Sterling Optical, San Miguel USA (beer), Datability.
Lost: CPC International Best Foods (Skippy peanut butter and Hellmann's), Mexican Tourism, Krystal restaurants, Donnelley (One Book), Pioneer Electronics, Northrup King (seeds). Saatchi & Saatchi Advertising/New York: Burger King (national retail and new prods), Cancun Trust, Cozumel Trust (resort devels), Sterling Optical, Thompson Medical. Saatchi & Saatchi DFS/Pacific, Southern California: Conroy's Flowers. Saatchi & Saatchi DFS/Pacific, San Francisco: San Miguel International USA (beer and grocery prods). Saatchi & Saatchi Team One: Lexus Dealer Assns, Sapporo USA (imported beer prods).

International accounts
Gained: Gillette, Hewlett-Packard, Johnson & Johnson, Matsushita, Pirelli—pan-Europe; Allied Lyons—Belgium, Hong Kong, Malaysia, Singapore, Taiwan; BSN—Australia, Belgium, Holland; DHL—Jamaica, Taiwan, Middle East; Du Pont—France, Germany, UK; Gillette—Portugal; Hewlett-Packard—Belgium, Denmark, Germany, Greece, Holland, Italy, Norway, Sweden, Switzerland, UK, Turkey; Johnson & Johnson—Austria, Belgium, Holland, Italy, Peru, Puerto Rico, Jamaica, Trinidad, Australia, India; Matsushita—Singapore; Pirelli—Belgium, France, Italy, Southeast Asia, Taiwan, Korea; Pfizer—Austria, Belgium, Denmark, France, Germany, Holland, Portugal, Spain, Sweden, Switzerland, Middle East; P&G—Denmark, Norway, Venezuela, Dominican Republic, Japan, Malaysia, Korea; Reckitt & Colman—Belgium, France, Germany, Italy, Spain; Sara Lee—Belgium, France, Holland, Portugal, Hong Kong; Toyota—Australia, Hong Kong.
Losses: Beecham—France; Honda—Holland; BAT—Hong Kong.

Officers
Saatchi & Saatchi Advertising Worldwide: Stuart Upson, O. Milton Gossett, co-chmns, ceos; Saatchi & Saatchi Advertising North America: Edward L. Wax, ceo; Robert Kennedy, coo, Richard P. O'Brien, vice chmn. Saatchi & Saatchi Advertising International: R. Humphreys. Saatchi & Saatchi Advertising/New York: Joseph P. Mack, chmn; Michael Keeshan, president. Saatchi & Saatchi DFS Pacific: Joe Cronin, president-ceo (Torrance), Ronald Colnett, chmn (San Francisco).

Headquarters
Saatchi & Saatchi Advertising Worldwide
375 Hudson St.
New York, N.Y. 10014
Phone: (212) 463-2000
Fax: (212) 463-9855

RANK: 80

Salles/-Inter-Americana

Sao Paulo
Gross income: **$22.0** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	22.0	NA	NA
Volume	109.9	NA	NA

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Annual review
Limited dollar growth in billings is predicted this year by Salles Inter-Americana because of strong economic measures likely to be imposed by the new government to bring Brazil's rampant inflation under control. During 1989, Salles increased its equity in GTM&C, Sao Paulo, from 49% to 60%. It included 49% of GTM&C's results in its results in 1989 and 35% of another agency, ASA-Criacao de Publicidade, Belo Horizonte. Salles boosted its creative department by hiring Neil Ferreira, a well-known creative in Brazil. Agency president, Luiz Salles, was kidnapped by extortionists in July and held captive for 67 days. He was released unharmed.

Accounts
Gained: Rio de Janeiro Metro, NHT Hotels, Nova Odessa textile fabrics, Editora Azul publishing.
Lost: Brahma Beer.

Officers
Luiz Salles, president; Paulo Salles, vp; Mauro Salles, counsel; Apolonio Salles Filho, vp-Brasilia; Edeson Coelho, vp-Rio de Janeiro.

Headquarters
Salles/Inter-Americana
R. Borges Lagoa, 1328
04038 Sao Paulo, Brazil
Phone: 11-55-571-1940
Fax: 11-55-575-4041

RANK: 65

Sanko-Sha

Tokyo
Gross income: **$28.9** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	28.9	26.4	9.5
Volume	190.6	174.1	9.5

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Annual review
Growth from existing accounts and new client gains pushed Sanko-Sha billings up an estimated 9.5% in dollars, despite the loss of five clients in the media industry. The agency reports for six offices throughout Japan.

Accounts
Gained: Olympic (sports retailer), UNY, Maruei dept store, Meitec, Meiraku (milk).
Lost: *Chunichi Shimbun* and *Sahi Shimbun* (both newspapers), Nagova TV and Tokai TV (both broadcasting), CBS Radio.

Officers
Teiji Kawamura, exec dir.

Headquarters
Sanko-Sha Advertising
20-9 3-Chome Marunouchi
Naka-Ku Nagoya, Japan
Fax: 8152-962-0680

International accounts
Gained: Kimberly-Clark, Borden Cica, Nutrasweet, Philip Morris.
Lost: Grupo, Champion, Hertz International, Beecham, FNAC, Agfa.

Officers
Martin Sloves, chmn-ceo; Sam Scali, president-worldwide creative dir; Robert Levenson, vice chmn-creative dir; Keith Green, exec vp-dir mktg and client svcs; Lee Graham, president-SMS Direct; Jerry Sherman, president-sales promo; Gail Lieberman, exec vp-cfo; Judy Pines, exec vp-genl mgr; Stuart Epstein, John Slaven, exec vps-group mgmt reps; Barbara Titus, exec vp-rsch; Alan Jurmain, exec vp-media.

Headquarters
Scali, McCabe, Sloves
800 Third Ave.
New York
N.Y. 10022
Phone: (212) 735-8000
Fax: (212) 735-8418

RANK: 44

Sogei Co.

Tokyo
Gross income: **$49.2** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	49.2	39.2	25.7
Volume	300.2	263.0	14.2

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	437	420	4.0
Offices	7	7	0.0

Annual review
In keeping with annual billings increases in the latter 1980s, Sogei Co. anticipates growth of 20% in 1990 from its seven-office operation. Billings also include those of subsidiaries Soken Co. and Sogei Kobo Printing, both of Tokyo, and Sogei do Brasil, Sao Paulo, Brazil. All three are fully-owned.

Accounts
Gained: Toshiba electronic devices; Matsuda automobiles; Sanyo Securities; Dairy Queen fast-food; Sanshin Jutaku real estate and Nisseki housing.
Lost: Itoman trading; Sumitomo real estate sales; Daia Kensetsu housing.

Officers
Hirobumi Senoh, president; Y. Kojima and Y. Tanaka, sr managing dirs; H. Kubota, managing dir, mktg and intl office; S. Suzuki, M. Mayama, K. Inoue, S. Kasada and K. Kodama, managing dirs.

Headquarters
Sogei Co.
Daihyaku Seimei Kyobashi Bldg.
3-2-11 Kyobashi, Chuo-ku
Tokyo, Japan
Phone: 813-272-5041
Fax: 813-281-5771

RANK: 98

Standard Advertising

Tokyo
Gross income: **$18.1** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	18.1	17.7	2.2
Volume	146.0	138.4	5.5

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	189	186	1.6
Offices	3	2	50.0

Annual review
Continued pressure on billings growth will be felt in 1990 by the agency, which in 1989 recorded a year-to-year increase of 5.5%, down from double-digit growth in 1988. Growth in 1990 should be about 5% in billings. Subsidiary Standard McIntyre K.K., specializing in medical advertising and half-owned by the parent company, contributed $3.9 million to Standard's total 1989 billings. Standard also holds 45% of Talkback Japan and 30% of Image Communication K.K., a production subsidiary, both in Tokyo.

Accounts
Gained: Airbus Industrie, Fuji Bank, Hattori Seiko, Marumiya Shokuhin Dagyo, Mitsubishi Electric, Nomura Securities, Seiko Epson Corp, Sony Corp, Sony Energytech, Ysauda Life Insurance.

Officers
Kenkichi Oki, chmn-ceo; Tetsuo Horiguchi, president-coo; Tetsuya Kudo, sr managing dir, financial div; Toru Nihei, sr managing dir, business div; Sakae Takeda, managing dir, business div; Michiya Yamamoto, dir-creative div exec; Hiromasa Kawabata, dir-intl div exec; Koichi Kaneishi, dir-subsidiary div exec; Takashi Morioka, promo div exec; Akira Ebisawa, media div exec.

Headquarters
Standard Advertising Inc.
C.P.O. Box 910
Tokyo, Japan
Phone: 813-434-8181
Fax: 813-5470-1620

RANK: 28

TBWA Advertising

New York
Gross income: **$123.7** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	123.7	97.4	27.0
Volume	827.0	671.9	23.1
U.S.			
Gross income	33.2	23.1	43.8
Volume	221.6	154.1	43.8

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	905	816	10.9
Offices	16	15	6.7

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
TBWA Advertising, New York	157.1
TBWA Advertising, St. Louis	64.5
Non-U.S. offices, location	**Billings**
ARVH Reklame & Marketing, Zaandam, Netherlands(NE)	21.2
TBWA Belgium, Brussels(MJ)	22.9
TBWA Groep, Amstelveen, Netherlands(MJ)	70.2
TBWA Italia, Milan(MJ)	127.4
TBWA-Espana, Madrid(MJ)	36.1
TBWA, Frankfurt(MJ)	118.7
TBWA, London(MJ)	78.7
TBWA, Paris(MJ)	130.5
TBWA, Zurich(MJ)	20.5

Annual review
More than 20% growth is projected in 1990 as a result of anticipated increases in business related in part to full-year activity from its launch of Graf Bertel Dominique, New York, and new agency acquisitions: Kerlick, Switzer & Johnson, St. Louis, and Greenwich, Conn.-based Posey Quest Genova in which TBWA took a 50% position. TBWA shifted $15 million in Beiersdorf and Sandoz consumer healthcare accounts to the latter in late 1989. Overall, the agency reported $40 million in billings gains from new business including acquisitions ($6 million Boatmen's Bank; $5 million in regional Taco Bell; $3 million Chase Manhattan and $2.5 million Steuben accounts). Existing clients increased their spending by $30.5 million to more than cover the $3 million in billings lost

RANK: 27

Scali, McCabe, Sloves

New York
Gross income: **$127.0** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	127.0	107.0	18.7
Volume	870.1	770.6	12.9
U.S.			
Gross income	79.0	71.8	9.9
Volume	590.3	559.7	5.5

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	1,468	1,438	2.1
Offices	16	16	0.0

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Fallon McElligott, Minneapolis	131.3
Martin Agency, Richmond, Va.	140.5
Scali, McCabe, Sloves, New York	318.5
Non-U.S. offices, location	**Billings**
Abbott Mead Vickers SMS, London(NE)	194.4
Audoor: Souin, Larue SMS, Paris(MJ)	32.1
Folaro/Scali, McCabe, Sloves, Sao Paulo(MJ)	15.3
Hildmann Simon Remgen Schmitz SMS, Duesseldorf(MJ)	79.9
Ritoux, Zamorano, Rodriguez, Madrid(MJ)	22.5
Scali McCabe Sloves de Mexico, Mexico City(MJ)	23.1
Scali, McCabe, Sloves-Canada, Toronto(MJ)	49.8
Scali, McCabe, Sloves, Melbourne(MJ)	7.3

Annual review
The sluggish U.K. stock market was blamed for the failed attempt by Scali to buy back majority control from WPP Group in early 1990. Scali managers currently own 20% of the shop as part of a previous minority buyback from Ogilvy Group, itself acquired in 1989 by WPP. Scali consists of a single flagship office and a loose "confederation" of overseas partners in which it typically owns a majority. Scali owns 80% of both Fallon McElligott, Minneapolis, and the Martin Agency, Richmond, Va., which have witnessed defections of founding partners since the acquisition of majority interest. The Scali billings mix in 1989 included gains of $20 million from new accounts and $11.3 million from existing clients that offset $17.7 million in lost billings. The most notable loss was the October departure of Hertz ($22 million) which had been put up for review. Wins included Pella ($9 million) and Lotus software ($5-$7 million).

U.S. accounts
Gained: Lotus, Trump Shuttle, Renaissance, Pella, Ault Dairy, Amoco motor oil, Jim Beam, Banc One, Bassett-Walker, FMC Corp., Avon, Corona, Dep, Showtime, HMH Communications, Thom McAnn, Corona Clipper.
Lost: Hertz, Time Life Books, Knox Lumber, Foltene hair products, Mash's, Henry Ford Museum, Maserati, TeleUSA.

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with the departure of Parfums Stern ($2 million) and Germania Bank ($1 million). At the end of 1989, the agency announced plans to open offices in Australia and South Korea. Shortly after TBWA's buyout of the St. Louis agency, Daniel Kerlick, its chairman-ceo, died in a drowning accident.

U.S. accounts

Gained: Steuben Glass, Boatmen's Bank, Taco Bell—regional, Swissair, Swissôtel, Natori.

Lost: Parfums Stern.

Other network accounts

Gained: Beiersdorf (Nivea), Goldstar consumer electronics, Twinings tea, Toshiba portable computers, Eagle Snacks, Rowenta electrical appliances, Henkel (Sapur, Sofix, Perla), KPMG Peat Marwick (consultants), Avia athletic shoes.

Lost: Bank Indosuez, Jade Cosmetics, La Previdente (insurance), Bahlsen (biscuits).

Officers

William Tragos, chmn-ceo; Richard Costello, president-coo; Michael Switzer, chmn-St. Louis; Arnold Arlow, Peter Lubalin, exec vp-co-creative dirs; Murray Gaylord, exec vp-dir, account svcs; James Quest, exec vp-group devel; John Doman, exec vp-business devel; Anthony Morgan, exec vp-strategic planning; Claude Fromm, exec vp-media director; Stuart Loss, exec vp-cfo, St. Louis; Arthur Gramer, James Jolliffe, exec vp-dirs, acct svcs; J.C. Dillon, exec vp-dir account plan.

Headquarters

TBWA Advertising Inc.
292 Madison Ave.
New York, N.Y. 10017
Phone: (212) 725-1150
Fax: (212) 213-2869

RANK: 50

Telephone Marketing Programs

New York

Gross income: **$40.5** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	40.5	31.4	29.1
Volume	270.0	209.2	29.1
U.S.			
Gross income	37.8	29.6	27.9
Volume	252.1	197.1	27.9

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	736	736	0.0
Offices	22	24	(8.3)

Annual review

A strong push for new accounts brought $47.8 million billings in new business to the agency for the year as business from existing clients increased $15.2 million in billings. The agency, which recorded a 48.8% growth in international billings, lost only $8 million billings from departing clients for a net gain of $55 million in billings worldwide. The Yellow Page specialist agency with 17 global offices operates an "800" number fulfillment subsidiary that billed $1.7 million in 1989. Overall, growth of 15%-20% in billings is expected in 1990, slightly down from last year's 29%.

U.S. accounts

Gained: AutoZone, Avon Rent-A-Car, Baldwin Hardware, Coca-Cola, Creditbur;ft Financial Services, CVS, Fotomat Corp., Grid Computers, Hitachi, Intelligent Electronics, KinderCare, Kinko's Service Corp., Lanier Business Machines, MCS Business Systems, Monroe Systems for Business, PacTel Cellular, Pratt & Lambert, RedMax, SmithKline-Beecham, TelPlus, UpJohn Healthcare Services.

Lost: Control Data, EyeMasters, Jacuzzi, MobileCommunications, NTW, Red Lobster, Stomberg.

Officers

Andrew McKelvey, president; Paul M. Camara, sr vp; Thomas G. Collison, vp-finance; Robert Lamb, vp-mktg; Harold Levy, sr vp-mktg, sales; Frank Troise, vp-operations; Bernice Hazell, vp-agency svcs.

Headquarters

Telephone Marketing Programs, Inc.
1633 Broadway
New York, N.Y. 10019
Phone: (212) 977-4200
Fax: (212) 956-2142

RANK: 43

Armando Testa Group Worldwide

Milan

Gross income: **$50.2** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	50.2	47.7	5.2
Volume	349.4	323.4	8.1

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	420	410	2.4
Offices	13	11	18.2

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Armando Testa Inc., New York	10.5
Non-U.S. offices, location	**Billings**
Armando Testa, Barcelona(MJ)	8.0
Gruppo Armando Testa, Turin-Milan-Rome(MJ)	349.4
154-Testa, Paris	7.8

Annual review

Armando Testa experienced an 8.6% decline in billings in lira, fueled in part by the loss of Bistefani (biscuits) business and a decline in the lira exchange rate. The agency added two offices, giving it representation in Italy, U.S., Spain and France. Media Italia S.p.A., a unit specializing in special events, pr and sponsorship, contributed $49 million or almost one-fifth of total billings.

Accounts

Gained: Barilla Mulino Bianco (food), Schiapparelli Benessere Pikenz (cosmetics), Ministero della Sanita (AIDS), *Editoriale Domus* (magazine), Nestle's Sasso olive oil and Vismara meats.

Lost: Bistefani.

Officers

Armando Testa, chmn; Francesco de Barberis, Lidia de Barberis, vice chmn; Marco Testa, president-ceo. Exec vps—Eugenio Bona, finance; Mario de Barberis, diversification; Andrea Gavotto, intl; Silvano Guidone, creative.

Headquarters

Armando Testa Group Worldwide
Via Washington 17
20146 Milan, Italy
Phone: 392-48 08 21
Fax: 392-48 00 82 06

RANK: 8

J. Walter Thompson Co.

New York

Gross income: **$626.4** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	626.4	559.3	12.0
Volume	4,407.5	3,857.5	14.3
U.S.			
Gross income	266.5	257.5	3.5
Volume	1,851.0	1,787.9	3.5

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	7,026	6,738	4.3
Offices	187	176	6.3

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Brouillard Communications, New York	65.0
J. Walter Thompson USA, Atlanta	56.0
J. Walter Thompson USA, Chicago	365.0
J. Walter Thompson USA, Detroit	449.0
J. Walter Thompson USA, Los Angeles	170.0
J. Walter Thompson USA, New York	461.9
J. Walter Thompson USA, San Francisco	140.0
Thompson Recruitment, Los Angeles	144.0
Non-U.S. offices, location	**Billings**
Adforce-J. Walter Thompson Co., Jakarta(NE)	10.5
Atlas Publicidad, Bogota(NE)	15.9
A.M.W. de Publicidad, Santiago(MN)	15.7
Corporacion/Thompson, Montevideo, Uruguay(NE)	5.5
Haupt-Stummer/J. Walter Thompson, Vienna(MJ)	17.3
Hindustan Thompson Associates, Bombay(NE)	63.6
JWT SA, Asuncion, Paraguay(MJ)	0.8
JWT Argentina, Buenos Aires(MJ)	126.3
J. Walter Thompson Australia, Sydney(MJ)	98.5
J. Walter Thompson Chilena, Santiago(MJ)	25.5
J. Walter Thompson Co., Bangkok(MJ)	12.1
J. Walter Thompson Co., Brussels(MJ)	46.3
J. Walter Thompson Co., Copenhagen(MJ)	8.5
J. Walter Thompson Co., Frankfurt(MJ)	145.5
J. Walter Thompson Co., Hong Kong(MJ)	48.9
J. Walter Thompson Co., London(MJ)	568.4
J. Walter Thompson Co., Madrid(MJ)	164.3
J. Walter Thompson Co., Manila(MJ)	21.7
J. Walter Thompson Co., Paris(MJ)	71.7
J. Walter Thompson Co., Stockholm(MJ)	14.1
J. Walter Thompson Co., Toronto(MJ)	162.5
J. Walter Thompson Co., Zunch/Lucerne(MJ)	24.2
J. Walter Thompson de Mexico, Mexico City(MJ)	37.7
J. Walter Thompson de Venezuela, Caracas(MJ)	21.2
J. Walter Thompson Italia, Milan(MJ)	257.3
J. Walter Thompson Japan, Tokyo(MJ)	204.3
JWT New Zealand, Wellington, N.Z.(JV)	25.2
J. Walter Thompson Peruana, Lima(MJ)	13.4
J. Walter Thompson Publicidade, Lisbon(MJ)	40.4
J. Walter Thompson Publicidade, Sao Paulo(MJ)	84.4
J. Walter Thompson Singapore, Singapore(MJ)	16.3
JWT South Africa, Johannesburg(MN)	28.0
J. Walter Thompson Taiwan, Taipei(MJ)	20.2
Menajans.Thompson, Istanbul(MN)	20.6
Marti, Flores, Prieto & Wachtel, San Juan(MN)	52.4
Norlop-Thompson Assoc., Guayaquil, Ecuador(MN)	9.6
PPGH/JWT Group, Amsterdam(MJ)	117.7
PTM Thompson Adv., Kuala Lumpur, Malaysia(MN)	15.9
Schjaerven/J. Walter Thompson Co., Oslo(NE)	10.8
Spot/Thompson Advertising, Athens(MN)	37.8
Tehomainos-J. Walter Thompson Oy, Helsinki(NE)	22.3
Thompson (Lanka), Colombo, Sri Lanka(MN)	2.7

Annual review

in U.S. billings but a hearty 23.5% growth abroad. Big domestic gains included Goodyear ($40 million), Snapper Power Equipment ($24 million), Lever Bros.' Wisk ($13 million) and Circuit City Stores ($25 million). Abroad, the agency gained the $20 million account for Repsol, Spain's state-owned oil company, but lost Benson & Hedges in Australia ($7 million) after 27 years. In early 1990, the agency lost its year-old account, Eyelab ($12 million), when it was bought by Pearle, lost the $35 million Deutsche Bank (Frankfurt) media-buying account, and was a leading contender for the $50 million Continental Airlines business. On the international side in 1989, JWT joined Omnicom Group and Ogilvy & Mather as partners in Media Partnership, a European media-buying consortium, built up its equity from 25% to 70% in the Malaysia office and expanded the Melbourne, Australia office. Among personnel changes abroad, where the agency added 288 more employees and 11 offices, Dominique Simonin was named chmn-ceo for European operations and Miles Colebrook moved to president-coo of the same. In South Africa, 13 employees resigned over a disagreement with the future direction of the agency there. The Chicago office fired 12 and hired five new members of its creative staff. JWT is owned by WPP Group PLC, London.

U.S. accounts

Gained: Bell Atlantic, Chesebrough-Pond's, Circuit City, Eyelab, Fisher-Price, Gerber, Goodyear, Health & Tennis, Jenny Craig Intl, Lever Bros., NutraSweet, Quaker Oats, Ragu, Reynolds, Snapper Power Equipment, Sun Microsystems.

Lost: Eyelab, S.C. Johnson.

International accounts

Gained: Europe—Austrian Mint, DSB State Railroads, Jack Daniels & Southern Comfort, COIN dept store, Johnnie Walker Red and Black Label, Repsol, Nestle/Findus, Allied/Lowenbrau Strong Lager, Matteson Walls, British Telecom/-intl; Latin America—Swift-Armour S.A., Ripley dept store, Schering-Plough; Asia/Pacific—Computerized Solutions, RJR/Vantage Cigarettes, Kellogg, Camus Cognac, Citibank, Pepsico; Canada—Canadian Airlines.

Lost: Europe—Emery Air Freight; Asia/-Pacific—Lufthansa, Benson & Hedges.

Officers

Burt Manning, chmn-ceo; Peter Schweitzer, vice chmn, agency oper; William C. Thompson Jr, vice chmn, client oper; Exec vps—Edward A. Haymes, finance & admin; James K. Agnew, exec vp-USA; Stephen G. Bowen, president-USA; Julian Bravo, president-ceo-S. America (Spain); Ronald S. Burns, ceo-N. America; Miles Colebrook, president-ceo-Europe; Manuel de Elexpuru, chmn-S. America (Spain); Alan Fairnington, area dir-S. and E. Asia; Marlene Hore, vice chmn-Canada; William M. Lane, exec vp-USA, Norman A. MacMaster, president-Asia/-Pacific; Bertram Metter, chmn-USA; James B. Patterson, chmn-N. America; W. Lee Preschel, chmn-Latin America/-Asia/Pacific; Robin L. Restall, dir multinational client svcs-Latin America/S. Africa/Asia Pacific; Dominique Simonin, chmn-ceo-Europe; Donald G. Sullivan, vice chmn-USA; Allen Thomas, chmn-UK; John F. Tukey, exec vp-USA; Alan W. Webb, exec vp-USA.

Headquarters

J. Walter Thompson Co.
466 Lexington Ave.
New York, N.Y. 10017
Phone: (212) 210-7000
Fax: (212) 210-7034

RANK: 21

Tokyu Agency

Tokyo

Gross income: **$156.2** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	156.2	134.6	16.0
Volume	1,259.4	1,115.2	12.9

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Annual review

The agency predicts 19% growth in 1990 due to positive movement in the Japanese economy in general. In 1989, Tokyu became the only Japanese agency to partially own a communications medium when it co-sponsored "Power Channel," a satellite TV channel.

Officers

Wakabayashi Michiaki Oka, sr managing dirs; Hideo Jinbo, Isamu Matsumura, Hideo Matsuyama, managing dirs.

Headquarters

Tokyu Agency Inc.
4-8-18 Akasaka, Minato-ku
Tokyo 107, Japan
Phone: 813-404-5321
Fax: 813-401-7918

RANK: 59

Tokyu Agency International

Tokyo

Gross income: **$34.9** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	34.9	30.3	15.0
Volume	272.4	233.5	16.7

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	311	279	11.5
Offices	3	3	0.0

Annual review

Growth in 1990 is estimated at 7.4%, influenced in part by local account growth and business emanating from the new venture, Tokyu Eastern International Inc. (Taiwan), established in October 1989, with Eastern Advertising Ltd.

Accounts

Gained: Prima Meat Packer (sausages), Sunkus Co. (convenience stores); S.C. Johnson (car care prods); World Gold Council.

Lost: Esso Sekiyu petroleum prods.

Officers

Masao Sawaki, chmn; Yunimiko Nagai, president; Masakatsu Obata, exec vp; Hichinosuke Yoshioka, Esuke Yoshida, exec dirs; Akira Yamaguchi, Andrew Salzman, managing dirs.

Headquarters

Tokyu Agency International
4-9-17, Akasaka, Minato-ku
Tokyo 107, Japan
Phone: 813-470-1611
Fax: 813-423-3713

RANK: 70

Warwick Baker & Fiore

New York

Gross income: **$25.5** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	25.5	24.0	6.3
Volume	170.0	160.0	6.3
U.S.			
Gross income	25.5	24.0	6.3
Volume	170.0	160.0	6.3

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Annual review

Warwick Advertising, which changed its name to Warwick Baker & Fiore, experienced a net billings growth of $10 million, including $8 million in billings each from new and existing accounts (including new products from Sterling Drug and Van Munching) while losing $6 million from clients exiting the shop. Cautiously optimistic about the economic climate, the agency projects growth in 1990 to be 4%-6%, slightly shy of 6.3% in 1989. Warwick is 40% owned by Alliance International, an international network of agencies that is owned by Lopex PLC.

U.S. accounts

Gained: West Point Pepperell (Martex, Utica, Tastemaker, Lady Pepperell), East Coast Energy Council, Sterling Drug (new prods), Van Munching (Buckler non-alcoholic beer), Benjamin Moore Dealers.

Lost: Pfizer Inc. (Coty), Radio Advertising Bureau, Smithsonian.

Officers

John P. Warwick, chmn; Wilder D. Baker, president-ceo; Robert J. Fiore, vice chmn-chief creative officer; Dennis Visich, group exec vp-coo; Susan Small-Weil, exec vp-dir strategic planning; Ronald S. Fierman, exec vp-finance & admin; John J. Meskil, exec vp-media; Jerry Prestomburgo, exec vp-creative dir; Michael A. Haggerty, group sr vp-media dir; Alden Ludlow, III, group sr vp-mgr creative svcs.

Headquarters

Warwick Baker & Fiore
100 Avenue of the Americas
New York, N.Y. 10013

RANK: 26

Wells, Rich, Greene

New York

Gross income: **$132.5** million

Income & volume ($ in millions)

Worldwide	1989	1988	% chg
Gross income	132.5	125.1	5.9
Volume	885.0	835.9	5.9
U.S.			
Gross income	132.5	125.1	5.9
Volume	883.0	833.9	5.9

Workforce & facilities

Worldwide	1989	1988	% chg
Employees	NA	NA	NA
Offices	NA	NA	NA

Office billings in 1989 ($ in millions)

U.S. offices, location	Billings
Wells, Rich, Greene, Chicago	62.0
Wells, Rich, Greene, Los Angeles	32.0
Wells, Rich, Greene, New York	789.0
Wells, Rich, Greene, St. Louis	NA

Annual review

With new business up $79.7 million, which includes major billings contributions from Sheraton Corp. hotels and Hertz Corp. ($25 million each), the agency more than offset lost billings from Folgers Gourmet Supreme coffee ($10 million) and Procter & Gamble's Sure deodorant ($18 million). WRG did keep P&G's Gain, Spic 'n Span, Pringles, Oil of Olay and added new unnamed products. WRG also won Polo/Ralph Lauren account ($10 million) and Wedgwood ($2 million). It closed the St. Louis-based Gardner Advertising with reported $106 million billings (mostly from Advanswers Media/Programming media buying service) after losing Ralston Purina ($10 million) and Southwestern Bell Yellow Pages ($12 million) accounts. Gardner president Paula Kahn became exec vp-new business in the New York office and Gardner's remaining accounts—Mazzio's Corp. (pizza) and Southwestern Bell Mobile Systems worth a combined $3 million—were absorbed into the Chicago office. Additional business from existing clients included Warnaco's Ungaro line and MCI Communications residential and international products. WRG survived an unofficial agency review in early 1990 by Philip Morris and retained its $40-$60 million Benson & Hedges cigarette account.

U.S. accounts

Gained: Sheraton Corp. Hotels, Hertz Auto Rentals, Dun & Bradstreet Business Credit Services, S.D. Warren Paper Co.

Lost: Cadbury Beverages, Wedgwood China, Polo/Ralph Lauren, Sure Deodorant, Folgers Gourmet Supreme Coffee, *Cosmopolitan* magazine trade advertising, Ralston Purina, Southwestern Bell Yellow Pages.

Officers

Mary Wells Lawrence, chmn-ceo; Charles Moss, vice chmn-corp creative officer; Bill Benton, vice chmn; Tom Fagan, exec vp-finance and treasurer; Katherine Durham, sr vp-admin and pr; Richard Freedman, sr vp-finance and asst treasurer; Stanley Haspel, sr vp-legal and secretary; Ely Drogin, sr vp; Kathryn Bryan, sr vp-financial planning; Phyllis Cerf Wagner, sr vp. WWG/Worldwide: Kenneth Olshan, chmn; Mary Moore, vice chmn-chief creative officer; Richard Hopple, president; Dick Macedo, president, WRG/West and president, WRG/-Entertainment; Larry Singer, president, WRG/Chicago; Jim Lawrence, exec vp-managing dir/Detroit; Richard Cohen, Jayne Eastman, exec vps-dirs, mktg and strategic planning. WRG/NY: Richard Cohen, Jayne Eastman, exec vps-dirs, mktg and strategic planning; Steve Farella, exec vp-dir, corp media svcs; Chris Hansen, exec vp-dir, The Image Group. WRG/Detroit: Bill Benton, vice chmn; Jim Lawrence, exec vp-managing dir. WRG/Chicago: Larry Singer, president; William McCann, exec vp. Advanswers: Donald A. Stork, president; John L. Marlow, sr exec officer. Paul Schulman Co.: Paul Schulman, president.

Headquarters

Wells, Rich, Greene Inc.
9 West 57th St.
New York, N.Y. 10019
Phone: (212) 303-5050
Fax: (710) 581-5035

RANK: 92

Wyse Advertising

Cleveland

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	19.9	15.7	26.5
Volume	140.4	105.8	32.8
U.S.			
Gross income	19.9	15.7	26.5
Volume	140.4	105.8	32.8

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	275	231	19.0
Offices	3	2	50.0

■ **Office billings in 1989** ($ in millions)

U.S. offices, location	Billings
Wyse Advertising, Cleveland	128.7
Wyse Advertising, Indianapolis	6.6
Wyse Advertising, New York	11.1

■ **Annual review**

Personnel shifts were in the forefront of change at the agency whose existing roster boosted its billings a collective $21.7 million, including the consolidation of the $5 million Integra Financial Corp. account. A $15.8 million increase in new business also more than offset $2.9 million in lost billings. At midyear, Mike Marion and Carl Camden were promoted to co-presidents from exec vp-creative dir and exec vp-account planning respectively, succeeding Marc Wyse who remained ceo of parent Wyse Advertising. In August, Allan Gardner resigned as president of Wyse's New York office. John Lippmann, exec vp-account svcs, took over general management duties.

■ **U.S. accounts**

Gained: Seiko Mead Co., Master Builders Technologies.

Lost: Edward D. Jones, Genie Garage Door Openers, Clairol, Drake Bakeries, SVO division of Lubrizol.

■ **Officers**

Marc A. Wyse, chmn; Lois Wyse, president; James B. Rucker Jr., vice chmn; Evelyn Reisz, secretary-treasurer; Thomas Nipper, cfo.

■ **Headquarters**

Wyse Advertising Inc.
24 Public Square
Cleveland, Ohio 44113
Phone: (216) 696-2424
Fax: (216) 621-2950

RANK: 84

Yellowhammer Advertising

London
Gross income: **$21.3** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	21.3	17.4	22.4
Volume	141.8	115.9	22.4

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	150	144	4.2
Offices	NA	NA	NA

■ **Annual review**

Yellowhammer, a publicly held agency, entered extensive expansion plans on the Continent in 1989 opening up Yellowhammer Balades in Spain and Yellowhammer Delafosse in France. Other countries are targeted. However, despite its heavy billings output—up 22.3% from 1989—rapid expansion squeezed the bottom line. The agency exited the year in the red.

■ **Accounts**

Gained: Wardair (Canadian airline), Electricity Council, Allied Breweries (strategies for non-advertised brands).

■ **Officers**

Jon Summerill, chmn; Andrew Bethell, dep chmn; Tim Lefroy, chief exec; Patrick Woodward, creative dir.

■ **Headquarters**

Yellowhammer Advertising
76 Oxford St.
London W1A 1DT, England
Phone: 441-436-5000
Fax: 441-436-4630

RANK: 31

Yomiko Advertising

Tokyo
Gross income: **$100.3** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	100.3	90.0	11.5
Volume	753.5	660.3	14.1

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	699	685	2.0
Offices	14	13	7.7

■ **Annual review**

Yomiko Advertising, Tokyo, projects an 11% increase in billings (in yen) for 1990. The Japanese government is requiring that local industries expand their domestic rather than foreign markets, according to the agency, which should mean expanded local advertising and sales promotion budgets by Yomiko's clients.

■ **Accounts**

Gained: B&W Tobacco; Swiss Air-Japanese market; Talbots, Japan.

■ **Officers**

Toshio Kuroki, president; Yasumoto Amano, Makoto Toriyama and Ko Ogata, sr managing dirs; Kiyoaki Yamamoto and Iseo Miyazawa, managing dirs; Takashi Okuno, Shimpei Koyanagi, Seiichi Sugimoto and Tomoya Noda, dirs.

■ **Headquarters**

Yomiko Advertising Inc.
8-14 Ginza 1-chome, Chuo-ku
Tokyo 104, Japan
Phone: 813-563-7889
Fax: 813-564-0170

RANK: 3

Young & Rubicam

New York
Gross income: **$865.4** million

■ **Income & volume** ($ in millions)

Worldwide	1989	1988	% chg
Gross income	865.4	757.6	14.2
Volume	6,250.5	5,390.3	16.0
U.S.			
Gross income	409.5	372.8	9.9
Volume	3,114.8	2,791.8	11.6

■ **Workforce & facilities**

Worldwide	1989	1988	% chg
Employees	10,473	12,311	(14.9)
Offices	322	265	21.5

■ **Office billings in 1989** ($ in millions)

U.S. offices, location	Billings
Burson-Marsteller (media-related billings), New York	826.8
Cato Johnson Worldwide, Chicago	56.1
Cato Johnson Worldwide, Detroit	5.5
Cato Johnson Worldwide, Los Angeles	6.2
Cato Johnson Worldwide, New York	51.9
Cato Johnson Worldwide, Rochester, N.Y.	31.0
Chapman Direct Advertising, New York	48.2
CMF&Z, Cedar Rapids, Iowa	90.5
HDM*, Chicago	49.5
HDM, Los Angeles	101.5
HDM, New York	96.2
Sudler & Hennessey, New York	164.1
Wunderman Worldwide, Arkansas	9.8
Wunderman Worldwide, Detroit	30.3
Wunderman Worldwide, New York	211.1
Wunderman Worldwide, San Francisco	11.2
Arthur Wilk, Chicago	14.7
Sive Associates, Cincinnati	29.5
Stone & Adler, Chicago	NA
Young & Rubicam, Chicago	78.0
Young & Rubicam, Detroit	211.5
Young & Rubicam, New York	1,274.3
Young & Rubicam, San Francisco	111.5

Non-U.S. offices, location	Billings
Advico Young & Rubicam, Zurich(MJ)	118.6
Funes, Straschnoy, Dreyfuss Y&R, Buenos Aires(MN)	81.5
Geo/Young & Rubicam, Athens	8.5
HDM**, Europe/Asia-Pacific	2,308.2
JMC Creotividad/Young & Rubicam, Caracas(NE)	19.6
Lahden Taucher, Lahti, Finland(NA)	3.9
Michael Hogg/Y&R, Harare, Zimbabwe(MN)	2.2
Oy Taucher Y&R, Helsinki(MN)	33.3
PMS/W/Young & Rubicam, Amsterdam(MJ)	156.1
Raklamevi, Istanbul(NE)	9.0
Scanoco-Young & Rubicam, Oslo(MJ)	83.4
Tampereen Taucher Oy, Tampere, Finland	3.5
Team Young & Rubicam, Lisbon(MN)	23.7
Wunderman Worldwide, 20 global offices	221.3
Young & Rubicam Belgium, Brussels(MJ)	49.8
Young & Rubicam Damaris, Santo Domingo(MJ)	8.2
Young & Rubicam de Chile, Santiago(MJ)	4.7
Young & Rubicam do Brasil, Sao Paulo(MJ)	81.0
Young & Rubicam Espana, Madrid(MJ)	144.6
Young & Rubicam France, Paris(MJ)	374.0
Young & Rubicam Holdings, London(MJ)	550.5
Young & Rubicam Hungary, Budapest	5.8
Young & Rubicam Italia, Milan(MJ)	383.4
Young & Rubicam Puerto Rico, San Juan(MJ)	41.8
Young & Rubicam South Africa, Cape Town(MJ)	57.2
Young & Rubicam Zambia, Lusaka, Zambia(MJ)	2.1
Young & Rubicam, Mexico City(MJ)	23.0
Young & Rubicam, Stockholm(MJ)	132.6
Young & Rubicam, Auckland(MJ)	18.2
Young & Rubicam, Copenhagen(MJ)	63.7
Young & Rubicam, Frankfurt(MJ)	263.9
Young & Rubicam, Sydney(MJ)	202.8
Young & Rubicam, Toronto(MJ)	154.6
Young & Rubicam, Vienna(MJ)	40.7

■ **Annual review**

Y&R's billings growth in 1989 of 16% worldwide outpaced its 1988 growth rate of 9.9% as the agency gathered in sizable new business including Camel cigarettes ($25 million) from R.J. Reynolds Tobacco and First Nationwide Financial Corp. ($15-$20 million) domestically and in Europe with Quaker's Gatorade ($20 million) launch, Reckitt & Colman's Airwick air freshener ($17 million pan-Europe), British Gas ($18-$20 million) and Johnson & Johnson Carefree sanitary product line ($10 million in 11 European markets). Big losses included Mulino Bianco's Barilla foods ($44 million), Pillsbury Brands Group ($4.8 million) and Jamaica Tourism Board ($6-$8 million). The latter resulted in plea bargaining on federal racketeering and bribery charges and management reshuffling. Y&R settled with WPP which had sued Y&R for its role in the management breakaway at LGFE, New York. Y&R contributed 49% equity to the breakaway agency, Lord, Einstein O'Neill & Partners. Y&R sold Stone & Adler, Chicago, to HDM; reorganized its Detroit office into automotive and diversified account divisions; bought interest in GEO II, Athens, Greece; merged its Impact Italia with Dolci MC to form Impact Dolci; acquired 40% of Skala Recklam Studio, Budapest; finalized plans for a pan-European, media-buying operation with other agency partners including HDM; bought Hall & Cederquist, Stockholm, to be merged with an existing Y&R agency; dissolved its partnership, Fischer, Justus, Y&R Brazil; bought Landor Associates, design company, and opened a Minneapolis satellite office. In early 1990 Tim Pollak was named president-ceo of Y&R's New York office, succeeding Arthur Klein who becomes managing director for joint venture operations. Mr. Pollak was succeeded by Gary Burandt as HDM Worldwide ceo. Mr. Burandt was ceo-Y&R Sovero, Moscow. Effective May 1, Peter Georgescu, Y&R Advertising president, becomes president of Y&R Inc., succeeding Alexander Kroll who continues as chairman-ceo. Joseph De Deo, Y&R Europe president, succeeds Mr. Georgescu.

*Y&R claims only 30% of HDM billings in the U.S. or $74.1 million.

**Y&R claims 29% of HDM Europe and 40% Asia-Pacific or $747.3 million.

■ **U.S. accounts**

Gained: Anacin, Co-Advil (American Home Products/Whitehall Labs); Auchan (dept store), Camel cigarettes (RJR Tobacco), Citizen Watch Co. of America, Conagra Turkey, First Nationwide Savings, Heublein, Interactive Game Network, LJN Toys, Motorola, Northrup King, Townsend Chickens, Vegisnax (Freshworld).

Lost: Goodyear Tire & Rubber Co., Jamaica Tourist Board, Pillsbury Pizza, Pioneer Hi-Bred International.

■ **International accounts**

Gained: Reckitt & Colman (air fresheners)—Europe; Searle Canderel Sweetener—Europe; Quaker Gatorade—Europe; Johnson & Johnson (Carefree)—Europe; Jacobs Suchard—Amsterdam (Cote d'Or).

■ **Officers**

Alexander Kroll, chmn-ceo, Y&R Inc.; Peter Georgescu, president Y&R Inc. (effective 5/1/90); Joseph De Deo, exec vp-president (5/1/90), Y&R Advertising; Harold Burson, chmn, Burson-Marsteller; James Dowling, exec vp-president-ceo, Burson-Marsteller; Lester Wunderman, chmn, Wunderman Worldwide; R. John Cooper, exec vp-general counsel-secretary, Y&R Inc.; Roger Craton, exec vp-cfo, Y&R Inc.; Roby Harrington, exec vp, Y&R Inc., chmn U.S. National Group; Arthur Klein, managing dir joint venture operations, John P. McGarry, exec vp-chmn client svcs worldwide, chmn Y&R New York; Gary Burandt, exec vp-ceo, HDM; Don Casey, president-ceo, Landor Associates; Alan J. Sheldon, sr vp-dir business affairs worldwide; Larry E. Snoddon, president/B-M Europe.

■ **Headquarters**

Young & Rubicam Inc.
285 Madison Ave.
New York, N.Y. 10017
Phone: (212) 210-3000
Fax: (212) 490-6397

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U.S. winner: Goodby

Past winners: U.S.

1988—Chiat/Day
1987—Leo Burnett Co.
1986—Foote, Cone & Belding
1985—Hill, Holliday, Connors, Cosmopulos
1984—BBDO
1983—Fallon McElligott Rice
1982—Ogilvy & Mather
1981—Ally & Gargano
1980—Chiat/Day
1979—Henderson Advertising
1978—(tie) N W Ayer
Young & Rubicam
1977—Needham Harper Worldwide
1976—DKG Advertising
1975—Leo Burnett Co.
1974—Scali, McCabe, Sloves
1973—Cunningham & Walsh

Advertising Age's annual selection of Agency of the Year is based on evaluations, by a committee of our editors, of the creative product of the nominated agencies. Creativity, rather than size or new-business success, is given primary consideration to allow agencies of all sizes to compete.

Nominations are made by *Ad Age* staff members; consideration is also given to nominations put forth by others, including the agencies themselves. □

(Continued from Page S-4)

ment in which people could create their best work," Mr. Berlin said—after they had moonlighted together on a project while working at Ogilvy.

They were all creatives: Messrs. Goodby and Berlin were copywriters and Mr. Silverstein an art director. But they rejected the conventional wisdom that start-ups should have at least one "suit," or heavy-hitting account person.

Relying on their instincts and a computer accounting program of dubious accuracy put together by Mr. Berlin, the three thought they could make money as well as great ads.

The agency attracted clients by assuring them one of "the guys"—now called "the partners"—would be intimately involved in the work.

Now, with 15 clients and 60 employees, that's not as easy, but "we still run the place," Mr. Goodby said. "We still have the ideas behind the work."

Despite its innovative creative product, which has helped it serve as a model for other new agencies, Goodby has struggled on the business side.

"I understand they haven't felt they've achieved their financial goals," Mr. Riney said.

"Where's our big national client?—ask me that," said Mr. Silverstein, conceding the agency isn't as big as it thought it would be by now.

The agency thought it had landed that big national account last September, when it won the Pioneer Electronics business, but the agency and client weren't compatible and the relationship ended within two months.

"We weren't the right agency for Pioneer," Mr. Berlin said.

The agency also tried to grow through an infusion of funds from London-based Boase Massimi Pollitt, to which Goodby sold a one-third interest. But BMP subsequently was acquired by Omnicom Group, New York, from which Goodby is negotiating the repurchase of its stock.

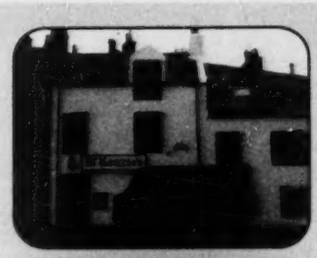
The agency believes it found the right "suit"—now conceded to be necessary—last August, when it hired Colin Probert, 43, former president of BMP North America, as its president.

Early this year, the agency restructured, giving Mr. Berlin sole responsibility for administration. Mr. Probert reports to Mr. Berlin.

"It's the end of three guys sitting in a room making all the decisions together," Mr. Berlin said.

But as Goodby seeks growth and becomes more businesslike, the agency insists it will maintain the delicate environment that's nourished it creatively.

A creative department, Mr. Goodby said, "has to have a certain amount of irreverence and brattiness and free-spiritedness. You hide it from the outside world as much as possible, but you guard it inside. If you get too predictable, it's real bad for your creative product, not to mention your life." □



Ammirati & Puris' campaign for UPS touts overseas service.

Bo Jackson stars in Wieden & Kennedy's Nike commercials.

U.S. Agency of the Year runners-up

Ammirati & Puris
New York

Overseas delivery service campaign for client UPS won the agency plaudits, along with continued high-quality print and broadcast advertising created for BMW, Club Med, Schweppes and Aetna.

Wieden & Kennedy
Portland, Ore.

Cited for its imaginative and wide-ranging work for Nike, including the famous "Bo knows" television commercials featuring sports superstar Bo Jackson. Also cited: Work for KINK Radio, Pepe Sportswear and Oregon tourism. □

Int'l winner: Contrapunto

(Continued from Page S-5)

painting, effectively showing all Nugget's colors.

The element of surprise pops up again in a commercial for the National Institute for Social Affairs, a government program encouraging elderly people to travel in the off-season.

In one spot, a suitcase is thrown onto a bed and the shapely legs of a woman in a skirt and high-top tennis shoes scurry around the bedroom. As a silk blouse, makeup and jeans are packed in the case, voice-over says, "If you're independently minded . . . this winter, leave home. Now you're old enough."

In the end, viewers discover the sneakers are worn by a spunky silver-haired lady on the go.

In contrast to this approach, sometimes simplicity is the key. In a spot encouraging Spaniards to vote in last year's European Parliament elections, children of different nationalities sing the European Community's anthem in the middle of a government hall.

As the spot closed on the EC symbol, the point became clear: "Vote with Europe."

Another simply told message is a commercial for Epilady. The agency chose a single image, a fresh peach, to show the product's function; the hair remover takes the fuzz off a peach without harming the fruit.

The story of Contrapunto's success is also being told by its gross income and billings growth.

Gross income hit $11.8 million in 1989 while billings reached $78.8 million, both up 15% from 1988.

The agency's most recent new-business coup was the $14.3 million Spanish Alfa Romeo car account, won last October from WPP Group's Conquest Europe.

"Alfa Romeo will be a big test for the agency," said Tomas Corominas, general manager of Contrapunto's Madrid office. Spain is Alfa Romeo's second-largest market after its home country, Italy.

The agency is developing Alfa Romeo's first TV campaign for Spain, which may be used in other European markets.

"We're hoping to work on all of Alfa Romeo's pan-European advertising, but we have to go step by step," Mr. Mancebo said.

Just as the agency openly refuses to handle assignments with strict predetermined guidelines on creativity, Contrapunto also rejects the organizational structure of traditional agencies.

"We believe in democracy in business—that's why we have chosen a horizontal structure, rather than a vertically organized company," Mr. Marcos said.

Contrapunto is run by a management team made up of its three founding members, each owning 10%. In addition to Mr. Marcos, the co-founders are Rafael Sarro, ceo, and Jose Garcia, a member of the executive managment committee.

Despite such titles as president, no one is dominant over the others.

"All decisions are made by majority," Mr. Marcos said.

Six other top executives also hold shares in the company.

"This gives you a solid base in a business as volatile as ours," Mr. Marcos said. □

Past winners: International

1988—DDB Needham, London
1987—Dentsu, Tokyo
1986—Mojo MDA, Sydney
1985—Lowe Howard-Spink Marschalk, London
1984—Prins, Meijer, Stamenkovits & van Walbeek, Amsterdam

Advertising Age's annual selection of International Agency of the year is based solely on the agency's creative product. Creativity, not a shop's size or success, is paramount. □

International Agency of the Year runners-up

Hakuhodo
Tokyo

Visually striking ads, such as spots for Matsushita Electric Industrial Co., propelled Hakuhodo to runner-up status. Judges were particularly impressed with innovative work for Meiji Mutual Life Insurance Co.'s dental insurance plan, humorously demonstrating potential dental catastrophes.

Twin fluorescent lights electrify the sky in this Matsushita Electric Industrial Co. spot.

BDDP Group
Paris

Photography of TV spots that's as painstakingly crisp as art for its print ads earned BDDP its slot. Work for Kronenbourg's 1664 beer offers a series of memorable images; ads for Devanlay's Scandale lingerie feature titillating copy. □

Visual appeal attracts reader attention to this unusual beer ad. BDDP beautifully sells 1664 beer.

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BLADE CUME, METRO-TOLEDO ADULTS			
1 DAILY ISSUE	61%	1 SUN. ISSUE	76%
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Source: Market Opinion Research

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MEMBER, METROPOLITAN SUNDAY NEWSPAPERS

Top 10 by broadcast

Rank	Agency	1989	Media billings 1988	% chg	Total billings 1989	Media % total billings 1989
Spot TV						
1	Saatchi & Saatchi Advertising Worldwide	$622.4	$639.0	(2.6)	$2,778.9	22.4
2	Backer Spielvogel Bates (C-M-E)	525.2	497.3	5.6	2,158.0	24.3
3	Chiat/Day/Mojo	471.0	362.0	30.1	785.0	60.0
4	BBDO Worldwide	413.9	411.9	0.5	2,656.0	15.6
5	Foote, Cone & Belding Communications	361.6	358.5	0.9	1,871.2	19.3
6	D'Arcy Masius Benton & Bowles	358.0	372.8	(4.0)	2,055.3	17.4
7	Young & Rubicam	342.0	407.6	(16.1)	3,114.8	11.0
8	J. Walter Thompson Co.	332.5	259.7	28.0	1,851.0	18.0
9	Grey Advertising	321.2	315.9	1.7	1,605.3	20.0
10	DDB Needham Worldwide	252.3	193.3	30.5	2,386.3	10.6
Network TV						
1	Saatchi & Saatchi Advertising Worldwide	$918.6	$913.8	0.5	$2,778.9	33.1
2	Leo Burnett Co.	855.1	703.6	21.5	1,945.3	44.0
3	Backer Spielvogel Bates Worldwide	845.7	767.0	10.3	2,158.0	39.2
4	Young & Rubicam	646.8	625.4	3.4	3,114.8	20.8
5	D'Arcy Masius Benton & Bowles	645.8	615.4	5.0	2,055.3	31.4
6	Grey Advertising	532.9	511.0	4.3	1,605.3	33.2
7	Lintas:Worldwide	532.3	504.8	5.5	1,499.9	35.5
8	Ogilvy & Mather Worldwide	512.4	479.0	7.0	2,104.4	24.4
9	J. Walter Thompson Co.	507.6	579.6	(12.4)	1,851.0	27.4
10	BBDO Worldwide	501.8	403.7	24.3	2,656.0	18.9
Cable TV						
1	Saatchi & Saatchi Advertising Worldwide	$72.2	$52.3	38.0	$2,778.9	2.6
2	DDB Needham Worldwide	60.3	NA	NA	2,386.3	2.5
3	Foote, Cone & Belding Communications	60.2	434.7	(86.2)	1,871.2	3.2
4	Grey Advertising	47.8	47.2	1.3	1,605.3	3.0
5	D'Arcy Masius Benton & Bowles	45.6	29.7	53.4	2,055.3	2.2
6	Lintas:Worldwide	43.9	40.7	7.9	1,499.9	2.9
7	Leo Burnett Co.	38.4	23.8	61.5	1,945.3	2.0
8	Jordan, McGrath, Case & Taylor	33.1	10.0	231.0	315.0	10.5
9	Ogilvy & Mather Worldwide	32.2	21.0	53.4	2,104.4	1.5
10	Young & Rubicam	32.0	60.6	(47.2)	3,114.8	1.0
Syndicated TV						
1	Leo Burnett Co.	$130.5	$106.4	22.6	$1,945.3	6.7
2	D'Arcy Masius Benton & Bowles	80.1	59.7	34.1	2,055.3	3.9
3	McCann-Erickson Worldwide	42.0	30.0	40.0	1,394.8	3.0
4	Jordan, McGrath, Case & Taylor	41.6	31.7	31.3	315.0	13.2
5	Foote, Cone & Belding Communications	40.0	NA	NA	1,871.2	2.1
6	DDB Needham Worldwide	29.1	NA	NA	2,386.3	1.2
7	Wells, Rich, Greene	27.0	21.7	24.4	883.0	3.1
8	Young & Rubicam	21.6	NA	NA	3,114.8	0.7
9	Towne, Silverstein, Rotter	10.0	4.0	150.0	83.0	12.0
10	Burrell Communications Group	7.0	4.2	66.4	60.3	11.6
Radio						
1	BBDO Worldwide	$138.4	$127.5	8.6	$2,656.0	5.2
2	DDB Needham Worldwide	132.3	92.4	43.1	2,386.3	5.5
3	Backer Spielvogel Bates Worldwide	131.6	123.6	6.5	2,158.0	6.1
4	D'Arcy Masius Benton & Bowles	101.5	76.4	32.8	2,055.3	4.9
5	Bozell Inc.	96.0	72.3	32.8	1,165.0	8.2
6	Ogilvy & Mather Worldwide	95.6	96.0	(0.4)	2,104.4	4.5
7	McCann-Erickson Worldwide	93.2	89.5	4.1	1,394.8	6.7
8	Foote, Cone & Belding Communications	93.1	87.0	7.0	1,871.2	5.0
9	Saatchi & Saatchi Advertising Worldwide	90.2	102.9	(12.3)	2,778.9	3.2
10	Young & Rubicam	78.6	82.6	(4.8)	3,114.8	2.5

Notes: Dollars are in millions. Total agency billings and billings by media include the billings of all subsidiary agencies included in the parent's total billings. Subsidiaries representing more than 50% of an agency's billings in a medium are shown in parentheses.

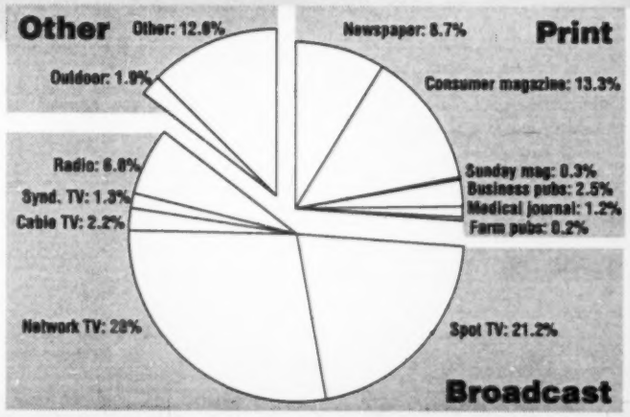
Top 10 by print media

Rank	Agency	1989	Media billings 1988	% chg	Total billings 1989	Media % total billings 1989
Newspaper						
1	DDB Needham Worldwide (Bernard Hodes)	$240.5	$247.8	(3.0)	$2,386.3	10.1
2	J. Walter Thompson Co.	226.5	185.2	22.3	1,851.0	12.2
3	BBDO Worldwide	190.4	194.7	(2.2)	2,656.0	7.2
4	Nationwide Advertising Service	173.7	153.9	12.9	206.8	84.0
5	Young & Rubicam	144.4	107.6	34.3	3,114.8	4.6
6	Saatchi & Saatchi Advertising Worldwide	127.4	150.4	(15.3)	2,778.9	4.6
7	Lintas:Worldwide	127.0	124.4	2.1	1,499.9	8.5
8	Grey Advertising	102.8	99.6	3.2	1,605.3	6.4
9	D'Arcy Masius Benton & Bowles	94.5	70.8	33.4	2,055.3	4.6
10	Backer Spielvogel Bates Worldwide	92.3	101.9	(9.4)	2,158.0	4.3
Consumer magazine						
1	Saatchi & Saatchi Advertising Worldwide	$422.1	$362.4	16.5	$2,778.9	15.2
2	Young & Rubicam	280.7	248.5	12.9	3,114.8	9.0
3	J. Walter Thompson Co.	233.1	209.6	11.2	1,851.0	12.6
4	Backer Spielvogel Bates Worldwide	226.2	172.8	30.9	2,158.0	10.5
5	DDB Needham Worldwide	220.0	187.3	17.4	2,386.3	9.2
6	Leo Burnett Co.	207.4	221.5	(6.4)	1,945.3	10.7
7	Bozell Inc.	199.5	162.2	23.0	1,165.0	17.1
8	Wells, Rich, Greene	197.0	160.5	22.7	883.0	22.3
9	Lintas:Worldwide	191.4	178.2	7.4	1,499.9	12.8
10	BBDO Worldwide	187.9	182.4	3.0	2,656.0	7.1
Sunday magazine						
1	Nationwide Advertising Service	$22.7	$20.4	11.5	$206.8	11.0
2	Lois/GGK New York	10.0	10.0	0.0	99.7	10.0
3	Ogilvy & Mather Worldwide	9.9	2.0	396.7	2,104.4	0.5
4	TBWA Advertising	9.3	5.1	82.4	221.6	4.2
5	Saatchi & Saatchi Advertising Worldwide	8.5	2.6	222.9	2,778.9	0.3
6	Valentine-Radford	8.4	1.3	528.4	79.4	10.6
7	Noble Communications	6.5	7.3	(12.0)	80.1	8.1
8	Ross Roy Group	5.0	3.3	51.5	651.1	0.8
9	Laurence, Charles, Free & Lawson	4.9	5.4	(8.4)	275.2	1.8
10	BBDO Worldwide	4.3	2.4	80.6	2,656.0	0.2
Business publication						
1	BBDO Worldwide	$89.2	$62.8	42.0	$2,656.0	3.4
2	Saatchi & Saatchi Advertising Worldwide	54.3	24.9	118.2	2,778.9	2.0
3	J. Walter Thompson Co.	51.2	45.7	11.9	1,851.0	2.8
4	Ketchum Communications	43.7	36.9	18.5	854.9	5.1
5	Young & Rubicam	40.5	62.6	(35.3)	3,114.8	1.3
6	Ogilvy & Mather Worldwide	38.9	35.0	11.2	2,104.4	1.8
7	McCann-Erickson Worldwide	36.4	33.1	10.0	1,394.8	2.6
8	Della Femina, McNamee/EWDB	36.4	44.7	(18.7)	728.7	5.0
9	Ingalls, Quinn & Johnson	21.3	16.7	27.9	137.1	15.5
10	Backer Spielvogel Bates Worldwide	19.2	16.9	13.9	2,158.0	0.9
Medical journal						
1	BBDO Worldwide (Lavey/Wolff/Swift)	$69.3	$47.8	44.9	$2,656.0	2.6
2	McCann-Erickson Worldwide	65.0	60.0	8.3	1,394.8	4.7
3	Saatchi & Saatchi Advertising (Klemtner)	59.6	50.6	17.9	2,778.9	2.1
4	William Douglas McAdams Inc.	44.0	43.0	2.3	107.0	41.1
5	Young & Rubicam (Sudler & Hennessey)	35.1	35.1	(0.1)	3,114.8	1.1
6	Dorritie & Lyons	31.5	29.4	7.0	55.0	57.2
7	Ketchum Communications	26.0	7.9	227.1	854.9	3.0
8	Foote, Cone & Belding Communications	25.2	22.9	9.8	1,871.2	1.3
9	Robert A. Becker EWDB	25.0	21.6	15.6	50.0	50.0
10	Gross Townsend Frank Hoffman	20.0	25.0	(20.0)	78.4	25.5

Notes: Dollars are in millions. Total agency billings and billings by media include the billings of all subsidiary agencies included in the parent's total billings. Subsidiaries representing more than 50% of an agency's billings in a medium are shown in parentheses.

U.S. media billings by category

Media	Billings reported by 450 agencies 1989	1988	% chg	Billings as % of annual totals 1989	1988
Print					
Newspaper	$3,193.1	$2,904.7	9.9	8.7	8.8
Consumer magazine	4,866.0	4,191.2	16.1	13.3	12.7
Sunday magazine	107.9	81.9	31.7	0.3	0.2
Business publication	924.6	826.8	11.8	2.5	2.5
Medical journal	435.9	420.6	3.6	1.2	1.3
Farm publication	61.3	66.1	(7.3)	0.2	0.2
Broadcast					
Spot TV	7,769.1	7,119.6	9.1	21.2	21.5
Network TV	10,230.9	9,531.8	7.3	28.0	28.8
Cable TV	795.9	982.9	(19.0)	2.2	3.0
Syndicated TV	462.1	280.1	64.9	1.3	0.8
Radio	2,412.8	2,145.5	12.5	6.6	6.5
Other					
Outdoor	692.8	625.5	10.8	1.9	1.9
Other*	4,624.1	3,893.8	18.8	12.6	11.8



Notes: Dollars are in millions. Information in this chart is compiled from media breakouts supplied by 450 of the top 500 agencies reporting $36.6 billion in media billings. *Other includes billings from free-standing inserts, transit ads, point of sale, direct response, sales promotion, special events and Yellow Pages.

AA graphic: John Heiland; AA chart: Kevin Brown

U.S. agencies indexed by domestic gross income*

Agency	Gross income
Abelson-Taylor	$5,852
Ackerman, Hood, & McQueen	9,104
AC&R Advertising	45,829
Adams Colway & Associates	1,427
Adams & Longino Advertising	236
Ad Team	5,660
Adelante Advertising	924
Admarketing Inc	44,900
Advertising, Boelter & Lincoln	1,727
Advertising Communications	3,300
Advertising & Promotional Services	633
Advertising Works	3,150
AIM Inc	593
Ally & Gargano	37,000
Ammirati & Puris	29,500
Anderson & Lembke	6,400
Donald L. Arends Inc	1,617
Arian, Lowe & Travis Advertising	2,925
Arnold Advertising	6,176
Noble Arnold & Associates	944
Asher Gould Advertising	13,957
Associated Advertising Agency	2,017
Aves Advertising	2,014
Avrett, Free & Ginsberg	15,546
Aydlotte & Cartwright	4,356
NW Ayer Inc	128,796
Babbit & Reiman Advertising	7,600
Backer Spielvogel Bates Worldwide	310,651
Bader Rutter & Associates	8,120
Bailey Lewis & Associates	1,966
Baker Advertising	2,605
Perry Ballard advertising	823
Barney & Patrick Advertising	1,943
Barnum & Souza	3,071
Baron & Zaretsky Advertising	2,723
Bauerlein	2,634
Baxter, Gurian & Mazzei	4,000
Bayer Bess Vanderwarker	16,028
BBDO Worldwide	373,595
Beaumont, Heller & Sperling	1,531
Robert A. Becker EWDB	7,400
Beckman Associates Advertising	1,592
Bentley, Barnes & Lynn	10,747
Berenson, Isham & Partners	3,279
Berenter Greenhouse & Webster	8,301
Berline Group	7,633
Shelly Berman Communicators	3,957
BHN Advertising & PR	2,494
William R. Biggs Gilmore Associates	7,705
Blackwood Agency	208
Blair Advertising	3,026
Blake, Walls & Associates	1,514
Barry Blau & Partners	12,414
Bloom Cos	20,000
Bonneville Media Communications	4,254
Borders, Perrin & Norrander	7,261
Botto, Roessner, Horne & Messinger	3,898
Bozell Inc	155,400
Bradford Advertising & PR	205
Brady Co	3,590
Breakstone & Associates	54
Brett Associates Advertising	1,200
Brewster Advertising	409
Brouillard Communications	9,739
Earle Palmer Brown	40,100
E.H. Brown Advertising	2,375
Bryan/Donald Advertising	504
Buntin Advertising	5,834
Burgess, Brewer, Stanyon & Payne	355
Leo Burnett Co	288,768
Burrell Communications Group	9,050
Lawrence Butner Advertising	3,816
Buyer Advertising	1,773
Cabot Communications	13,054
Campbell-Mithun-Esty	115,905
Campbell & Wagman	6,053
Capener Co	1,560
Caravetta Allen Kimbrough	2,615
Carmichael Lynch	12,116
Carrafiello-Diehl & Associates	10,450
Carter Callahan Advertising & PR	1,027
Cascino & Purcell	1,463
Cato Johnson Worldwide	22,568
Cedarcrest Advertising	182
Chaffee-Bedard	2,501
Chapman Direct Advertising	7,226
CHC Advertising	4,500
Chiat/Day/Mojo	106,000
Christopher Thomas/Muller Jordan Weiss	7,540
Clarion Marketing & Communications	18,804
Clarity Coverdale Rueff Advertising	3,200
Clarke Advertising & PR	184
George P. Clarke Advertising	1,076
Coakley Heagerty Cos	1,021
Cole Henderson Drake	2,000
Cole & Weber	11,856
Colle & McVoy	8,191
Communication & Design Agency	1,058
Communication Plus Advertising/PR	58
Conill Advertising	5,470
William Cook Agency	10,300
Frank J. Corbett	9,860
Cox Landey & Partners	5,250
CPA Inc	1,611
Cramer-Krasselt	15,825
Cranford Johnson Robinson Woods	3,928
Creative Alliance	2,825
Creel Associates	334
Creswell, Munsell, Fultz & Zirbel	13,574
Cross Keys Advertising	325
CTS Associates	400
Dailey & Associates	23,263
D'Arcy Masius Benton & Bowles	232,337
Davidoff White Good	3,801
Davis, Ball & Colombatto Advertising	16,800
Dawson Johns & Black	$1,950
DCA Advertising	12,842
DDB Needham Worldwide	302,936
Bonnie Dean Associates	301
Decker Rickard	3,600
Delfino Marketing Communications	1,049
Della Femina, McNamee EWDB	87,792
Detrow & Underwood	2,007
Deutsch Inc	11,266
Devon Direct Marketing & Advertising	9,600
DFK Advertising	555
Direct Marketing Group	25,700
DK Group	401
DMCA Direct	10,035
Doe-Anderson Advertising Agency	4,992
Donahoe & Purdhit	5,000
W.B. Doner	44,169
Doremus & Co	20,859
Dorland Sweeney Jones	4,550
Dorrite & Lyons	8,713
DPL Advertising	879
Dudnyk Co	3,550
Dudreck Depaul Ficco & Morgan	2,440
G. Duff Associates	339
Duffy & Shanley	2,704
Dorland Sweeney Jones	4,550
Dorrite & Lyons	8,713
DPL Advertising	879
Dudnyk Co	3,550
Dudreck Depaul Ficco & Morgan	2,440
G. Duff Associates	339
Duffy & Shanley	2,704
Dugan/Farley Communications Associates	8,046
Dugan, Valva Associates	1,256
Duke Unlimited	996
Dusenbury & Alban	739
Eisaman, Johns & Laws	16,744
Eisner & Associates	6,760
Elkman Advertising	8,671
Emery Advertising	1,213
John Emmerling Inc	2,655
Eric Ericson & Associates	6,327
Esrock Advertising	1,540
Estey-Hoover	1,238
Evans Communications	24,000
Everett, Brandt & Bernauer	185
Exclamation Point	608
Fahlgren & Swink	23,608
Fallon McElligott	16,032
Thomas G. Ferguson Associates	20,588
Fern Hanaway	1,986
Ferrell-Cleary	635
Fessel, Siegfriedt & Moeller Advertising	3,603
Finnegan & Agee	3,137
Fischbein & Partners	856
Fitzgerald & Co	3,007
FitzSimons Advertising & PR	780
FKB direct	8,209
FKQ Advertising	1,489
Fletcher, Gampper & Wirth	1,403
Floathe & Associates	4,081
Fogarty & Klein	7,914
Food Group	3,611
Foote, Cone & Belding	280,536
Forsythe Marcelli Johnson Advertising	3,530
Fox MMJM Direct	3,063
Francioli Richartz Weiman & Fliss	1,770
Albert Frank-Guenther Law	6,255
Frankenberry, Laughlin & Constable	6,780
Furman Roth Advertising	1,604
Gann-Dawson	1,621
Gardiner-A Marketing Co	805
Gardner Communications	3,555
Gearon Hoffman Conlon & Nye	8,310
Geer, DuBois	19,500
Geoghegan/Griffiths	565
Gerber Advertising Agency	3,263
Gilbert, Whitney & Johns	4,745
Girgenti, Hughes, Butler & McDowell	4,520
Daniel Glassman Advertising	1,465
Goff Communications	412
Goldberg Fossa Seid Advertising	1,196
Goldfarb Hoff & Co	3,713
Goodby, Berlin & Silverstein	7,920
Goodwin Dannenbaum Littman & Wingfield	7,982
Chester Gore Co	2,352
Grace & Rothschild	7,717
Graff Advertising	771
Grant/Jacoby	6,700
Grant Marketing Communications	1,451
Gray Kirk & Evans	4,484
Great Scott Advertising	5,647
Greenstone Rabasca Roberts	5,828
Gregory Inc	1,179
Grey Advertising	240,679
Griffin Bacal	20,658
Griffith & Coe Advertising	219
Gross Townsend Frank Hoffman	11,756
GSD&M	20,244
Gumpertz/Bentley/Fried	3,258
Gurley Associates	589
Guthrie & Associates	579
Haddon Advertising	4,800
Hahn, Crane & Associates	76
Halbleib & Moll Associates	935
Halcyon Associates	160
Haller Schwarz Meade Ullman	1,094
Hallmark Advertising	3,259
Hameroff/Milenthal/Spence	5,373
Harmon Smith	1,634
Harris, Baio & McCullough	3,477
Harris & Drury Advertising	4,202
Harris & Love Advertising	2,003
Harris West Blaisdell Advertising	2,836
Harrison Advertising	162
Haselow & Associates	1,565
Hautigan Advertising	404
Haynes & Pittenger Direct	993
HDM	30,308
Healy-Schutte & Co	3,108
Henderson Advertising	11,858
Kerker & Associates	3,202
Hesselbart & Mitten Advertising	$9,004
Hickman & Associates	1,060
Hicks & Associates	225
Roni Hicks & Associates	1,929
Hiebing Group	1,539
Hill, Holliday, Connors, Cosmopulos	43,948
Hinton & Steel	393
Hitchcock Fleming & Associates	2,830
Hively Agency	915
Bernard Hodes Group	30,462
Hoffman York & Compton	6,838
J.P. Hogan & Co	1,942
Hollingsworth Inc	695
Houston Advertising	3,742
Hughes Advertising	3,314
Hull & Signorile	631
Human Resources Advertising	674
R.J. Hunter & Associates	318
HutchesonShutze	6,684
Ingalls, Quinn & Johnson	16,932
Integrated Target Marketing	427
James & Thomas	497
Jason Group	1,798
Jayme Organization	5,734
William Jenkins Advertising	659
Jiloty Communications Inc	518
Rick Johnson & Co	2,038
Jordan, McGrath, Case & Taylor	38,500
Jordan Tamraz Caruso Advertising	5,604
Juhl Agency	3,909
Kallir, Philips, Ross	21,231
Lawrence Kaplan Advertising	236
Kaprielian/O'Leary Advertising	1,953
Karsh & Hagan	4,160
Katsin/Loeb & Partners	1,013
Henry J. Kaufman & Associates	6,750
Kaufman & Maraffi Advertising	3,462
Keating Magee Long	697
Keller-Crescent Co	21,302
Keller Haver Lipman	174
Kelley & Wallwork	2,475
Kerker & Associates	3,202
Kern/Mathai Direct Mail Advertising	10,100
Keroff & Rosenberg Advertising	4,245
Kert Advertising	615
Ketchum Communications	112,945
Keye/Donna/Pearlstein	8,751
Keyes Martin & Co	8,750
Killian & Co	264
Kingswood Advertising	1,338
Kinzie & Green	481
KK&M Advertising	2,700
Klemtner Advertising	15,500
Kobs & Draft Advertising	17,747
Kobs Gregory & Passavant	462
Kocs, Wesson & Associates	690
Kolesar & Hartwell	3,453
Kolon, Bittker & Desmond	5,500
Kopf Zimmermann Schultheis	1,004
Kresser, Craig/D.I.K.	9,622
Lally, McFarland & Pantello	7,000
Landers & Partners	1,069
Hal Langerman Co	1,909
Langworth Taylor Co	675
Lardis, McCurdy & Co	831
Larkin, Meeder & Schweidel	4,206
Lauer Markin Gibbs	5,263
Laurence, Charles, Free & Lawson	34,637
Laven Fuller & Perkins Advertising	973
Lavey/Wolff/Swift	16,141
Lawler Ballard	9,094
Lee & Riley	1,959
Al Paul Lefton Co	11,900
Leonard Monahan Lubars & Partners	4,850
Leslie Advertising Agency	4,124
Letven/Diccicco Advertising & PR	2,022
Levine, Huntley, Schmidt & Beaver	37,103
Jack Levy & Associates	8,474
Levy, King & White	7,383
Lewis, Browand & Associates	3,098
Lewis Communications	1,723
Lewis, Gilman & Kynett	15,900
LGFE Inc	7,722
Lieberman-Appalucci	2,480
Liggett-Stashower	10,950
Lintas:Worldwide	224,877
Lipman, Richmond, Greene Advertising	2,474
K.I. Lipton Inc	803
Lockhart & Pettus	3,057
Loeffler Ketchum Mountjoy	2,132
Lohman Organization	2,204
Lohmeyer Simpson Communications	4,200
Lois/GGK Chicago	11,400
Lois/GGK New York	14,350
Long, Haymes & Carr	15,517
Lord Einstein O'Neill & Partners	11,356
Lord, Sullivan & Yoder	5,893
Lortz Direct Marketing	1,098
Lowe Marschalk	44,000
Lowe Tucker Metcalf	4,000
Lubicom	495
Lyons Inc	3,751
MacDonald Boyd White	909
Maged & Behar	750
J. Malek Inc	310
Maleson Advertising	1,800
John Malmo Advertising	3,205
Malone Advertising	7,000
MARC Advertising	7,542
Marcus Advertising	3,705
Margeotes Fertitta & Weiss	13,667
Maris, West & Baker	2,277
Marken Communications	593
MarketAide Inc	570
Marketing Lab	181
Marketing Resources	$8,518
Marketing Support	4,251
Marontate & Co	1,558
Marquardt & Roche	3,943
Martcom Inc	2,103
Martin Agency	21,069
Martin Marshall Jaccoma Mitchell	8,250
Martiny & Co	1,848
Martin Thomas	524
Martin-Williams	12,100
Martz & Wadas	1,412
Jack Mathis Advertising	253
Mike Sloan's Matterhorn Advertising	270
McAdams, Richman & Ong	8,545
William Douglas McAdams Inc	15,600
McAndrew Advertising Co	33
McCaffrey & McCall	38,234
McCann-Erickson Worldwide	209,120
McConnaughy Barocci Brown	3,600
McCormick Advertising	1,586
McDougall Associates	3,705
McFarland & Drier	6,500
McFarland Group	2,031
McFrank & Williams Advertising	2,750
McKee Advertising	1,103
McKinney Inc	3,960
McKinney & Silver	15,437
McKone & Co	2,699
McLaughlin, Del Vecchio & Casey	1,275
M.E.D. Communications	12,744
Medicus Intercon International	14,765
Meldrum & Fewsmith	9,500
Mendoza, Dillon & Asociados	7,668
Stan Merritt Inc./Advertising	3,797
Messner Vetere Berger Carey Schmetterer	9,733
Metro Marketing Group	461
Meyer Jehs & Wallis	1,863
Michael & Partners	2,062
Miller Advertising Agency	11,000
Miller Group	83
Miller Meester Advertising	9,000
Mills Marketing	97
William Mills Advertising & Marketing	268
Mintz & Hoke	7,162
Mitchell & Comer	1,482
More Direct	2,021
Enc Mower & Assoc	7,476
MSA Advertising	379
Mullen Advertising	10,457
MWA Direct	409
Mycomm Advertising	288
Frank C. Nahser Inc	3,539
Nash Direct	3,150
Nationwide Advertising Service	31,020
Neiman Group	489
Nemer, Fieger & Associates	1,209
Jeffrey Nemetz & Associates	1,700
Newmark Posner & Mitchell	5,111
New-Venture Advertising	880
NKH&W Marketing Communications	1,654
Noble Communications	10,993
Nordensson Lynn Advertising	1,300
North Castle Partners	7,690
Northkich Stolley LaWarre	5,924
Bruce Novograd Advertising	975
NPC & Associates	387
Ogilvy & Mather Direct Response	44,200
Ogilvy & Mather Worldwide	305,144
Opus Group	405
Ovation Marketing	2,144
Pagano Schenck & Kay	2,098
Paolin & Sweeney Advertising	6,100
Partners & Shevack	14,200
Patterson Advertising Agency	595
Pedone & Partners	4,554
Penny/Ohlmann/Neiman	2,475
Penny & Speer	1,934
Phelps Group	1,163
Phillips Marketing	122
Phillips, Miller, Speyer & Frost	1,735
Pierson & Flynn	1,266
Pihas, Schmidt, Westerdahl Co	3,168
Poindexter Associates	830
Pollak Levitt Chaiet	277
Pool Communications	1,890
Poppe Tyson	10,550
Potter Hazlehurst	3,263
Praco Ltd	835
Price McNabb Advertising	5,739
ProClinica Inc	1,830
Publicis Inc	4,291
Puskar Gibbon Chapin	4,813
QLM Associates	12,448
Qually & Co	1,200
Quest Business Agency	2,777
L. Quillin & Associates	240
Jules Rabin Associates	805
Rainoldi, Kerzner & Radcliffe	2,146
Rapp Collins Marcoa	23,780
Russ Reid Co	11,100
Reimel Carter Advertising	4,048
Rhea & Kaiser Advertising	2,085
Richards Group	18,700
Richardson, Myers & Donofrio	8,135
Richardson, Thomas & Bushman	954
Hal Riney & Partners	33,750
John Risdall Advertising	1,919
Rivers Trainor Doyule & Leicht	1,640
Rosenfeld, Sirowitz, Humphrey & Strauss	19,050
Ross Roy Group	97,661
Rubin Postaer & Associates	17,387
Rubin Reid Noto & Ehrenthal	3,490
Ruhe & Co	356
Ruhr/Paragon	7,436
Rumrill-Hoyt	12,986
Rutkin Costello McCullam Whitley	$725
Saatchi & Saatchi Advertising	395,197
Saatchi & Saatchi Direct	8,538
Sader & Associates	671
Sage Marcom	1,638
Salthouse-Torre-Norton	2,650
Salvati Montgomery Sakoda	3,406
Sandler Communications	1,952
San Jose & Associates	1,406
Sanna, Mattson, MacLeod & Macri	1,203
Sargent & Potratz	1,560
Saugatuck/FKB	7,354
Saunders & Lyons Advertising	1,746
Sawyer Riley Compton	4,177
Saxton Communications Group	820
Scali, McCabe, Sloves	78,963
Scharfberg & Associates	2,000
Schenkein Inc	1,477
Ken Schmidt Co	1,950
Sefton Associates	3,081
Semel/Kaye & Co	1,718
Severance & Associates	613
Rik Shafer & Associates	281
Shea & Ziegler	95
Sheldon Fredericks Advertising	776
Shepler/CoDA & Co	723
Siddall, Matus & Coughter	3,341
Significs Inc	1,461
Silverstone, Adkins & Breit	3,072
Simms & McIvor	1,945
Simons Michelson Zieve	4,681
Sisti, Zinbarg & Howard	1,280
Slater Hanft Martin	10,593
Smith Advertising & Associates	742
Smith & Associates	711
Smith/Greenland	6,800
Smith Group	567
J. Richard Smith Ltd	6,319
Kenneth C. Smith Advertising	4,500
Smith & Yehle	1,011
Soghigian & Macuga Advertising	2,538
Solin Associates	2,117
Spencer Bennett Nowak	2,250
Frankiin Spier Inc	3,700
Stein Killpatrick & Rogan Advertising	461
Stephan & Brady	3,157
Stern Advertising	4,050
Stevens Kirkland Kraer	992
Stiegler, Wells & Brunswick	2,201
Stone, August, Baker	4,361
Stone & Simons Advertising	5,092
Strategic Promotions	1,577
Sturm Communications Group	1,806
Sudler & Hennessey	24,603
Sullivan & Brownell	1,865
Sullivan Higdon & Sink	3,884
Sutton Healthcare Group	7,300
Tarlow Advertising	14,617
Tate's Co	572
Tatham-Laird & Kudner	27,615
Taylor Brown Smith & Perrault	4,529
TBWA Advertising	33,240
TCI Advertising	1,003
Telephone Marketing Programs	37,815
G. Temple Associates	1,471
Tepe, Hensler & Westerkamp	1,067
Armando Testa Advertising	1,600
Thielen & Associates	1,295
Ira Thomas Associates	1,492
Ted Thomas Associates	3,600
J. Walter Thompson Co	266,539
Thompson Recruitment	21,620
Tophne Design	1,277
Tortami Metro P.R.omotions	495
Towne, Silverstein, Rotter	12,500
Townsend Agency	1,859
Tracy-Locke	55,576
Trahan, Burden & Charles	5,200
Tri-State Advertising Co	1,157
Tromson Monroe Advertising	3,830
Tucker Wayne/Luckie & Co	14,134
Umphenour Martin Lonsdorf	2,546
Valentine Radford	11,798
Van Dine Humphrey Herbert Alber & Manges	2,044
Peter Vane Advertising	633
VanSant, Dugdale & Co	6,390
Varon & Associates	270
Vickers & Benson/FKQ	3,480
John Volk Co	1,884
Wahlstrom & Co	10,142
Waldbillig & Besteman	2,687
Wardrop Murtaugh Temple	1,716
Waring & LaRosa	6,640
Harold Warner Advertising	1,024
Warren/Kremer Advertising	3,550
Warwick Baker & Fiore	25,500
Wieden & Kennedy	14,700
Weightman Group	16,500
S.J. Weinstein Associates	3,000
Wells, Rich, Greene	132,450
Wendt Advertising Agency	1,722
Edwin Bird Wilson	6,440
Wilson Sculley Associates	2,890
Winius-Brandon Advertising	5,092
Don Wise & Co	675
Wolf Blumberg Krody	4,227
Wolkcas Advertising	1,324
Wunderman Worldwide	38,749
Wyse Advertising	19,875
Richard Yeager Associates	947
Yellow Pages Marketing Services	7,472
Young & Rubicam	409,534
Zechman & Associates	2,576
Zwiren Collins Karo Trusik & Ayer	4,200

*** Dollars in thousands.**

Top 100 ranked U.S. agencies by productivity

Rank	Agency, headquarters	$1 million billed per employee			Total U.S. employees			Total U.S. billings			Total U.S. offices		
		1989	1988	% chg	1989	1988	% chg	1989	1988	% chg	1989	1988	% chg
1	**Admarketing Inc.**, Los Angeles	1.89	1.63	16.5	133	138	(3.6)	$252.0	$224.5	12.2	1	1	0.0
2	**Towne, Silverstein, Rotter**, New York	1.84	1.84	0.0	45	45	0.0	83.0	83.0	0.0	1	1	0.0
3	**Tarlow Advertising**, New York	1.48	1.48	0.0	74	27	174.1	109.2	39.9	174.1	1	1	0.0
4	**Partners & Shevack**, New York	1.42	0.80	77.1	102	65	56.9	144.5	52.0	177.9	1	1	0.0
5	**Messner Vetere Berger Carey Schmetterer**, New York	1.39	1.76	(21.3)	52	28	85.7	72.1	49.3	46.1	1	1	0.0
6	**Ally & Gargano**, New York	1.37	1.34	2.4	230	220	4.5	316.0	295.2	7.0	2	2	0.0
7	**Avrett, Free & Ginsberg**, New York	1.26	1.49	(15.4)	102	75	36.0	128.8	112.0	15.0	1	1	0.0
8	**Jordan, McGrath, Case & Taylor**, New York	1.12	1.06	5.4	282	283	(0.4)	315.0	300.0	5.0	1	1	0.0
9	**Devon Direct Marketing & Advertising**, Malvern, Pa.	1.08	1.44	(25.0)	76	46	65.2	82.0	66.2	23.9	1	1	0.0
10	**Kern/Mathai Direct Mail Advertising**, Santa Monica, Calif.	1.05	0.61	72.1	15	10	50.0	15.8	6.1	158.2	1	1	0.0
11	**Lois/GGK New York**, New York	1.05	1.05	0.3	95	95	0.0	99.7	99.4	0.3	1	1	0.0
12	**Slater Hanft Martin**, New York	1.03	0.95	8.1	68	56	21.4	69.9	53.3	31.3	1	1	0.0
13	**Wells, Rich, Greene**, New York	1.03	1.01	2.1	860	829	3.7	883.0	833.9	5.9	5	5	0.0
14	**Levine, Huntley, Schmidt & Beaver**, New York	1.02	0.87	18.1	245	250	(2.0)	250.3	216.4	15.7	6	6	0.0
15	**Thomas G. Ferguson Associates**, Parsippany, N.J.	1.01	0.93	8.4	120	110	9.1	120.7	102.1	18.2	1	1	0.0
16	**Wieden & Kennedy**, Portland, Ore.	1.00	0.95	4.8	98	65	50.8	98.0	62.0	58.1	1	1	0.0
17	**McKinney & Silver**, Raleigh, N.C.	0.96	0.96	(1.8)	107	122	(12.3)	102.9	119.5	(13.9)	1	1	0.0
18	**Hal Riney & Partners**, San Francisco	0.95	1.09	(13.5)	238	183	30.1	225.0	200.0	12.5	3	3	0.0
19	**Asher/Gould Advertising**, Los Angeles	0.94	0.82	14.0	99	91	8.8	93.0	75.0	24.0	1	1	0.0
20	**Margeotes Fertitta & Weiss**, New York	0.94	0.92	2.0	95	75	26.7	88.8	68.7	29.3	1	1	0.0
21	**Griffin Bacal**, New York	0.92	0.82	12.4	177	176	0.6	162.7	143.9	13.1	1	1	0.0
22	**Rubin Postaer & Associates**, Los Angeles	0.91	0.87	4.8	157	148	6.1	143.1	128.7	11.2	2	2	0.0
23	**Tatham-Laird & Kudner**, Chicago	0.91	0.76	19.0	254	285	(10.9)	230.1	217.0	6.0	1	1	0.0
24	**Warwick Baker & Fiore**, New York	0.89	0.84	6.3	190	190	0.0	170.0	160.0	6.3	NA	NA	NA
25	**Lord Einstein O'Neill & Partners**, New York	0.88	0.42	110.6	89	78	14.1	78.6	32.7	140.3	1	1	0.0
26	**D'Arcy Masius Benton & Bowles**, New York	0.88	0.78	12.0	2,341	2,288	2.3	2,055.3	1,794.2	14.6	16	19	(15.8)
27	**N W Ayer Inc.**, New York	0.88	0.71	23.8	960	1,337	(28.7)	859.1	946.7	(9.3)	6	7	(14.3)
28	**Leo Burnett Co.**, Chicago	0.88	0.85	3.3	2,222	2,083	6.7	1,945.3	1,765.0	10.2	1	1	0.0
29	**Saatchi & Saatchi Advertising Worldwide**, New York	0.87	0.64	35.8	3,188	3,442	(7.4)	2,778.9	2,209.6	25.8	NA	NA	NA
30	**Kresser, Craig/D.I.K.**, Los Angeles	0.87	0.81	7.0	78	55	41.8	67.7	44.6	51.8	1	1	0.0
31	**QLM Associates**, Princeton, N.J.	0.86	0.80	7.0	96	87	10.3	82.3	69.7	18.0	3	2	50.0
32	**Della Femina, McNamee/EWDB**, New York	0.86	0.67	28.5	851	991	(14.1)	728.7	660.5	10.3	9	11	(18.2)
33	**Laurence, Charles, Free & Lawson**, New York	0.85	0.90	(5.5)	322	334	(3.6)	275.2	302.0	(8.9)	5	5	0.0
34	**Lintas:Worldwide**, New York	0.84	0.70	20.0	1,781	1,917	(7.1)	1,499.9	1,345.4	11.5	20	20	0.0
35	**Chiat/Day/Mojo**, Venice, Calif.	0.84	0.74	13.0	935	812	15.1	785.0	603.5	30.1	10	9	11.1
36	**TBWA Advertising**, New York	0.84	0.93	(10.5)	265	165	60.6	221.6	154.1	43.8	2	2	0.0
37	**Scali, McCabe, Sloves**, New York	0.82	0.79	3.8	717	706	1.6	590.3	559.7	5.5	5	5	0.0
38	**Lowe Marschalk**, New York	0.82	0.76	7.4	363	400	(9.3)	297.3	305.0	(2.5)	3	3	0.0
39	**Mullen Advertising**, Wenham, Mass.	0.81	0.75	8.7	86	79	8.9	69.7	58.9	18.4	1	1	0.0
40	**Backer Spielvogel Bates Worldwide**, New York	0.81	0.73	10.4	2,671	2,685	(0.5)	2,158.0	1,964.2	9.9	23	24	(4.2)
41	**Ogilvy & Mather Worldwide**, New York	0.80	0.69	16.3	2,636	2,732	(3.5)	2,104.4	1,874.9	12.2	43	44	(2.3)
42	**Dailey & Associates**, Los Angeles	0.79	0.71	11.8	196	185	5.9	155.2	131.0	18.4	1	1	0.0
43	**Barry Blau & Partners**, Fairfield, Conn.	0.79	0.72	9.3	128	118	8.5	101.2	85.3	18.6	4	4	0.0
44	**McCann-Erickson Worldwide**, New York	0.79	0.70	13.5	1,767	1,889	(6.5)	1,394.8	1,314.0	6.1	11	11	0.0
45	**DDB Needham Worldwide**, New York	0.79	0.69	13.9	3,025	2,786	8.6	2,386.3	1,929.3	23.7	46	44	4.5
46	**BBDO Worldwide**, New York	0.79	0.67	17.3	3,375	3,598	(6.2)	2,656.0	2,414.3	10.0	47	50	(6.0)
47	**Grey Advertising**, New York	0.78	0.75	2.9	2,067	2,015	2.6	1,605.3	1,520.3	5.6	3	3	0.0
48	**Young & Rubicam**, New York	0.77	0.59	29.4	4,066	4,717	(13.8)	3,114.8	2,791.8	11.6	61	60	1.7
49	**Lois/GGK Chicago**, Chicago	0.76	0.82	(7.6)	105	91	15.4	80.0	75.0	6.7	1	1	0.0
50	**Henderson Advertising**, Greenville, S.C.	0.76	0.72	5.3	106	104	1.9	80.7	75.1	7.3	1	1	0.0
51	**Martin-Williams**, Minneapolis	0.75	0.72	4.2	133	115	15.7	100.0	83.0	20.5	2	1	100.0
52	**J. Walter Thompson Co.**, New York	0.75	0.74	1.2	2,484	2,427	2.3	1,851.0	1,787.9	3.5	65	69	(5.8)
53	**Davis, Ball & Colombatto Advertising**, Los Angeles	0.73	0.63	16.2	201	215	(6.5)	147.4	135.7	8.7	6	4	50.0
54	**Cabot Communications**, Boston	0.73	0.59	23.0	125	161	(22.4)	91.2	95.5	(4.5)	1	1	0.0
55	**Rosenfeld, Sirowitz, Humphrey & Strauss**, New York	0.72	0.94	(22.9)	176	124	41.9	127.0	116.0	9.5	2	2	0.0
56	**Hill, Holliday, Connors, Cosmopulos**, Boston	0.72	0.68	5.2	408	421	(3.1)	293.1	287.4	2.0	3	3	0.0
57	**Deutsch Inc.**, New York	0.72	0.71	0.2	105	77	36.4	75.1	55.0	36.6	1	1	0.0
58	**Bozell Inc.**, New York	0.71	0.65	8.3	1,643	1,665	(1.3)	1,165.0	1,090.0	6.9	9	9	0.0
59	**Ketchum Communications**, Pittsburgh	0.70	0.53	30.3	1,229	1,360	(9.6)	854.9	726.0	17.7	13	13	0.0
60	**Ingalls, Quinn & Johnson**, Boston	0.68	0.61	11.4	202	219	(7.8)	137.1	133.4	2.8	1	1	0.0
61	**HDM**, New York	0.66	0.83	(19.7)	373	277	34.7	247.3	228.9	8.1	6	3	100.0
62	**Earle Palmer Brown**, Bethesda, Md.	0.66	0.61	8.9	469	446	5.2	310.5	271.1	14.5	6	4	50.0
63	**DCA Advertising**, New York	0.66	0.52	27.4	142	137	3.6	94.0	71.2	32.1	2	2	0.0
64	**Foote, Cone & Belding Communications**, Chicago	0.66	0.59	11.5	2,832	3,081	(8.1)	1,871.2	1,825.8	2.5	46	35	31.4
65	**Bayer Bess Vanderwarker**, Chicago	0.66	0.57	16.7	159	150	6.0	105.0	84.9	23.7	1	1	0.0
66	**Bloom Cos.**, Dallas	0.66	0.69	(5.0)	255	263	(3.0)	168.2	182.6	(7.9)	2	2	0.0
67	**William Douglas McAdams Inc.**, New York	0.66	0.67	(2.5)	163	159	2.5	107.0	107.0	0.0	1	1	0.0
68	**Carrafiello-Diehl & Associates**, Irvington-on-Hudson, N.Y.	0.65	0.65	0.9	106	94	12.8	69.4	61.0	13.8	1	1	0.0
69	**Gross Townsend Frank Hoffman**, New York	0.65	0.69	(5.3)	120	109	10.1	78.4	75.2	4.3	1	1	0.0
70	**Geer, DuBois**, New York	0.65	0.63	2.4	201	190	5.8	130.0	120.0	8.3	1	1	0.0
71	**Richards Group**, Dallas	0.64	0.61	5.6	194	166	16.9	125.1	101.4	23.4	1	1	0.0
72	**GSD&M**, Austin, Texas	0.64	0.73	(11.2)	234	171	36.8	150.8	124.1	21.5	1	2	(50.0)
73	**Ross Roy Group**, Bloomfield Hills, Mich.	0.62	0.59	4.6	1,046	955	9.5	651.1	568.1	14.6	16	11	45.5
74	**Cole & Weber**, Seattle	0.62	0.60	3.7	145	156	(7.1)	89.9	93.3	(3.6)	2	3	(33.3)
75	**Tucker Wayne/Luckie & Co.**, Atlanta	0.61	0.64	(5.0)	172	187	(8.0)	104.5	119.7	(12.7)	2	2	0.0
76	**W.B. Doner & Co.**, Southfield, Mich.	0.59	0.54	9.9	523	500	4.6	309.0	268.7	15.0	6	6	0.0
77	**Cramer-Krasselt**, Milwaukee	0.58	0.53	8.4	188	181	3.9	108.6	96.5	12.6	3	3	0.0
78	**Eisaman, Johns & Laws**, Los Angeles	0.57	0.56	2.5	216	199	8.5	124.0	111.5	11.2	3	3	0.0
79	**Ackerman, Hood, & McQueen**, Oklahoma City	0.56	0.50	11.7	114	121	(5.8)	64.2	61.0	5.2	5	5	0.0
80	**Meldrum & Fewsmith**, Cleveland	0.56	0.56	0.2	111	108	2.8	62.0	60.2	3.0	1	1	0.0
81	**Burrell Communications Group**, Chicago	0.55	0.56	(1.3)	110	108	1.9	60.3	60.0	0.5	3	3	0.0
82	**William Cook Agency**, Jacksonville, Fla.	0.55	0.52	5.0	132	147	(10.2)	72.1	76.5	(5.8)	3	4	(25.0)
83	**Weightman Group**, Philadelphia	0.54	0.48	12.2	203	210	(3.3)	110.0	101.4	8.5	3	3	0.0
84	**Nationwide Advertising Service**, Cleveland	0.52	0.49	5.4	398	376	5.9	206.8	185.4	11.5	31	36	(13.9)
85	**Valentine-Radford**, Kansas City, Mo.	0.52	0.48	8.5	153	147	4.1	79.4	70.3	12.9	1	1	0.0
86	**Liggett-Stashower**, Cleveland	0.52	0.52	(0.7)	140	135	3.7	72.4	70.3	3.0	1	1	0.0
87	**Wyse Advertising**, Cleveland	0.51	0.46	11.5	275	231	19.0	140.4	105.8	32.8	3	2	50.0
88	**Long, Haymes & Carr**, Winston-Salem, N.C.	0.50	0.46	9.3	205	181	13.3	103.5	83.6	23.8	1	1	0.0
89	**Russ Reid Co.**, Pasedena, Calif.	0.48	0.45	5.7	155	155	0.0	74.0	70.0	5.7	1	1	0.0
90	**Carmichael Lynch**, Minneapolis	0.46	0.48	(2.9)	190	160	18.8	87.9	76.2	15.3	4	1	300.0
91	**Miller Advertising Agency**, New York	0.46	0.44	4.5	160	190	(15.8)	73.5	83.5	(12.0)	3	4	(25.0)
92	**Al Paul Lefton Co.**, New York	0.46	0.46	0.2	153	149	2.7	70.0	68.0	2.9	2	2	0.0
93	**Evans Communications**, Salt Lake City	0.45	0.44	2.4	356	336	6.0	160.0	147.5	8.5	10	10	0.0
94	**Bentley, Barnes & Lynn**, Chicago	0.42	0.40	3.4	172	136	26.5	71.6	54.8	30.7	4	4	0.0
95	**Noble Communications**, Springfield, Mo.	0.39	0.40	(3.8)	206	190	8.4	80.1	76.8	4.3	3	3	0.0
96	**Lawler Ballard**, Norfolk, Va.	0.38	0.35	9.5	159	151	5.3	60.7	52.6	15.3	5	5	0.0
97	**Telephone Marketing Programs**, New York	0.35	0.30	16.3	716	651	10.0	252.1	197.1	27.9	17	17	0.0
98	**Direct Marketing Group**, New York	0.24	0.24	(0.3)	625	637	(1.9)	149.6	152.9	(2.2)	6	6	0.0
99	**Keller-Crescent Co.**, Evansville, Ind.	0.20	0.20	(0.7)	546	561	(2.7)	106.5	110.3	(3.4)	2	2	0.0
100	**DMCA Direct**, St. Louis	0.15	0.12	21.0	420	390	7.7	61.3	47.1	30.3	1	1	0.0

Notes: Dollars are in millions. $1 million in billings per employee is computed by dividing total U.S. billings in millions by total U.S. employees. See Page S-20 for methodology. Agencies listed are the top 100 ranked U.S. agencies. Subsidiary employee and billing totals (not shown) are included in parent totals.

AA chart: Kevin Brown

MEDIAWORKS

FEBRUARY AD RESULTS

Magazine ad-page leaders

Publishers Information Bureau figures for January to February 1990.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Bride's	790.68	7.2	14,078,204	18.0
2	Modern Bride	631.45	3.2	10,189,710	8.5
3	TV Guide	537.00	(18.7)	57,849,739	(10.9)
4	Business Week	471.90	(11.4)	28,032,450	(6.8)
5	Forbes	466.72	17.3	20,046,110	22.7
6	People	409.74	(13.2)	36,872,272	(1.7)
7	Fortune	397.92	(5.0)	19,780,838	2.7
8	Sports Illustrated	394.65	(15.1)	50,668,770	(6.5)
9	Entrepreneur	371.17	12.8	3,379,620	41.0
10	The Economist	365.95	24.3	3,007,826	38.3
11	Time	348.81	(11.5)	48,759,058	(8.0)
12	Vogue	329.75	(6.8)	12,764,820	22.4
13	The New Yorker	329.67	15.0	8,779,103	33.7
14	New York Magazine	327.41	(20.6)	4,865,024	(19.4)
15	Yachting	320.25	(3.0)	1,864,708	(4.9)
16	Newsweek	308.47	(13.7)	33,235,286	(5.7)
17	Golf Magazine	293.73	(7.3)	7,745,023	4.8
18	Cosmopolitan	276.94	(11.2)	15,969,958	(4.2)
19	Salt Water Sportsman	260.93	(21.1)	1,593,198	(27.3)
20	American Way	257.02	1.0	3,420,218	18.2
21	Architectural Digest	254.67	1.0	9,560,530	5.6
22	Golf Digest	250.43	17.8	10,954,002	(0.3)
23	U.S. News & World Report	246.34	(9.1)	19,561,690	(0.1)
24	Family Circle	232.82	(20.1)	15,805,702	(12.8)
25	Rolling Stone	226.57	6.6	7,772,098	5.9
26	W	225.18	(13.1)	5,239,200	2.2
27	Good Housekeeping	218.68	3.3	21,103,752	21.0
28	Town & Country	215.32	17.0	5,030,928	34.2
29	Ebony	213.23	6.3	7,243,444	16.4
30	GQ	212.12	0.6	4,987,489	3.0
31	Elle	208.15	(2.5)	6,237,953	4.3
32	Skin Diver	203.76	(6.9)	1,916,611	(2.9)
33	Popular Photography	197.76	23.4	4,782,666	40.4
34	Ski	197.35	(8.0)	4,076,251	5.3
35	Ladies' Home Journal	196.03	(8.4)	13,246,329	(0.7)
36	Muscle & Fitness	194.61	(30.7)	3,334,116	(10.9)
37	Sunset	193.01	(7.1)	5,847,744	8.6
38	Travel & Leisure	187.96	(7.7)	7,411,585	11.5
39	Metropolitan Home	187.22	12.1	5,294,672	1.9
40	Money	184.70	5.5	11,251,158	5.3
41	Parents	182.01	(3.8)	7,398,149	0.3
42	Texas Monthly	178.98	9.7	1,808,398	5.4
43	Black Enterprise	177.49	3.5	2,353,477	15.1
44	Harper's Bazaar	174.32	18.1	4,804,967	24.5
45	Glamour	174.17	(17.6)	9,567,625	(8.1)
46	Car & Driver	171.98	(8.2)	6,586,376	(8.9)
47	Inc.	170.01	21.9	6,776,129	29.4
48	Southern Living	169.77	(7.2)	8,704,254	4.7
49	Mademoiselle	168.34	(8.6)	5,820,250	10.4
50	Woman's Day	165.36	(20.4)	12,010,462	(15.0)
51	Working Woman	162.32	9.5	4,385,496	10.5
52	Better Homes & Gardens	160.79	(13.4)	18,043,185	(10.2)
53	Gourmet	159.73	6.3	4,134,089	19.2
54	Bassmaster	157.78	(8.6)	2,965,716	(2.5)
55	Smithsonian	156.26	0.6	6,367,765	2.3
56	Self	155.58	(5.8)	5,609,839	6.2
57	Jet	152.00	(15.6)	2,512,529	(7.5)
58	Reader's Digest	151.12	(4.3)	15,623,089	13.4
59	Vanity Fair	150.13	9.8	5,426,112	46.4
60	Conde Nast Traveler	148.30	23.1	4,036,214	55.6
61	San Francisco Focus	146.59	(14.0)	922,822	(11.5)
62	Country Living	146.30	(10.0)	5,821,576	(4.3)
63	McCall's	146.27	(11.9)	9,899,953	(3.0)
64	Skiing	144.87	2.1	3,336,310	1.1
65	Mirabella	143.97	1,000.0	1,929,179	100.0
66	Financial World	143.75	33.3	3,316,649	64.7
67	Esquire	140.90	(5.3)	4,265,859	0.8
68	Redbook	139.13	(12.3)	8,675,169	(11.6)
69	Bon Appetit	138.26	(2.9)	4,119,736	0.9
70	Road & Track	135.47	(21.6)	3,942,031	(22.3)
71	Four Wheeler	132.50	(8.8)	948,550	(6.2)
72	New Woman	127.36	(11.2)	3,214,665	(2.8)
73	Delta Sky	126.67	(12.4)	3,330,400	(2.1)
74	Yankee	122.60	(5.4)	1,463,178	1.5
75	Seventeen	120.88	5.3	3,947,307	18.2
76	Motor Trend	120.23	(12.2)	4,218,545	(9.7)
77	Sports Afield	118.38	(5.1)	2,095,359	14.6
78	Essence	118.16	(25.7)	2,736,726	(16.6)
79	Hot Rod	117.73	(18.6)	2,521,383	(18.4)
80	Popular Mechanics	117.29	(7.5)	3,677,503	0.8
81	House & Garden	117.14	18.6	2,798,884	14.7
82	Home Office Computing	114.45	14.7	1,710,794	34.7
83	Outdoor Life	114.28	(23.3)	3,287,261	(22.7)
84	Field & Stream	114.24	(11.6)	4,451,111	(17.9)
85	Spectrum	113.93	(13.8)	980,655	(10.5)
86	Art & Antiques	113.28	10.8	823,509	14.9
87	Premiere	112.17	15.6	1,907,089	38.2
88	Working Mother	111.13	7.2	2,305,331	27.1
89	Omni	110.68	(11.2)	3,422,980	2.3
90	M Magazine	110.00	(0.9)	1,319,203	9.7
91	True Story	105.49	6.8	1,480,422	3.8
92	Changing Times	104.22	6.8	2,736,181	15.8
93	Connoisseur	103.57	(3.5)	1,786,079	1.6
94	Playboy	100.54	(31.0)	6,759,626	(20.7)
95	Prevention	98.02	(16.8)	3,382,817	(8.7)
96	House Beautiful	97.33	(10.4)	3,305,648	(3.3)
97	Star Magazine	95.16	(20.1)	3,272,736	(12.9)
98	Penthouse	94.67	(8.2)	3,942,602	3.2
99	1,001 Home Ideas	92.64	(7.8)	2,748,427	18.1
100	Life	91.53	(21.1)	7,757,985	(19.5)

Percent change is computed from January through February 1989 pages by PIB.

Source: Publishers Information Bureau

Bridal books steal the show

By Scott Donaton

Here come the brides.

Since most couples get engaged in December and January, February is traditionally a big month for bridal magazines. So it's no surprise Conde Nast Publications' *Bride's* led all other magazines tracked by Publishers Information Bureau in ad pages, followed closely by Cahners Publishing Co.'s *Modern Bride*.

Bride's carried a record 790.68 ad pages in its February/March issue, up 7.2% from last year. The 1,040-page issue was submitted to the "Guinness Book of World Records" as the largest-ever consumer magazine.

Modern Bride also set a record with its February/March issue: 631.45 ad pages, up 3.2%.

"February's a great month for the bridal market because these are the women who received their engagement rings over Christmas and New Year's and are planning spring weddings," said *Bride's* Publisher Elliot Marion.

But February wasn't as kind to other magazines. Total ad-page counts fell an anticipated 1.5% from a year earlier to 13,849.5. Although the drop was considerably less than January's 4.8% slide, combined ad pages for the two months were off 3.7% to 24,175.39.

TV Guide, third behind *Bride's* and *Modern Bride*, was down 18.7% to 537 ad pages for the first two months of 1990. No. 6 *People* carried 409.74 ad pages, a 13.2% decline.

Women's service magazines also posted weak results, with ad pages down an average 11.9% for the first two months. Hearst Corp.'s *Good Housekeeping*, with 218.68 pages (up 3.3%), was the only title among the Seven Sisters to see an increase. *Redbook*, another Hearst title, was down 12.3% with 139.13 ad pages.

Meredith Corp.'s *Better Homes & Gardens* carried 160.79 ad pages in the first two months, a 13.4% drop. Sister publication *Ladies' Home Journal* saw pages for the first two months fall 8.4% to 196.03. Category leader *Family Circle* carried 232.82 pages through February, down 20.1%. After a 25% slide in January, *McCall's* was flat in February with 90.38 pages. Its year-to-date total is down 11.9% to 146.27 pages. *Woman's Day* saw pages fall 20.4% for the period to 165.36.

Among the top three business magazines, only *Forbes* posted gains after two months, giving category leader *Business Week* a run for its money. *Forbes*, an every-other-weekly, carried 466.72 pages through February, a 17.3% jump. *Business Week*, with 471.9 ad pages, was off 11.4%. *Fortune* carried 397.92 ad pages, a 5% decline.

Several second-tier business titles posted strong results. *Entrepreneur* led all business monthlies with 371.17 ad pages, up 12.8%. *The Economist* carried 365.95 pages, up 24.3%. *Money* carried 184.7 ad pages through February, an increase of 5.5%. *Changing Times* was up 6.8%, with 104.22 pages. *Inc.*, with 170.01 pages, was up 21.9%.

General sports books were down. *Sports Illustrated* carried 394.65 pages, down 15.1%. *The Sporting News* saw pages drop 11.9% to 76.12, and *Sport* carried 50.22 ad pages, down 24.7%.

Elsewhere, *The New Yorker* was up 15% through February with 329.67 ad pages. *Golf Digest's* pages rose 17.8% to 250.43, while *Rolling Stone* carried 226.57 ad pages, up 6.6%. *Town & Country* was up 17% with 215.32 ad pages. *Vanity Fair* posted a gain of 9.8% to 150.13 pages. And *Premiere*, with 112.17 ad pages, was up 15.6%.

Among Sunday newspaper magazines tracked by PIB, *The Los Angeles Times Magazine* posted a 19.2% decline with 108.77 ad pages. *The New York Times Magazine* saw its pages fall 8% to 455.36, while *Parade's* pages dropped 5% to 97.1. *USA Weekend*, with 102.66 pages, was up 7.5%. □

MediaWorks is coordinated by Wayne Walley.

Men's Health

THE HOTTEST MEN'S MAGAZINE OF THE YEAR

A Rodale Press Publication. Contact Michael Rooney, 708 Third Ave., New York, NY 10017, 212/697-2040.

CONSUMER MAGAZINE AD LINAGE

	February 1990	February 1989	Year-to-date 1990	Year-to-date 1989
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	132.5	119.9	274.4	261.8
Car & Driver C.	72.8	81.3	172.0	187.3
Car Collector & Car Classics	17.0	19.0	36.6	37.0
Car Craft	59.5	57.1	107.0	110.2
Circle Track	116.3	115.1	177.8	170.7
Cycle	28.3	33.5	53.8	68.6
Cycle World	39.3	41.3	70.2	64.3
Dirt Rider	31.8	30.5	64.1	61.7
Dune Buggies & Hot VWs	65.2	66.3	132.3	135.7
Family Motor Coaching	149.9	150.2	299.8	346.2
4 Wheel & Off-Road	66.3	67.3	127.6	131.7
Four Wheeler C.	67.0	73.4	132.5	145.3
Hot Rod C.	74.0	63.9	117.7	146.5
Motorcyclist	27.1	37.0	45.3	58.0
Motor Trend C.	66.5	69.6	120.2	136.9
Motorhome	91.8	94.5	177.3	174.9
Rider	20.5	26.2	43.5	49.1
Road & Track C.	73.5	87.3	135.5	172.8
Trailblazer	37.0	47.0	73.0	91.0
Trailer Life	85.0	90.3	163.2	179.8
Total Group	**1,321.3**	**1,370.8**	**2,523.7**	**2,729.6**
% change	**-3.6%**		**-7.5%**	
■ Boating & yachting				
Boating	173.6	189.5	340.6	390.3
Chesapeake Bay	42.1	52.0	71.4	89.8
Cruising World	104.2	95.0	199.8	200.0
Lakeland Boating (11X)	96.5	98.5	177.5	188.5
Motor Boating & Sailing	146.5	194.7	284.5	382.7
Sail	95.0	120.0	268.4	226.6
Trailer Boats (11X)	75.3	83.4	149.2	172.1
Western Boatman (6X)	29.5	—	64.0	51.0
Yachting C.	126.6	130.1	320.3	330.0
Total Group	**891.3**	**963.3**	**1,875.7**	**2,030.9**
% change	**-7.5%**		**-7.6%**	
■ Civic/fraternal				
Elk (10X)	14.0	20.0	30.5	37.3
Kiwanis	15.4	14.8	41.2	29.0
Lion (10X)	6.6	5.2	6.6	5.2
Rotarian	16.4	11.7	32.2	22.9
V.F.W. (11X)	28.2	35.5	54.6	69.8
Total Group	**80.6**	**87.2**	**165.1**	**164.2**
% change	**-7.5%**		**0.6%**	
■ General				
American Health (10X) C.	—	—	75.2	71.2
American Heritage (8X) C.	43.0	48.6	43.0	48.6
American Legion	34.8	60.4	80.4	101.8
American West (6X)	22.1	21.5	22.1	21.5
Art & Antiques (10X) C.	56.4	44.7	113.3	102.2
ARTnews (10X)	94.3	97.5	214.8	184.0
The Atlantic A. C.	45.6	45.2	87.3	111.3
Bon Appetit A. C.	80.4	73.9	138.3	142.4
Cable Guide C.	27.9	29.8	55.0	66.4
Changing Times C.	56.5	50.0	104.2	97.6
Conde Nast Traveler C.	91.1	67.1	148.3	120.5
Connoisseur C.	52.8	51.7	103.6	107.3
Consumers Digest (6X) C.	—	—	21.4	24.0
Cooking Light C.	—	—	55.9	49.4
Ebony C.	129.2	125.9	213.2	200.6
European Travel & Life C.	47.0	—	47.0	35.4
Food & Wine C.	44.9	55.8	87.9	101.7
Golden Years (6X)	—	27.7	33.4	53.3
Gourmet C.	96.3	92.6	159.7	150.3
Harper's Magazine A. C.	29.2	42.3	63.0	74.0
Harrowsmith (6X)	—	—	50.0	60.9
Islands (6X)	—	—	51.7	56.5
Let's Live	54.0	58.0	99.0	103.0
Life C.	33.6	45.2	91.5	116.0
Modern Maturity (6X) C.	41.8	41.8	41.8	41.8
Money C.	99.7	88.4	184.7	175.0
Mother Earth News C.	—	—	65.7	73.0
National Geographic C.	30.4	27.5	51.1	37.3
National Geographic Traveler (6X) C.	—	—	21.7	15.1
Natural History C.	43.4	52.8	74.2	91.6
New Choices C.	30.1	43.8	49.9	74.2
Prevention C.	61.7	62.6	98.0	116.5
Psychology Today C.	—	—	30.1	41.5
Reader's Digest A. C.	92.0	91.9	151.1	158.0
Saturday Evening Post (9X) C.	39.5	—	39.5	44.4
Smithsonian C.	76.6	87.2	156.3	155.3
Town & Country C.	125.4	116.8	215.3	184.1
Travel-Holiday C.	38.5	41.8	57.8	63.5
Travel & Leisure C.	101.3	135.8	188.0	203.5
Travelhost	1,294.0	1,192.0	2,405.0	2,361.0
Vanity Fair C.	97.9	90.8	150.1	136.8
Yankee C.	60.1	66.9	122.6	129.6
Total Group	**3,271.4**	**3,177.9**	**6,262.2**	**6,301.9**
% change	**2.9%**		**-0.6%**	
■ Home				
Americana (6X)	—	—	12.0	21.6
Architectural Digest A. C.	137.8	143.4	254.7	252.2
Better Homes & Gardens C.	96.2	111.2	160.8	185.6
Colonial Homes (6X) C.	46.8	55.8	46.8	55.8
Columbus Monthly-Homes (4X)	—	—	26.7	29.8
Country Home (6X) C.	31.3	44.1	31.3	44.1
Country Living C.	93.8	97.3	146.3	162.6
Family Handyman (10X) A. C.	35.7	46.3	59.0	82.4
Florida Home & Garden	83.3	93.5	139.1	201.3
Flower & Garden (6X) C.	50.5	55.8	50.5	55.8
Home C.	41.0	59.3	80.5	99.5
Home Mechanix C.	29.4	33.4	63.1	70.1
Homeowner (10X) C.	27.8	40.9	27.8	40.9
Horticulture	38.7	45.4	86.5	87.5
House Beautiful C.	55.4	63.8	97.3	108.6
House & Garden C.	68.1	56.3	117.1	100.5
Metropolis	—	—	61.9	61.9
Metropolitan Home C.	125.9	110.2	187.2	167.0
Midwest Living C.	41.0	52.3	41.0	52.3
1,001 Home Ideas C.	49.6	50.5	92.6	100.5
Organic Gardening (10X) C.	43.0	49.0	83.3	103.1
Phoenix Home/Garden	60.8	81.7	117.7	148.0
Practical Homeowner (9X) C.	39.9	36.7	69.8	36.7
San Diego Home/Garden	76.7	57.8	134.5	130.0
Southern Accents (6X) C.	—	—	60.1	71.6
Southern Living C.	79.2	97.7	169.8	182.9
Sunset Magazine A. C.	117.1	120.1	193.0	207.7
Workbench (6X)	31.3	39.7	31.3	39.7
Total Group	**1,500.3**	**1,642.0**	**2,641.7**	**2,899.4**
% change	**-8.6%**		**-8.9%**	
■ In-flight & other passenger				
Aboard Grcup(6X)	—	—	37.7	35.3
Alaska Airlines	69.0	59.8	138.5	118.6
America West Airlines	66.2	67.5	147.5	136.5
American Way (24X) C.	146.4	127.4	257.0	254.5
East/West Network:				
Continental Profiles	46.5	62.3	97.3	113.6
Eastern Review	29.2	69.8	62.7	125.8
Pan Am Clipper	44.4	48.8	82.0	82.5
Southwest Spirit	47.3	69.8	95.1	124.5
TWA Ambassador	35.3	48.6	73.3	92.1
Vis A Vis	58.3	96.7	118.8	166.0
Halsey Publication:				
Delta Sky C.	63.7	67.1	126.7	144.6
Pace Communications:				
US Air Magazine	55.4	67.3	111.6	93.0
Spirit of Aloha	34.6	25.2	67.8	50.4
Total Group	**696.3**	**810.3**	**1,416.0**	**1,537.4**
% change	**-14.1%**		**-7.9%**	
■ Men's				
Esquire A. C.	78.1	74.8	140.9	148.8
Firehouse Magazine	28.3	25.6	64.2	62.2
Gentlemen's Quarterly A. C.	144.1	128.3	212.1	210.8
M Magazine C.	75.0	76.0	110.0	111.0
Muscle & Fitness C.	95.8	138.6	194.6	280.8
Penthouse A. C.	37.8	47.9	94.7	103.2
Playboy A. C.	42.4	47.6	100.5	145.7
Salute (10X)	44.5	27.0	44.5	27.0
Total Group	**546.0**	**565.8**	**961.5**	**1,089.4**
% change	**-3.5%**		**-11.7%**	
■ Metropolitan				
Aloha (6X)	—	—	45.5	26.7
Atlanta	59.7	55.5	114.5	110.5
Baltimore	62.0	73.0	109.1	123.0
Boston	91.2	140.7	181.8	259.9
California C.	53.9	50.0	90.7	84.9
Chicago	57.2	75.7	156.4	194.2
Chicago's North Shore	73.4	78.4	151.5	167.9
Cincinnati	44.3	50.6	76.8	84.8
Cleveland	29.6	33.7	68.5	72.9
Columbus Monthly	46.2	39.0	104.2	97.7
Connecticut	78.6	96.0	173.8	174.1
D/Magazine	48.7	69.0	92.3	124.0
Detroit Monthly	45.0	46.2	95.3	103.5
Grand Rapids	26.2	33.3	49.5	63.6
Honolulu	46.6	54.7	97.0	104.0
Houston Metropolitan Magazine	45.2	41.9	98.0	87.2
Inside Chicago (8X)	—	—	17.0	37.5
Los Angeles	123.5	145.5	244.1	266.8
Louisiana Life (6X)	—	—	30.6	27.5
Madison	44.0	48.0	80.0	86.0
Memphis	59.0	62.7	106.1	123.8
Mid Atlantic Country	31.2	33.9	63.7	60.1
Milwaukee	45.3	33.5	90.3	74.2
Minneapolis/St. Paul	106.1	111.7	200.2	179.6
Minnesota Monthly Magazine	64.1	37.2	117.1	87.2
Nashville	50.0	52.0	108.0	104.0
New England Monthly	25.1	41.3	83.9	95.4
New Jersey Monthly	46.0	66.5	114.8	143.7
New Mexico	19.1	22.4	110.4	118.3
Ohio	38.5	35.3	95.0	88.4
Orlando	87.0	84.0	187.0	171.0
Pacific Northwest	35.9	33.5	73.9	67.5
Palm Beach Life	97.4	115.3	184.4	212.7
Palm Springs Life	154.7	184.3	325.5	362.7
Philadelphia	109.0	118.8	236.2	241.5
Phoenix	47.8	68.5	94.6	116.7
Pittsburgh	57.3	54.2	103.0	97.0
Rhode Island Monthly	42.8	44.2	93.3	87.9
Sacramento Magazine	44.5	46.8	103.3	93.4
St. Louis	39.3	35.9	74.7	77.6
San Diego	111.1	114.8	228.9	220.4
San Francisco Focus C.	83.0	101.4	146.6	170.3
Sarasota	93.0	94.0	199.0	187.0
South Florida Magazine	93.0	99.2	194.6	226.9
Texas Monthly C.	76.7	67.3	179.0	163.1
Ultra	37.0	42.1	37.0	94.3
The Virginian (6X)	—	—	45.0	43.0
Washington (10X)	—	—	29.7	48.0
The Washingtonian	128.2	172.0	247.7	329.5
Total Group	**2,797.2**	**3,103.8**	**5,949.3**	**6,381.8**
% change	**-9.9%**		**-6.8%**	
■ Music/entertainment				
Audio	72.3	100.3	180.7	209.7
Dance Magazine	66.9	59.3	131.7	118.5
Playbill	45.0	52.9	84.5	93.5
Video Magazine	60.5	56.3	141.5	127.3
Total Group	**244.6**	**268.9**	**538.4**	**549.0**
% change	**-9.0%**		**-1.9%**	
■ Outdoor & sport				
Alaska	42.0	47.0	78.0	81.0
The American Handgunner (6X)	—	—	54.0	54.0
American Hunter	21.7	20.1	38.1	35.9
American Rifleman	22.4	20.1	44.9	40.7
Backpacker (7X) C.	23.6	—	23.6	23.2
Bass Master (10X) A. C.	97.5	100.8	157.8	172.7
Bicycling (9X) C.	75.8	99.9	75.8	99.9
Cross Country Skier	24.1	23.5	73.6	70.5
Ducks Unlimited (6X)	—	—	22.6	29.6
Field & Stream C.	65.4	76.0	114.2	129.2
Fishing World (6X)	51.8	—	80.3	40.3
Florida Sportsman	177.5	180.7	311.0	306.6
Golf Digest C.	147.3	124.5	250.4	212.7
Golf Illustrated C.	42.7	36.5	42.7	36.5
Golf Magazine C.	109.4	152.5	293.7	316.8
Gun Dog (6X)	—	—	38.2	40.0
Guns	40.0	34.0	82.0	68.0
Guns & Ammo	41.5	47.8	73.5	85.1
In-Fisherman (7X)	67.5	97.8	160.8	210.8
Outdoor Life C.	64.1	80.2	114.1	149.1
Outside Magazine	48.6	42.8	84.9	81.2
Petersen's Hunting	40.3	42.2	69.6	79.9
Runner's World (12X) C.	22.7	21.2	52.0	50.5
Salt Water Sportsman	95.4	131.0	260.9	330.8
Shooting Times	34.5	32.4	62.6	62.0
Sierra (6X)	—	—	29.0	53.4
Ski (8X) A. C.	80.9	80.8	197.4	214.5
Skiing (7X) A. C.	65.2	58.0	144.9	141.9
Skin Diver C.	117.7	116.2	203.8	219.0
Southern Outdoors (9X)	62.4	77.2	97.8	113.9
Southern Saltwater (8X)	46.7	60.6	94.8	118.9
Sport Magazine C.	29.6	43.7	50.2	66.7
Sports Afield C.	58.4	78.4	118.4	124.7
Surfing	76.6	85.1	140.7	141.1
Tennis C.	45.7	54.3	88.6	89.0
Waterski (9X)	—	—	93.3	96.5
Western Outdoors (10X)	49.7	55.1	79.6	86.2
Wildfowl (6X)	—	—	23.9	25.5
Wing & Shot (6X)	—	—	14.1	16.8
World Tennis C.	42.4	41.8	63.1	62.8
Total Group	**2,030.8**	**2,162.1**	**4,099.0**	**4,377.6**
% change	**-6.1%**		**-6.4%**	
■ Photography				
American Photographer C.	—	23.0	40.6	58.5
Petersen's Photographic	20.2	23.3	40.0	50.2
Popular Photography C.	97.2	73.5	197.8	160.2
Total Group	**117.4**	**119.9**	**278.4**	**268.9**
% change	**-2.1%**		**3.5%**	
■ Science/electronic/mech				
Discover C.	35.9	43.6	70.2	79.5
Home Office Computing C.	51.3	46.8	114.5	99.8
Omni C.	66.9	68.7	110.1	124.0
Personal Computing	140.2	166.6	291.2	363.0
Popular Mechanics C.	73.6	77.2	117.3	126.8
Popular Science C.	46.0	60.4	87.8	117.0
Scientific American C.	34.8	27.4	72.4	60.7
Spectrum C.	43.6	50.8	113.9	132.2
Total Group	**492.3**	**541.3**	**977.4**	**1,102.9**
% change	**-9.1%**		**-11.4%**	
■ Woman/fashion/service				
Beauty Magazine (10X)	—	15.2	18.7	15.2
Bride's Magazine (6X) A. C.	790.7	737.3	790.7	737.3
Cosmopolitan A. C.	159.7	182.9	276.9	312.0
Elle C.	143.8	140.6	208.2	213.5
Essence C.	65.2	88.0	118.2	159.0
Family Circle (17X) A. C.	171.0	195.2	232.8	291.2
Glamour C.	109.7	133.1	174.2	211.4
Good Housekeeping A. C.	142.7	117.4	218.7	211.8
Harper's Bazaar C.	120.0	106.5	174.3	147.6
Health C.	35.5	31.7	65.8	66.0
Imagen	80.3	78.0	131.4	120.0
Ladies' Home Journal C.	112.8	129.3	196.0	213.9
Lear's C.	42.4	—	91.5	69.8
Mademoiselle C.	113.7	127.3	168.3	184.1
McCall's C.	90.4	91.2	146.3	166.1
Military Lifestyle (10X)	37.0	47.2	82.7	-94.9
Modern Bride (6X) C.	631.5	611.8	631.5	611.8
New Woman C.	74.4	80.9	127.4	143.4
Parents Magazine A. C.	118.1	112.9	182.0	189.1
Redbook C.	83.4	82.5	139.1	158.6
Savvy C.	41.0	45.8	71.1	88.6
Self C.	93.7	92.3	155.6	165.1
Seventeen C.	67.5	66.7	120.9	114.8
Shape C.	42.8	58.2	85.4	111.8
Soap Opera Digest (26X) C.	34.6	36.2	59.3	67.4
Soap Opera Update	7.0	9.0	14.5	18.0
Teen Magazine	30.9	30.6	59.7	52.8
True Story A. C.	61.4	60.1	105.5	98.8
Vogue C.	227.9	254.9	329.8	353.7
W Magazine C.	155.9	171.7	225.2	259.3
Weight Watchers C.	43.7	34.8	78.1	68.1
Woman (10X) C.	25.2	43.6	42.9	43.6
Woman's Day (15X) A. C.	90.6	112.6	165.4	207.7
Workbasket	27.2	25.9	50.5	51.4
Working Mother C.	66.7	60.2	111.1	103.7
Working Woman C.	74.7	77.1	162.3	148.2
Total Group	**4,212.7**	**4,289.3**	**6,011.7**	**6,269.3**
% change	**-1.8%**		**-4.1%**	
■ Youth				
Boys' Life C.	23.1	19.9	42.0	39.7
Campus Life (10X)	30.3	35.7	87.9	77.3
Total Group	**53.4**	**55.6**	**129.9**	**117.1**
% change	**-3.9%**		**11.0%**	
■ Business/national				
Barron's	132.3	122.3	265.0	259.2
Black Enterprise C.	129.2	138.3	177.5	171.5
Business Month C.	33.0	16.0	C5.0	42.6
Business Week (52X) A. C.	230.4	285.9	471.9	532.6
Entrepreneur C.	150.2	127.9	371.2	329.2
Financial World (26X) C.	69.8	62.0	143.8	107.8
Forbes (26X) C.	219.6	172.4	466.7	397.9
Fortune (26X) C.	140.1	142.8	397.9	418.9
Frequent Flyer	39.3	42.0	71.3	72.4
Futures	40.6	38.5	78.9	79.0
Inc. Magazine C.	93.6	56.7	170.0	139.5
Income Opportunities	91.1	100.4	91.1	100.4
Industry Week (23X) A.	81.5	79.6	170.1	140.7
Nation's Business (12X) A. C.	24.3	33.8	51.2	72.9
Total Group	**1,474.9**	**1,418.7**	**2,991.8**	**2,864.5**
% change	**4.0%**		**4.4%**	
■ Business/regional				
Advantage-Nashville's Bus. Mo.	66.0	60.0	132.0	112.0
Arizona Bus. Gazette (52X)	49.0	51.0	89.0	92.0
Baltimore Bus. Jrnl.	58.6	66.8	123.5	130.2
Bus. Jrnl.-Milwaukee	130.2	143.0	297.7	284.3
Bus. Jrnl.-Sacramento	68.4	72.9	158.0	141.8
Bus. North Carolina	36.7	42.2	61.7	60.3
Capital Dist. Bus. Review (52X)	54.7	51.4	113.5	119.5
Caribbean Business	94.5	76.9	143.7	141.5
Crain's Chicago Bus. (52X)	101.1	133.5	201.8	227.3
Crain's Cleveland Bus. (52X)	53.6	58.3	109.5	127.3
Crain's Detroit Bus. (52X)	73.5	73.3	149.7	139.3
Crain's New York Bus. (52X)	49.9	44.2	93.5	80.0
Florida Trend (13X)	31.0	42.4	73.3	99.1
Georgia Trend	30.8	39.7	62.7	87.0
Grand Rapids Bus. Jrnl.	51.0	45.6	98.9	94.2
Hawaii Business	36.8	42.1	78.3	79.9
Houston Bus. Jrnl. (52X)	71.0	64.0	133.0	121.0
Indianapolis Bus. Jrnl. (52X)	128.7	145.3	246.6	278.5
Manhattan Inc. C.	—	—	60.1	69.2
New England Bus. (12X) A.	38.3	41.3	64.0	103.5
New Orleans City Bus.	—	—	52.0	44.9
Pacific Bus. News (52X)	88.0	101.5	175.0	198.9
Philadelphia Business Jrnl.	120.3	116.4	234.8	233.6
Pittsburgh Bus. Times (52X)	72.9	87.9	168.2	183.3
Providence Bus. News	64.4	72.6	127.0	142.6
Regardie's/Washington	145.0	169.0	283.0	331.0
St. Louis Bus. Jrnl. (52X)	100.8	100.1	190.8	198.8
Warfield's Monthly Baltimore	52.8	57.3	109.7	100.0
Total Group	**1,887.9**	**1,998.6**	**3,831.0**	**4,021.0**
% change	**-5.5%**		**-4.7%**	
■ National Sunday mags				
Parade (52X) C.	46.9	44.1	97.1	102.3
USA Weekend (52X) C.	50.3	40.2	102.7	95.5
Vista Magazine (52X)	13.6	21.8	24.2	38.3
Total Group	**110.8**	**106.1**	**224.0**	**236.0**
% change	**4.4%**		**-5.1%**	
■ Newspaper Sunday magazine				
Boston Globe	162.2	197.1	307.7	345.2
Chicago Tribune	84.5	90.5	148.7	155.4
Cleveland Plain Dealer	41.7	50.3	74.4	81.1
The Dallas Morning News	45.9	73.4	84.1	117.3
Detroit Free Press	35.0	29.0	61.0	62.0
L.A. Times C.	63.9	63.6	108.8	134.7
Louisville Courier-Jrnl.	21.0	22.0	39.0	57.0
New York Times Mag. C.	285.0	293.5	455.4	495.1
Philadelphia Inquirer	82.3	76.6	125.5	136.4
Seattle Times	65.0	60.0	120.0	114.0
St. Louis Post Dispatch	60.3	69.0	119.3	135.3
Toledo Blade Magazine	29.9	33.3	50.2	57.9
Washington Post	93.1	90.2	167.9	212.1
Total Group	**1,069.9**	**1,148.5**	**1,861.9**	**2,103.5**
% change	**-6.8%**		**-11.5%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	134.7	138.9	304.4	349.2
Army Times Military Group: Air Force Times (52X)	140.9	152.6	286.8	297.9
Army Times (52X)	133.8	144.8	287.2	281.2
Navy Times (52X)	152.4	164.6	291.3	323.2
Capper's (26X)	27.9	43.7	75.1	94.2
Commonweal (22X)	8.0	2.6	15.8	15.4
Golf World (40X)	116.6	102.1	272.8	220.6
Grit (52X) A.	32.0	36.0	72.3	80.1
National Journal (50X) C.	37.0	42.9	71.5	85.9
National Review (25X)	32.6	25.6	46.9	44.2
New Republic (48X)	35.7	42.0	76.9	83.2
New York Mag. (50X) C.	179.8	238.3	327.4	412.2
New Yorker C.	163.2	135.7	329.7	286.8
Newsweek (52X) A. C.	162.5	199.6	308.5	357.4
People (51X) C.	235.5	262.6	409.7	471.8
Rolling Stone (25X) C.	146.7	131.2	226.6	212.6
Sporting News (52X) C.	35.2	34.8	76.1	86.4
Sports Illustrated (52X) A.C.	247.6	273.1	394.7	464.6
Time (52X) A. C.	160.8	205.8	348.8	394.1
TV Guide (52X) A. C.	284.0	353.6	537.0	660.6
US Magazine (26X) C.	55.7	53.4	85.4	84.3
U.S. News & World Report (50X) A. C.	135.1	151.6	246.3	270.9
Total Group	**2,657.5**	**2,935.4**	**5,091.2**	**5,576.7**
% change	**-9.5%**		**-8.7%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Walvdi.

Shades of summer

Suncare products fight slower sales

By Pat Sloan

Procter & Gamble Co.'s Bain de Soleil is changing its colors—again.

Two years ago, Bain de Soleil redefined the "St. Tropez tan" by lightening up veteran model Chris Zeimer to a lightly toasted hue from a deep brown.

Now, the marketer has a new angle on the most fashionable tan under the sun. Three different shades of tans will be featured in print ads breaking in April magazines and in TV spots airing around Memorial Day.

Themed "Beautiful color today. Beautiful skin tomorrow," the ads show Ms. Zeimer restored to her former bronzed self but accompanied by more lightly tanned models.

Rosenfeld, Sirowitz, Humphrey & Strauss, New York, is the agency.

"In consumer research, we found over two-thirds of women surveyed feel more attractive, healthier with a tan," said a spokeswoman for Richardson-Vicks, the P&G unit that markets Bain de Soleil. "We wanted to focus on the fact that Bain de Soleil offers a range of products that allow you to choose the color you desire."

The company is also running separate print ads under "The beautiful color" theme for Exact Couleur, a new cream that tans without exposure to the sun.

No. 3 ranked Bain de Soleil isn't the only player trying to more effectively segment the $500 million-plus suncare category. The category's growth slowed to about 10% last year after several years of high double-digit gains fueled by sunscreen sales.

Jack Surrette, VP-marketing at Tanning Research Labs, the No. 2 suncare marketer, said, "There's no question about segmenting, and our advertising will show the same thing. We're moving away from institutional ads. It's indicative of the market where there are so many subcategories."

In the past, Tanning Research Labs has been best known for its Hawaiian Tropic tanning products. The company also has a number of other spinoffs such as Sunsitive with hypoallergenic protection.

"Our brand identity is solidly entrenched, but we've got state-of-the-art formulas that we've in effect kept secret because we haven't addressed them," Mr. Surrette said. He noted that ads from Babbit & Reiman, Atlanta, this year will focus on sunscreens, self-tanning, paba-free products and new products with "100% natural protection."

For some time, Plough, the category leader with a 35% share, has marketed several lines including Coppertone, Tropical Blend and Shade.

For 1990, the company is increasing ad spending 20% to $10 million-plus and shifting its focus to print from TV.

"Magazines enhance segmentation," said Steve Bobowski, VP-suncare marketing. "They give us the chance to hone in and tell our story on each of our different products."

For example, the Coppertone brand will run eight- and four-page ads spotlighting different products via Della Femina, McNamee WCRS, New York.

Under the Coppertone umbrella, Plough also markets Water Babies sunscreens for kids. The fast-growing children's segment is getting crowded, but Plough thinks there may be room for one more brand.

Last year, it tested a line of Mickey Mouse sunscreens and is now negotiating with Walt Disney Co. for a national launch.

The children's segment is one of the few that's been pioneered by the mass market and not the upscale department store trade. Department store sales account for 20% of the category.

Estee Lauder Inc., one of the leaders in department store suncare for adults, will add its first children's product this year, called Baby Block Children's Waterproof Sunscreen SPF 30+.

Although department store brands have lagged in this segment, they're still innovative in others. Those brands were the first to differentiate between the two types of ultraviolet rays, and the brands' next hot button will be infrared rays, said Lauder Senior VP-Creative Marketing June T. Leaman.

This spring, Lauder ads from AC&R, featuring model Paulina Porizkova, will tout the benefits of the Special Protection Complex ingredient in fighting damage from all three types of rays.

Department stores are also pushing year-round protection. That concept is filtering down to the mass market, where products like Plough's Shade are now being purchased out of season by some shoppers for everyday use.

Tanning Research Labs' 100% natural protection product, called Hawaiian Tropic Daily Protective Moisturizer, is also described on packaging as an anti-aging formula.

Unilever's upscale Elizabeth Arden division is so committed to year-round protection that the company has stopped advertising seasonal suncare products to concentrate on products like Immunage Defense Lotion and Cream. The spot TV, print and direct-mail effort will be handled in-house.

"We view protection as a greater issue and need than [just] from Memorial Day through Labor Day," said VP-Marketing James Miner. □

Bain de Soleil promotes products for three different shades of tan.

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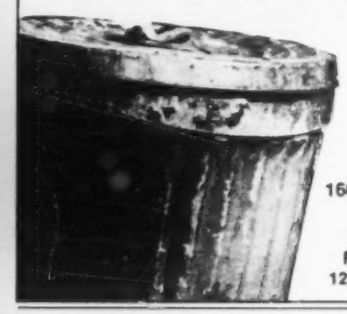

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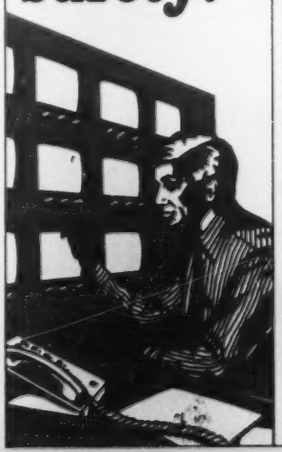

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AdWatch

(Continued from Page 12)

previous 30 days.

Last month, 1,000 adults were polled by phone. The survey's margin of error is plus or minus 3.1%.

Among other changes in February:

- Despite finishing second in unaided recall, Pepsi-Cola led aided awareness within the **soft-drink** category, named first by 35.2% of survey respondents. Coca-Cola was second with 32.6% and Diet Coke third with 12.6%.
- Ford placed third in unaided overall recall. But when respondents were specifically asked to recall **car and truck** advertising, 22.1% named Chevrolet first, followed by Ford with 21.8%. Toyota was a distant third with 8.4%.
- In the **fast-food** category, McDonald's Corp. was named first by 55.7% of the respondents, followed by Burger King Corp.'s 10% and Wendy's International's 8.1%. □

For more information, contact the Gallup Organization, 301 S. 6th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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NEWSPAPER

Advertising Age

April 2, 1990

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Campbell drops 3 shops

By Judann Dagnoli

Campbell Soup Co. bid farewell to DDB Needham Worldwide, Hal Riney & Partners and Saatchi & Saatchi Advertising late last week as it reassigned $35 million in billings in an agency consolidation.

With the move, Campbell trims its roster from eight agencies to five.

The big winners in the realignment are FCB/Leber Katz Partners and BBDO Worldwide, New York.

FCB/Leber Katz, already agency for Prego spaghetti sauce, picked up $19.5 million in additional Campbell business, including the $11.5 million V-8 vegetable juice account from Saatchi, London, and the $8 million Souper Combos account from BBDO. The additional business brings FCB/Leber Katz's total Campbell billings to $29.5 million.

BBDO's loss was more than offset by the addition of the $8 million Swanson frozen food account from Riney, San Francisco, and the $7.5 million Mrs. Paul's seafood business from DDB Needham, New York.

BBDO already handled Home Cookin' and Chunky soups; it now has $36.5 million in Campbell billings.

Assignments for the company's other agencies are unchanged.

Backer Spielvogel Bates, New York, continues on Campbell's flagship $30 million red-and-white soup account; Ogilvy & Mather keeps its $15 million Pepperidge Farm business, the $5 million Great Starts account and the $8 million Le Menu assignment. W.B. Doner & Co., Southfield, Mich., continues as agency of record for Vlasic Foods.

Margeotes Fertitta & Weiss, New York,

(Continued on Page 56)

What's behind roster cuts

By Julie Liesse

Campbell Soup Co.'s decision to pare its agency roster is part of a growing wave of consolidation by the nation's leading food marketers.

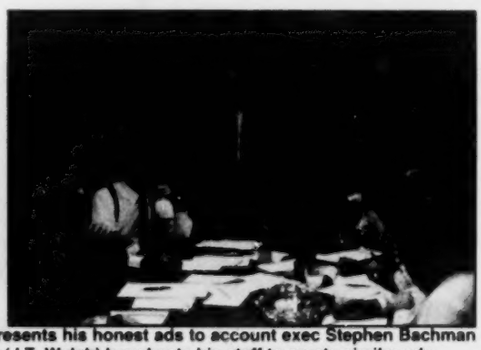
"There seems to be an increase in the incidence of food companies trimming their agency rosters," said Brian Goodall, exec VP at Bayer Bess Vanderwarker, Chicago, a core agency for Quaker Oats Co. "This may just be part of food companies' overall attempt to get leaner and meaner."

Sara Lee Corp. and Ralston Purina Co. are now involved in agency reviews, and Pillsbury Foods consolidated its food products at Leo Burnett USA, Chicago, last fall. Pet Inc. named D'Arcy Masius Benton & Bowles, St. Louis, its agency of record earlier this year, replacing a number of shops.

Sara Lee's European coffee and groceries unit last year consolidated $100 million in spending at four agencies, down from more than 40 (AA, Jan. 9, 1989).

The agency world is waiting for the biggest shoe to drop—if and when Kraft

(Continued on Page 56)



© Paramount Pictures

Emory Leeson (Dudley Moore) seals his fate (l.) when he presents his honest ads to account exec Stephen Bachman (Paul Reiser). Later, agency President Charles Drucker (J.T. Walsh) browbeats his staff to create similar ads.

'Crazy' idea: truthful ads

By Marcy Magiera

Ads are the stars in Paramount Pictures' "Crazy People," a zany movie starring Dudley Moore that could be subtitled "How to get ahead in advertising."

It may also start tongues wagging about the ethics of advertising.

Mr. Moore plays an agency creative named Emory Leeson with a familiar problem—he has to produce great ads for several clients, is on deadline and gets stuck for an idea.

With his back against the wall, he resorts to . . . truth.

The result: An ad for Volvo North America Corp. that calls the cars "Boxy, but good," and notes that while Volvos aren't very sexy, in this day and age of disease sexy isn't all it's cracked up to be.

Sexy is, however, a selling point for Jaguar Cars, another client (which apparently sees no conflict with Volvo). Mr. Leeson produces a Jaguar ad that promises, "You'll get hand jobs from beautiful women you hardly know."

Another ad, for Procter & Gamble Co.'s Metamucil, takes a direct tack: "It helps you go to the toilet. If you don't use it, you'll get cancer and die."

Even comparative advertising gets Mr. Leeson's brand

(Continued on Page 55)

Yellow Pages group offers brand buys

By Patricia Strnad

TROY, Mich.—The Yellow Pages Publishers Association is developing a rate card for brand advertising as it gears up for a nationwide test of brand ads in Yellow Pages directories.

The trade group, representing publishers, authorized sales reps and suppliers, is collecting rates for half-page brand ads from publishers in the top 25 U.S. markets. The rates will be compiled into a single rate card.

For the first time, advertisers will have the option of placing their brand ads regionally, nationally or in individual books. They will receive one bill.

Within 60 days, the Yellow Pages group will pitch the category-linked, "brand-sell" concept to package-goods marketers and hopes to line up three-to-five advertisers for the 18-month test.

National brand advertising isn't expected to generate significant additional revenue for Yellow Pages publishers. Instead, the test is intended to show package-goods marketers the power and reach of the medium.

The association has hired two independent research companies to monitor the ads' reach and effectiveness. Each advertiser will specify what it hopes to gain from the test; research will be tailored to that advertiser's goals.

"We realize that a lot of the $60 billion-plus being spent

(Continued on Page 55)

LAST MINUTE NEWS

Schering unit sets review

MADISON, N.J.—Schering-Plough Corp. confirmed the company is reviewing consumer-products ad agencies following last fall's merger of its personal-care and over-the-counter drug operations into Schering-Plough HealthCare Products. The unit had combined billings of more than $50 million last year, reported LNA/Arbitron Multi-Media Service. Agency sources expect the company to announce a roster consolidation and believe a decision could come as early as this week. Agencies include: Ketchum Advertising; Warwick Baker & Fiore; Messner Vetere Berger Carey Schmetterer; Della Femina, McNamee WCRS; Levine, Huntley, Schmidt & Beaver, all New York; and the Bloom Agency, Dallas.

Easdon leaving HHCC

BOSTON—Don Easdon, exec VP-creative director at Hill, Holliday, Connors, Cosmopulos, has resigned. Mr. Easdon, 41, last month returned here from the agency's Marina del Rey, Calif., office where he supervised Nissan's Infiniti account (AA, March 19) to work on new business and other projects. He isn't believed to be seeking work at another shop but couldn't be reached for comment.

Alcohol ad warnings sought

WASHINGTON—Legislation to require warnings in alcohol ads was to be

(Continued on Page 8)

INSIDE

Bell bomb ..... P. 4
Baby Bells drop JWT after Congress reacts negatively to their advocacy campaign.

Point of view ..... P. 16
Will Europe be Americanized in 1992, or will cultural differences win out?

Maples takes cover ..... P. 34
The "other woman," Marla Maples, takes the magazine Cover Story crown in March.

'Enquirer-Star' team to bring both clout

By Scott Donaton

G.P. Group is likely to create a combination ad package buy for the *National Enquirer* and *Star*.

The acquisition of the *Star* by *National Enquirer*'s parent company could bring more respect and national advertising for the two supermarket tabloids.

Rupert Murdoch's News Corp. last week said it had agreed to sell the *Star* to G.P. Group, publisher of the *National Enquirer* and *Weekly World News*, for $400 million in cash and stock.

Macfadden Holdings, backed by Boston Ventures Ltd., acquired G.P. Group last year from the family of *National Enquirer* founder Generoso Pope Jr. for $412.5 million. The company outbid such global media giants as Maxwell Communications Corp. and Diamandis Communications Inc. after a highly publicized, four-month-long auction.

G.P. Group said it won't merge the *Star* with the *Enquirer*, but will maintain the editorial independence of both books.

The *National Enquirer* sells an average of 3.6 million copies on newsstands each week, almost 90% of its 4.1 million total circulation. The *Star* sells 3.1 million copies on newsstands, 86% of its 3.6 million weekly circulation.

Both magazines rank among the top six in the country in terms of single-copy sales.

Macfadden President Michael Boylan said he's considering a combination ad buy that would link the two titles.

"If there is an effective way to tie them together that makes sense, we will do it," Mr. Boylan said. "Combined, they reach 30 million readers a week. That's an extremely powerful audience."

Media buyers said a package deal could help the titles woo national advertisers—especially package-goods marketers—who have shied away from the tabloids because of their sensationalist reputations.

"I see the *Star*, because it is more mainstream and accepted by advertisers, helping the *Enquirer*," said Gene Wilhoft, director of media services for Grace & Rothschild, New York.

"There are a lot of package-goods advertisers that may have gone as far as the *Star* but haven't taken the next step to the *Enquirer*. This deal may help some of them make that leap," he said.

If the tabloids become a major force in package-goods advertising, it will enable them to compete with such major players as Time Warner's *People* and the "Seven Sisters" women's service magazines.

"Certainly, it increases their presence in the publishing business," said John Grey, senior VP-director of media planning, J. Walter Thompson USA. "The *Enquirer* is a very strong medium, but it's grossly underrated by a lot of agencies and clients. The management of Macfadden is dedicated to erasing lingering misconceptions about the *Enquirer*.

"As they break down resistance, they'll bring in more package-goods advertisers," he said. "Each advertiser they bring in will make it that much easier to bring in the next one. Over the long run, they can both be much healthier publications."

The *Star* carried 562 ad pages last year, according to Publishers Information Bureau figures, up 10.9% over the previous year. No figures were available for the *National Enquirer*.

A News Corp. spokeswoman said the *Star* sale was part of News Corp.'s plan to sell various assets to fund such projects as Sky Television in the U.K. and the company's 1988 $3 billion acquisition of Triangle Publications. □

Riney racks up losses

By Raymond Serafin

Hal Riney & Partners, which lost the Perrier Group account last week, is facing new defections from the creative team handling its $100 million Saturn Corp. business.

Senior Writer George Gier and Art Director Mitch Gordon are joining DDB Needham Worldwide, Chicago. There they will work with former staffers of Riney's Chicago office—Ron Hawkins, senior VP-group creative director, and Bob Taylor, senior VP-creative director and executive art director.

Mr. Gier, 29, whose new title is associate creative director-writer, and Mr. Gordon, 30, associate creative director-art director, will work on DDB Needham's Audi of America account.

At least 10 other executives have left Riney in the past eight months, including another Saturn creative team in January.

"Those things happen," said Thomas Shaver, director of marketing services at the General Motors Corp. unit. "We're still confident, excited and enthusiastic that we're going to see great advertising [from Riney] this fall," he said. That's when Saturn introduces its first two models.

About 50 to 55 Riney employees work either part or full time on Saturn, which accounts for 20% of the agency's work overall.

Last month, Mr. Riney said of the earlier defections that he "kind of suggested some people might like to leave," calling them "suggested resignations."

Mr. Riney said of the earlier defections that he "kind of suggested some people might like to leave."

Agency General Manager John Yost attributed churning among agency personnel to the shop's growth.

"We are very much in the process of constructing and building the next evolution in this agency's growth, and you're going to have some fallout," he said.

But Andrew Dijak, a VP-senior art director who left Riney in January to become co-creative group head at Chiat/Day/Mojo, New York, said the dream of doing breakthrough advertising on Saturn is dead.

"I thought I could do something revolutionary" on the Saturn account, he said. "I personally thought there was an opportunity to do some fresh, distinct advertising that talked directly to the consumer.

"But the only way to do that is to alienate yourself from GM. That's hard to do."

Mr. Dijak said the first Saturn model "is a great car for the money, from the engineering standpoint. But from the standpoint of design, it's a parity product."

He said it's a "shame" that GM "gave the styling over to the same group that does trucks, when there should have been an autonomous studio apart from Detroit. Detroit is still living in the Stone Age."

Bernie Vangrin, a former senior art director at Riney who's now a group creative director at Ketchum Advertising, Pittsburgh, said Mr. Riney's heavy involvement in the business tends to drive some people away.

"That's the way he is. He gets

(Continued on Page 55)

IN THIS ISSUE

- **Purina and Heinz** bite into Nabisco's sales of Milk-Bone dog biscuit. **40**
- **Spiegel** knocks department store shopping in a new campaign featuring notes from Candice Bergen. **41**
- **P&G plans** to tout its new recycled plastic detergent and cleaner packaging in a fall ad campaign. **42**
- **Alvin Achenbaum** advises auto marketers to use less TV for a more effective media strategy. **45**

Considerations	12	Brady's Bunch	21
Editorials	12	James Brady	22
Forum	16	Rance Crain	22
Letters	20	The Next Trend	22

- Wild expansion past, cable comes to a crossroads.
- How ESPN dealt with its overdue $400 million baby.

Hot, hot, hot

- McCann-Erickson's Marcio Moreira explains why international creativity keeps the world turning. (Creativity is an *Ad Age* supplement available on request.)

- Marketers anticipate German reunification **26**
- Global Gallery **28**

SALES PROMOTION NEWS

- General Motors calls for proof of sponsorship value **32**

MEDIAWORKS

- Networks take on cable, VCRs with new programs **34**

PEOPLE

- McCann's Don Dillon plays dual role in Japan **37**
- People Moving **37**
- Photo Review **38**

- McDonald's spot featuring the grand opening in Moscow capitalizes on foreign investment by focusing on cross-cultural images.

U.S. NewsWatch	10	Classified	49
Corrections & Clarifications	20	For the Record	53
		Index to Advertisers	58

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SPECIAL REPORT

Cable TV

Edited by Pat Thomas

Extra innings S-2
How ESPN planned to get by if its $400 million baby never arrived.

Feds ready shackles S-10
Anxious cable operators to plead their case against re-regulation of the industry.

Parts a'plenty S-16
Cross-selling opportunities are setting the tone for how time/space is purchased.

What price success? S-20
Selling the cost of cable can work, but more systems are pitching quality.

Cable crossroads

Wild expansion past, roping in viewers becomes key

By Steve Weinstein

Whatever the measurement standard, cable is a success as a new medium, but it faces some rough going in the '90s.

Although cable penetration has reached a respectable 57.1%, a full one-third of homes passed have declined to subscribe. "The truck chasers are all signed up," says John Wolfe, director of public information for the National Cable Television Association. "Now the industry has to go out for people who chose not to subscribe. That's a harder sell."

Also, churn—the rate of subscribers who disconnect the services—remains about 25% a year. Although many disconnects are attributable to the estimated 20% of U.S. families that change residences annually, pay cable faces an annual rate of twice that amount. One agency media buyer predicts pay services eventually will have to turn to advertising to offset promotional expenses caused by churn.

Cable's ratings present another set of problems. Total cable advertising revenue rose to more than $2 billion in 1989 from only $125 million eight years ago. But the Cabletelevision Advertising Bureau hopes to double that amount by 1994. The only way to achieve that goal is to significantly boost ratings.

Within the cable universe, ratings show more improvement than when translated to a national share rating.

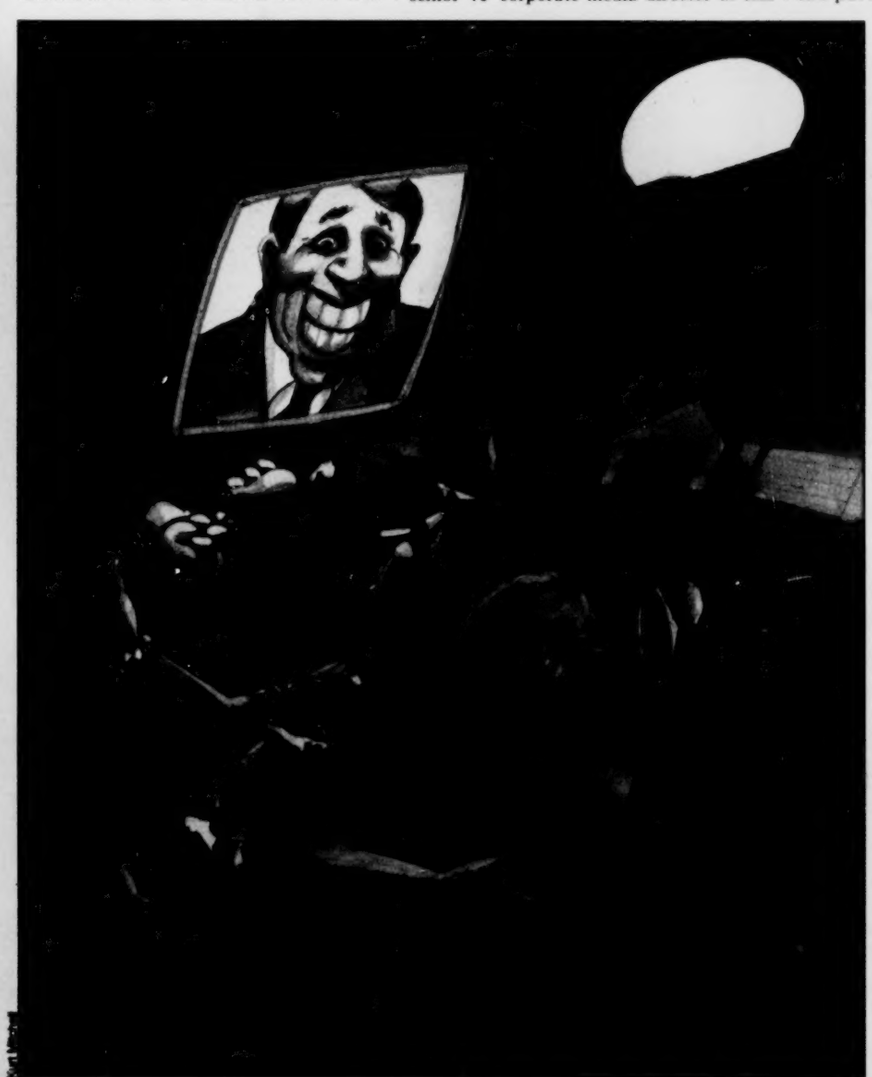
"Cable people want us to look at ratings within their universe," says David Verklin, senior VP-corporate media director at Hal Riney & Partners in San Francisco. "We tend to be more focused on national equivalent ratings, to compare apples to apples," he says.

According to Mr. Verklin, now that ratings are equaling the low end of broadcast network programs, cable competition for ad budgets is entering a "new phase."

"As part of the buying process, the networks package together some more and less expensive shows," says Mr. Verklin. "You don't get the leverage when using cable, a low-rated packaging device." Cable thus becomes a less efficient medium than broadcast, he feels.

The resistance to include cable in the mix of media buys extends to other agencies.

"Does it make more sense to do cable or does it make more sense to take that money and put it in spot TV? If you were to buy a station in a large market, you might actually get more impressions out of it [the large market station]. . . . The small ratings do impact. That's one of the reasons why we will not pay network prices for cable or even syndication prices for cable," says Jon Mandel, senior VP-national broadcast, Grey Advertising, New York.



Cable viewing remains on the upswing relative to broadcast, being the only program source that is increasing viewership, up 15% the first two months of this year. Most of this increase is attributed to big-budget programming, especially original movies, documentaries, concerts and major-league sports.

"We see tremendous efforts by cable networks to put programming on the air that's going to work," says Peggy Green, exec VP-director of broadcast media buying at Saatchi & Saatchi Advertising in New York.

But big-ticket programs need a big-budget revenue stream, and cable still offers lower costs per thousand.

The most obvious solution to these dilemmas is increased cable promotions. But the industry has to reorient its promotions from sign-up to tune-in.

"It has not been the basic skill of the cable industry over the years," says CAB President Robert Alter.

"They were always doing a bundle of programs and letting the public sort them out."

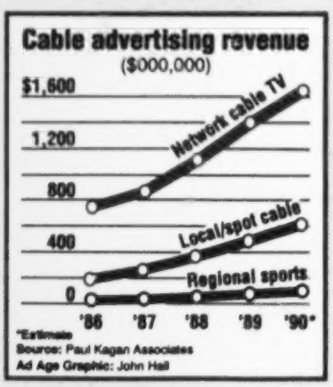
"Basic cable begins as a delivery system and ends up as a programming alternative," says Mr. Verklin. "It's an efficient way to deliver the TV signal, but the rates being charged in some ways are causing churn."

"Over the next six months you'll see a more aggressive posture to get our message across,"

(Continued on Page S-12)

BAROMETER

Take a number



Take the pulse

With ESPN indeed bringing cable households a plethora of baseball games four nights a week from multiple stadiums, Barometer suspects there are a few openings for guest color commentators a la Ronald Reagan at last year's All-Star game.

Marge Simpson...The glue that holds the Simpson family together needs to get out of the house more often. Besides, she sounds good saying "Homer."

Chris Berman...We just can't wait to hear his scintillating "backbackbackback" live instead of accompanying highlight tape.

Susan Sarandon...If she reprises her Annie Savoy role in "Bull Durham," the concept of vital statistics is in for an overhaul.

Sen. Albert Gore...One of the Senate's leading cable baiters probably would have trouble calling anything more than the hit and run.

Bo Jackson...You've heard of player-managers, well, why not another job for the Bodacious One; besides, by now, Bo knows booth.

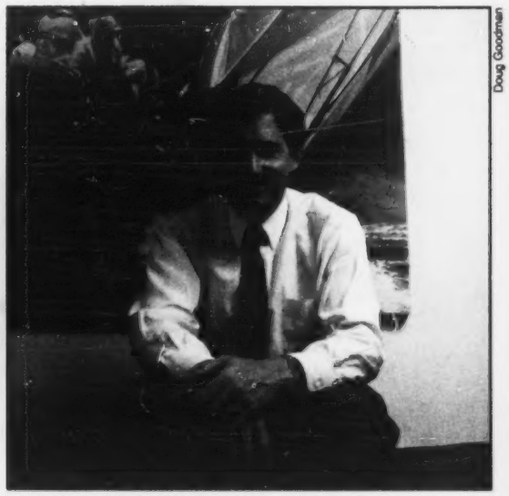
Mars Blackmon...Who's leading off the next inning? Do you know? Do you know? Do you know?

Almost a strikeout

ESPN's 'field of dreams'—its big-buck baseball package—came close to disaster

Steve Bornstein: "I guess in the darkest of nights I wondered if this thing was ever going to get settled."

Jack Bonanni: "[The lockout] definitely had an impact. There were no positives from an advertiser standpoint. We sold baseball."



Doug Goodman

Bill Ketcham: "I'm hoping the bulk of spending, which we've shifted to April, will be enough to regain lost momentum."

By Wayne Walley

SELLING THE NATIONAL PASTIME

When the owners and players resolved baseball's labor dispute in the wee morning hours of March 19, executives at ESPN breathed a collective sigh of relief. Audibly.

Before the agreement, those at the cable sports network could only wait and wonder if its unprecedented $400 million, four-year pact to televise up to 175 Major League Baseball games each year would become folly.

But as the clock ticked toward today's originally scheduled opening day, officials at ESPN refused to panic, publicly confident the season would never be canceled.

"I'm generally an optimist," Steve Bornstein, ESPN's exec VP of programming and production, told the press the day after the baseball agreement. "But I guess in the darkest of nights I wondered if this thing was ever going to get settled."

Although ESPN lost the chance to televise several scheduled preseason games, Mr. Bornstein says the network will air at least 161 regular-season games as originally planned and as many games as possible during the abbreviated spring training.

As a veteran of sports labor disputes—National Football League players went on strike in 1987 but resolved the issues before any of ESPN's regular-season telecasts were canceled—the network was prepared to move at a moment's notice.

In fact ESPN, in the middle of the 32-day lockout, acted as if all would be resolved, signing on Feb. 28 the last announcers needed to broadcast its Sunday and Wednesday night games and Tuesday and Friday doubleheaders.

As spring training games were canceled, however, each ESPN department had its own problems to keep the network's programming coup from turning into an albatross.

"I'd be an absolute fool to say the lockout didn't affect us," says Jack Bonanni, senior VP-advertising sales for ESPN. "It definitely had an impact. There were no positives from an advertiser standpoint. We sold baseball to people. All we could do during the lockout was try to make it worth their while to stay with us with or without baseball."

Mr. Bonanni started pitching baseball to advertisers as the ink was drying on the network's contract signed with Major League Baseball on Jan. 5, 1989.

Before any games were threatened to be canceled or delayed, Mr. Bonanni says about 50% of the network's total ad inventory in the scheduled 171 games (including 10 preseason contests) was sold. But in February and March, the lockout cast a pall over further sales efforts.

"The problems became more serious with those hesitant to commit to baseball, because no one knew what was going to happen or when any games would be played. Advertisers need ratings points when they want them. If they couldn't wait for baseball, they had to consider alternative media," he says.

Once the owners and players salvaged most of the regular season and spring training facilities opened, more advertisers were ready to talk.

"Now that advertisers know the lockout is over, there's a lot of activity," Mr. Bonanni says. "We've had quite a few calls."

Mr. Bonanni says 64 marketers either signed before or during the lockout to advertise during ESPN baseball coverage. Most, he adds, were "understanding" during the labor dispute, allowing the network to shift time from canceled games to later in the season or even accepting deals to advertise in replacement programs.

"Our job was to keep as many advertisers with ESPN without baseball," Mr. Bonanni says. "If baseball would give them a 2.0 rating, we would give them 3.0 rating points in our alternatives."

Advertisers such as Sears, Roebuck & Co. and Mitsubishi, two of the first companies to sponsor ESPN's baseball telecasts, continued to call to find out what the network planned instead of baseball.

"We told them we expect the season to start sometime, and if there is a delay, we will work with the advertiser within their parameters," he says.

Although ESPN did not have a role in the dispute, the network could be hurt as an "innocent bystander" if baseball fans revolt by not watching or attending games when the season begins.

If baseball TV ratings suffer, it could force the network to give advertisers make-good units and reduce its baseball ad revenue, a scenario those at the network hope to avoid.

> "No one knew what was going to happen. . . . Advertisers need ratings points when they want them. If they couldn't wait for baseball, they had to consider alternative media."

"A lot of fans were aggravated," says Bill Ketcham, ESPN's senior VP-marketing, whose task now is to remind viewers the cable network has baseball this season. "On one hand there might be a baseball-starved audience, but there will also be a baseball-pissed audience, and we have to overcome that."

To launch its baseball coverage, ESPN initially set aside a $16 million promotional budget, including the value of on-air spots. But the momentum the network hoped to create leading up to its first regular-season telecast was doused by the lockout.

Mr. Ketcham had hoped to use the March 15 and 16 telecasts of first-round National Collegiate Athletic Association basketball tournament games to hype baseball, but then canceled the promotional plans when the dispute dragged on.

"The only good news is that there is three weeks of training before the start of the regular season," he says. "That gives us three weeks to get into *TV Guide*, absolutely get into newspapers and add baseball games to our *Sports Illustrated* 'ESPN Sports Week' ad."

As scheduled spring training telecasts were canceled, Mr. Ketcham canceled most of the network's print advertising. Some ads still appeared in monthly magazines with long lead times such as *Playboy*.

But one saving element, he says, is that the ads in monthlies used the network's umbrella theme, "If it happens in baseball, you'll see it on ESPN," instead of promoting specific games.

In late January, Charlie Chaplin-themed promotional spots on ESPN detailed coverage of Wednesday and Sunday night games and doubleheaders on Tuesday and Friday along with the creation of its new seven-day in-studio show called "Baseball Tonight."

"We were trying to drill those things into people's heads and then, once the season started, be out there on the air and heavy in newspapers and magazines. Now I'm hoping the bulk of spending, which we've shifted to April, will be enough to regain lost momentum.

"We bit our nails until closing dates in March on a lot of newspapers and magazines and then had to say we were sorry," he says.

"Baseball Tonight," ESPN's nightly baseball show, coincidentally premiered the night after the lockout ended.

Instead of being forced to use the lockout in the same fashion the Iranian hostage crisis helped launch ABC's "Nightline," ESPN's show was able to give viewers breaking news about the upcoming season.

Mr. Bornstein, the head of programming and production, downplayed the juggling act he performed to fill gaping holes left by canceled preseason games and then refit baseball into the March and April schedule.

With the settlement coming on March 19, opening day was moved back to April 9. ESPN quickly scheduled telecasts of preseason games on March 26, 27 and 29 but had to wait for Major League Baseball to figure out its scheduling plan before the network could determine specific opening day and first-week coverage.

Once games were scheduled, Mr. Ketcham quickly snapped up space for tune-in ads in *The Sporting News*, *The National*, *TV Guide* and more to tout early season games.

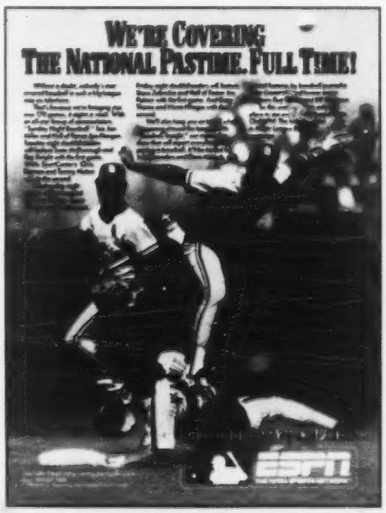
Time was also set aside for game-specific on-air promotions to let ESPN viewers know when and where they could find baseball telecasts.

Baseball, Mr. Bornstein says, was always considered "additive" to the ESPN schedule, meaning other sports, either live or on tape delay, could replace canceled games or be shifted to make room for newly scheduled games.

"With baseball, we expand our day," he says. "We do it by adjusting."

The production crews and announcers were always on stand-by during the lockout, waiting for word about when and where once the settlement was reached.

"We made a commitment," Mr. Bornstein says. "If we had lost a month of games, there would be some concerns [about production quality]. But people have been here 14 months working on nothing but baseball. We're ready to go." □



McCann-Erickson advertising, themed "If it happens in baseball, you'll see it on ESPN," had more than one meaning during the lockout.

Cable fears federal shackles

Anxious operators to plead their case against re-regulation

By Steven W. Colford

SELLING CONGRESS

The next few weeks will tip whether the federal government will return with a vengeance to police cable TV or merely fine-tune it.

The cable industry believes only the latter is necessary for an industry that has grown from 15 million subscribers in 1980 to 53 million at the end of 1989.

But that growth has not been smooth, and it's the bumps in the road that have Congress and the Federal Communications Commission pondering varying degrees of regulation.

In its anxiety to grow, the industry ignored two basics for any customer service—price and quality—and now may be paying the re-regulatory price.

"We built 830,000 miles of system in 10 years," says Decker Anstrom, exec VP of the National Cable Television Association. "Sure, there've been growing pains. But we also haven't done a good job telling our story; for about $15 a month, consumers can receive about 30 channels, which is a tremendous deal."

The most comprehensive regulatory threat for the cable industry to consider comes from the staff of the Senate Commerce Committee, which last month held a hearing on a March 8 staff draft that combined into a single proposal most of the re-regulatory changes advocated by various lawmakers.

The draft's release was not a hit with the NCTA.

Mr. Anstrom, repeating the reaction of NCTA President Jim Mooney, found little encouragement in the 37-page draft. "There is very little in there that the cable industry could support," he says. "It goes far beyond what the record would call for. And the Senate already has made clear that there is ample room for discussion, and we will pursue that."

After the committee's second hearing this week on final legislation patterned after the staff draft, a major push is expected for a quick committee vote, says a committee aide. But whatever changes to the bill occur after the two public hearings, rate re-regulation is likely to remain at the heart of the bill that ultimately faces a full committee vote. "The bill would be nothing without that," an aide says.

With the backing of two key senators, a cable re-regulation bill would appear likely to emerge from committee and, according to the aide, be ready for a full Senate vote before July 2. "With the Senate leadership behind it, that significantly improves chances of its passage," the aide says.

One of the draft's most objectionable provisions, according to the NCTA, is the intent to regain the power to regulate rates.

"That simply goes way too far," says Mr. Anstrom, noting that cable rates in 1989 grew 3.8%, according to the Bureau of Labor Statistics, compared with a 4.6% rise in the consumer price index. A General Accounting Office report on cable rate hikes through 1989 is due for release in June, Mr. Anstrom says. The FCC in July is scheduled to furnish its five-year report on cable deregulation.

"Cable is attractive to advertisers today because [rate] deregulation allowed investment in cable networks that appeal to a niche audience," he says. "Re-regulation of rates will make those networks less attractive.

"Cable spending on programming has grown from $300 million in 1984 to $1 billion in 1989," he says. "Programming expenditures will continue to grow in order to attract new subscribers, but if rates are re-regulated and networks can't make that investment, the level of subscribers will 'top off' at a level well below what it otherwise would have."

Another aspect of the Senate draft bill requires local cable systems to carry a minimum number of broadcast channels; for any system exceeding 30 cable channels, the minimum would be 10.

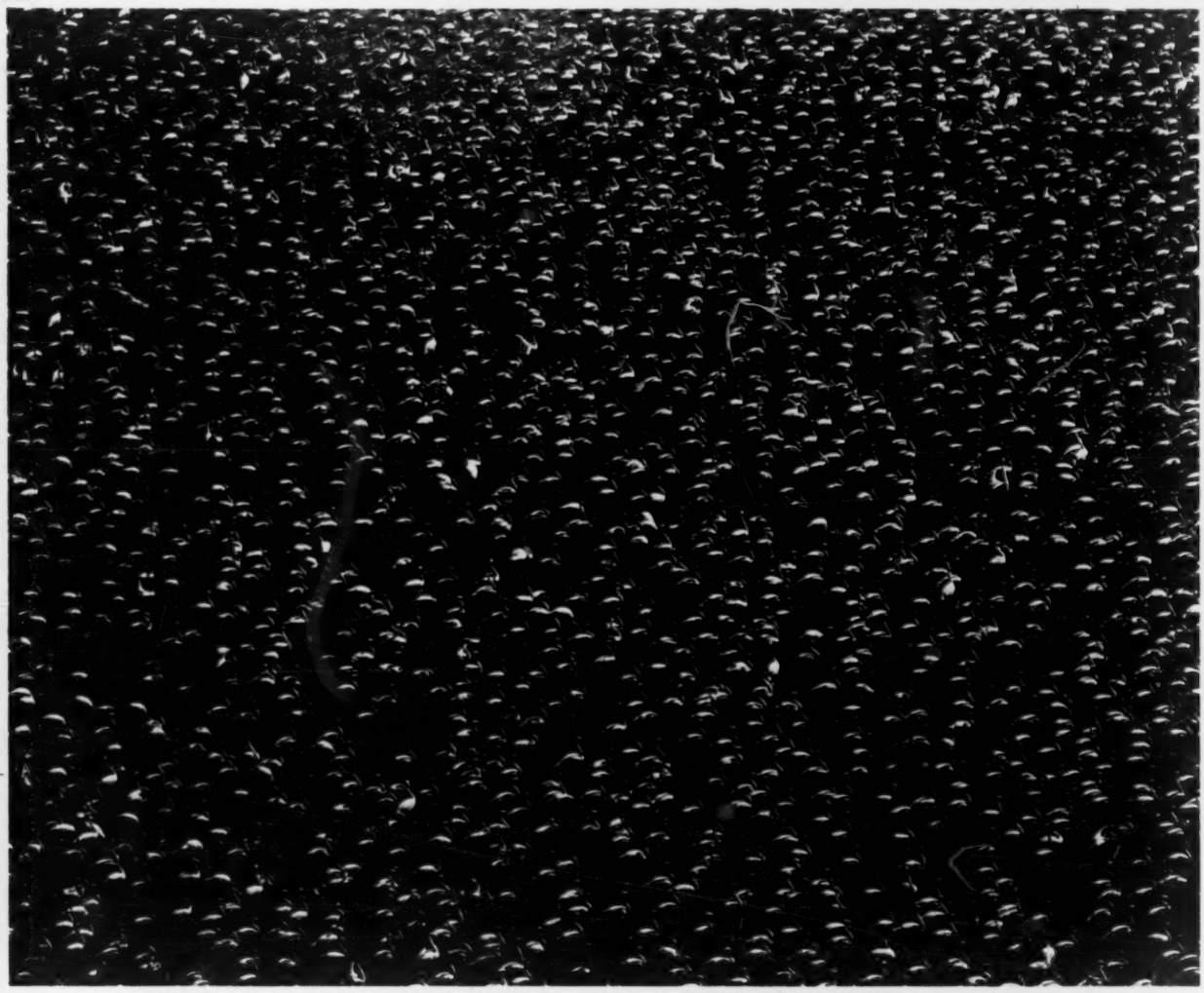
That steep a requirement, Mr. Anstrom says, is another example of "overreaching" by lawmakers that would come back to harm consumers and advertisers.

The Senate draft also would require certain broadcast channels carried by cable systems to receive preferred positioning on the cable converter; a local channel 9, for example, would be positioned in the 9 slot on the converter, with the cable channel that might previously have occupied that position being bumped to a higher, less preferred, location.

NCTA balks at the positioning requirement. It also opposes a National Association of Broadcasters idea for cable systems to pay local broadcasters for their retransmission. "I think there's very little sentiment in Congress to impose, as CBS proposed, a requirement that we pay an amount" to a CBS affiliate, Mr. Anstrom claims.

The next few weeks will witness an "intense dialogue among cable and broadcast representatives, Senate leaders and staff" to try to resolve the impasse over re-regulation proposals, Mr. Anstrom says. "Nothing even approaching what's in that draft will appear in [ultimate] legislation," Mr. Anstrom vowed. "There may be some fine-tuning, but nothing more."

In light of the outspokenness of cable's legislative nemeses—including such powerhouses as Sen. Ernest Hollings (D., S.C.) and John Danforth (R., Mo.)—that remains to be seen. □



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We're just 7 points behind cable's leader. And with our phenomenal growth rate, it won't take us long to catch up.

So if you've planned to put cable in your buy, put Discovery at the top of your list. Because in a matter of months that's probably where we'll be.

*Source: Nielsen Universe Estimates, March 1990.

THE Discovery CHANNEL ®

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Radio spots emphatic: It's not what you think

MTV takes its irreverence to new airwaves

By Wayne Walley

The spot sounds like something you've heard before: "This is a test. For the next 60 seconds, this is a test." But then it goes a bit awry: "We don't know what we're testing or why. For the next 60 seconds you will undergo a test. You do not need a pencil ... all you need to know is this is a test."

Entitled "Test," the spot is part of an MTV: Music Television multimillion-dollar campaign, which plays off the network's well-known irreverent attitude toward other media.

"We play on things people normally hear on the radio and twist it, MTV-style," says Harriet Seitler, senior VP-marketing and promotion, MTV: Music Television.

The spots use the theme, "Just when you think you know what it is, it's MTV: Music Television," and parody such things as emergency announcements, traffic reports, announcer-training school ads and political commercials.

"You can use radio effectively with limited money. So we go in screaming."

The commercials, created by MTV and its agency, Fred/Alan, New York, end with the theme line followed by a tune-in announcement telling listeners to "Watch MTV on cable TV" or "Watch the new lineup of comedy weeknights at 7:00 only on MTV" or "Don't miss MTV in the morning. Watch 'Awake on the Wild Side,' the new MTV morning show weekdays on MTV."

"We're doing 'not normal' radio to enforce the idea that we're 'not normal' television," Ms. Seitler says. "The real intent is to give listeners an idea of what MTV is about, that it's the channel to be at. It will raise your eyebrows and you understand what you will get."

The network used radio last year and found an increase in cumulative viewing of MTV in markets using radio alone or in conjunction with print and TV advertising, as opposed to markets where radio was not used, says Ms. Seitler.

"The more advertising we did, the more the increase in cume. You can use radio effectively with limited money. So with the economy of the medium, we go in screaming. That's what we're doing this year, with a heavy and long playlist on the stations we're using," she says.

The campaign will run through mid-April; a second flight will run in the third quarter.

The next step, says Ms. Seitler, will be adapting the campaign theme to print and TV.

"We're exploring a campaign with different artists, asking them to express in their own vision, 'Just when you think you know what it is, it's MTV.' We want to do a series in print, and we expect to create a version of some form for on-the-air advertising," she says. □

Hard sell

(Continued from Page S-1)

Mr. Alter predicts. "It's been discussed at all the cable industry meetings. But this has not been part of mainstream cable efforts. It was not built in as part of the overall marketing approach."

As a new technology, cable has spent so much time promoting new subscribers that tune-in promotion has historically been given short shrift.

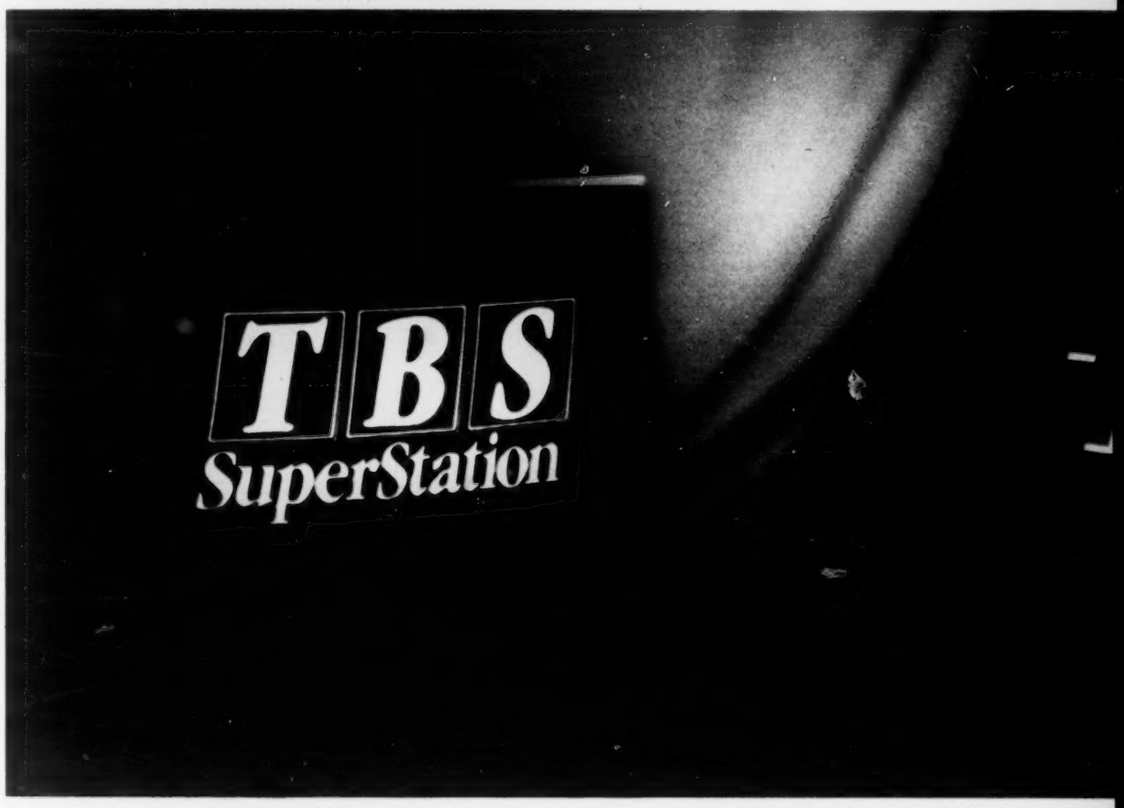
"Five years ago, 100% of promotion was acquisition," Mr. Alter says. "Now there's a much higher percentage of audience promotion."

But the industry has a lot of catching up to do. The average independent broadcast station's promotion staff numbers 3.5 people; by contrast, only a few cable systems even have a promotion department.

Cable Television Administration & Marketing Society has set up a Program Promotion Committee that is planning a new major attitude usage study due in the fall.

This year CTAM also en-

COMBINAT



HIT YOUR TARGET MARKET TWICE.

We call it Combination Punch. It's the same thing people with good vocabularies call "synergy." It's what happens when one and one equal more than two.

That's the kind of effect advertisers can get with the combination of TBS and TNT. Because each of them, in a distinctly different way, offers programming that appeals to every demographic group.

With the TBS/TNT combination, advertisers get the program variety to build a vertical program strategy, and make a direct hit on their demographic target. Or rather, two direct hits.

TBS, THE CHAMPION IN AMERICA.

As part of our commitment to the environ-

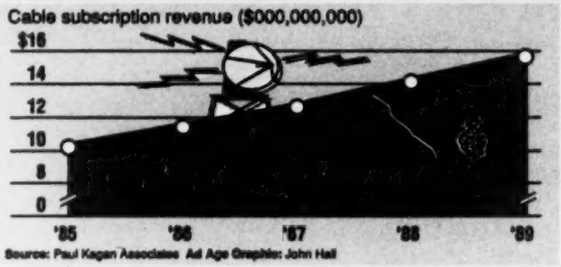
couraged a consortium of cable networks and major-market cooperatives to initiate a national strategy that overlays local operators' program promotions with a national one, similar to network affiliates' on the broadcast side.

In broadcast, a local affiliate promotes only its network's programs, says CTAM President Margaret Durborow, but each local cable operator is programming several networks.

"The network has only one line of programming," Mr. Alter says. "A local system has 36 channels to promote."

Pay for view

Cable subscription revenue ($000,000,000)



Source: Paul Kagan Associates Ad Age Graphics: John Hall

Homes passed, penetration and pay subscribers

	Homes passed (000,000)	Cable subscribers (000)	Household penetration (%)	Pay subscribers (000)
1989	80.0	52,564	57.1%	28,643
1988	76.8	48,637	53.8	28,114
1987	74.9	44,971	50.5	27,600
1986	67.3	42,237	48.1	23,709
1985	63.5	39,873	46.2	24,165

Source: Cable Advertising Bureau, Nielsen Television Index, Nielsen Station Index

Cable networks are now concentrating on tie-in promotions with local operators and multiple system operators. Each month the CAB mails out a hefty Cable Tune-In Kit that contains radio spots, promotion ideas and a planning calendar that features a different network program to be promoted each day.

It's all part of a master plan to try to coordinate local promotion plans with the networks, instead of haphazard campaigns. "Unlike CBS, NBC and ABC, our networks cooperate," Ms. Durborow says.

"It's interesting cable gets as good a viewership as it does with the little bit of viewership promotion that's done," says Terry Rich, VP-sales and marketing at Heritage Communications, a Des Moines, Iowa-based MSO. "What we as operators have to do is know how to pick a program." Mr. Rich and other MSO executives are working with CAB to organize local promotions.

Operators not only have to encourage tune-in but defend themselves from regulatory agencies angered at rate increases and customer service problems. "The smart systems are running local image-building campaigns," says Les Luchter, editor of *Cable Marketing*. "Cable recognizes its image is lousy."

Manhattan Cable, for example, has "Comin' through for you," a cross-network print and broadcast image-building campaign. Heritage uses broadcast, radio and newspaper as well as cable and bill inserts for its "The choice to come home to" theme.

Other MSOs are beginning to take up local causes, encouraged by Cable Television Public Affairs. The Cable Alliance for Education, which began as an anti-Whittle measure, offers CNN Newsroom and ad-free classroom programming on some networks in the morning. It also provides cable gratis to local schools. "Bravo for Books," a classroom promotion chaired by first lady Barbara Bush, is sponsoring a nationwide competition of high school theatrical productions.

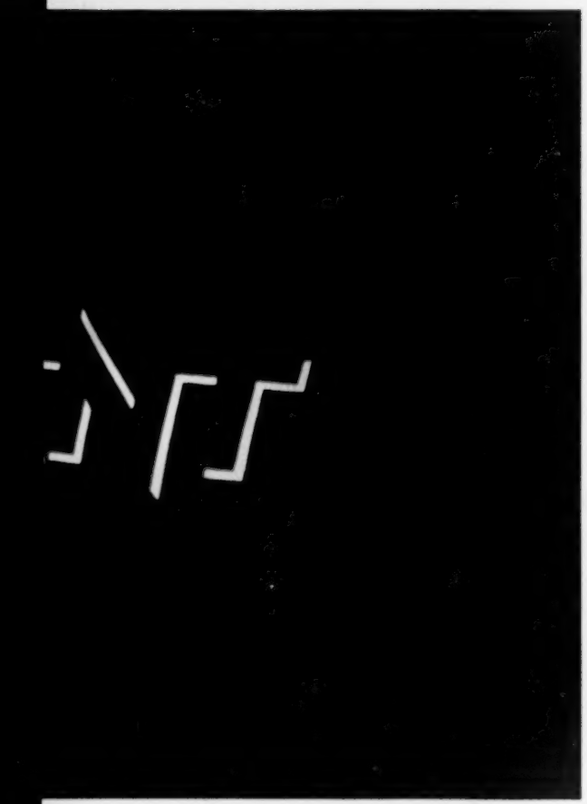
American Movie Classics has designed four different turn-key programs for children, adults, mature adults and VIPs that local affiliates can implement in their communities.

If such programs help local operators improve their image, operators and networks hope that they will also increase audience awareness of cable programming.

"There's an intense movement among cable operators to upgrade their whole tune-in and promotional effort," says Larry Gerbrandt, senior analyst for Paul Kagan & Associates. Networks are downloading commercials into unsold local avails for cross-network promotion. "It's much more sophisticated than before," he says. □

Steve Weinstein is a free-lance writer based in New York.

ON PUNCH



TNT GETS THE HIGHEST RATINGS IN HOLLYWOOD.

TNT has set new standards for cable television across the board: ratings, programming quality, originality and star quality.

In Hollywood, they really love us. Because TNT is producing scripts other networks are afraid of, with the kind of roles actors would kill for.

These prestigious monthly premieres continue, with productions like "The Rose and the Jackal" with Christopher Reeve; Kathleen Turner in a Myrna Loy retrospective; and Isabella Rosellini and John Lithgow in "The Ivory Hunters."

TNT is already famous, too, for its innovative scheduling of classic movies, all restored to pristine condition.

REACH YOUR FAMILIES WITH OUR FAMILY.

No other networks, cable or broadcast, can match the combined punch of TBS and TNT. Because individually, both networks have the variety and the programs that bring the whole family to the set.

And together, they give advertisers real knockout power.

ment, TBS will present a number of important new specials, like the Cousteau Society's "Outrage at Valdez," "Arctic Refuge" with Meryl Streep and "Voice of the Planet," a 10-hour original production.

Of course, all the things that have always made TBS the number one choice of American viewers will continue: professional and amateur sports, popular movies, great kids' shows and proven comedy favorites.

Turner Entertainment Networks

Give Your Media Plan The New One Two.

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Sum of the parts greater than the whole?

Time Warner leads trend buys across media

By Debbie Harrod

CROSS-SELLING: MULTI-MEDIA BUYS

It could be the ultimate in one-stop media shopping with one call, one order, agency buyers could buy into an array of media ranging from magazines to entertainment events to TV.

While a number of media conglomerates are working on such packages, few offer the ability to create such a service as does the recently merged Time Warner. Its stable of powerhouse magazine titles, cable systems and programming service offers both the ability to reach substantial numbers of prospects and to target specific geographic markets and demographic segments.

Agency media buyers clearly are interested.

"The idea would be to add pieces together for a total package that would be cheaper than buying separate pieces, plus have a synergy that builds a value beyond," says Allen Banks, media director of Saatchi & Saatchi Co., New York.

Although Time Warner executives say they still are in the early stages of assessing how they can mix and match their media properties in ad packages and cross-promote each other's media vehicles, some early steps indicate what the future may hold.

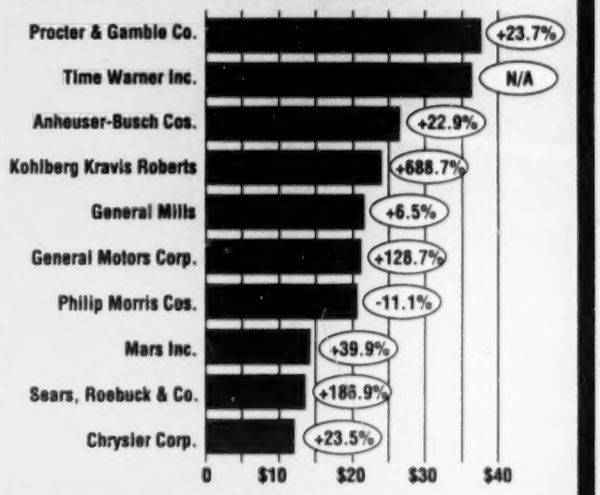
The easiest moves are being made first. For example, those looking to buy time on any of five New York metro cable systems now run by Time Warner are among the first to see the synergies of the media conglomerate play out.

In February, the systems consolidated their local ad sales forces, creating for the first time a one-stop buy for advertisers that wish to be on any or all of the com-

(Continued on Page S-18)

Merged Time Warner challenges for lead

Bars represent millions of ad dollars spent in 1989 by the top 10 cable advertisers; ovals indicate percent change from 1988.



Source: Arbitron Co. Advertising Age Graph: Holly Seguine

No sale without efficiency

New operations like NBC's still need attractive pricing

By Wayne Walley

CROSS-SELLING: CABLE & BROADCAST

At this time last year the major broadcast networks were saying some nasty things about cable. CBS had circulated a report entitled "The Cable Fable," pointing out to advertisers and agencies what it considered cable's shortcomings. ABC had created a presentation entitled "20 Questions Facing National TV Advertisers," which subtly raised similar concerns.

NBC, at the time on the verge of launching cable service Consumer News & Business Channel, was a bit less verbal, although its salespeople were on the street talking up network TV's comparative strengths following the February sweeps.

What a difference a year makes.

Now, NBC's network sales and marketing division oversees ad sales for CNBC and SportsChannel America—co-owned by NBC and Cablevision Systems—and cross-media cooperation could conceivably become the wave of the future as advertisers look for package buys that incorporate more than one medium.

"When a large media company has multimedia divisions, the pairings are obvious, and it makes sense to set up cross-media deals," says Betsy Frank, senior VP-director of TV information and new media for Saatchi & Saatchi Advertising, New York.

"But it only makes sense if the buy is more efficient," she says. "They have to prove to us through discounting or value-added opportunities that we're better off giving more dollars to General Electric and getting on NBC with CNBC instead of NBC and a consumer segment on Financial News Network."

Already, Miller Brewing Co., North American Philips Corp. and Universal Pictures have taken advantage of the offer and bought special broadcast/cable ad packages.

Capital Cities/ABC, which owns both the ABC-TV network and cable's ESPN, has yet to combine sales efforts. But the company could be forced to consider creating similar cross-media packages to keep up with the competition.

"Cable Fable" author CBS does not own any cable properties but is selling the ad time within the Olympic programming the network sold to Turner Broadcasting Systems' TNT.

"All the rules we thought we knew no longer exist," Ms. Frank says.

Bob Blackmore, NBC's exec VP of sales, says the structure of a new sales department should take shape this month and put NBC in position for any marketplace changes in the coming decade. "You have to know all areas. The more you know about other media, the better," he says.

"By combining network with cable, you can also give reach with targeted and pinpointed demographics," he adds. "It all depends on the media needs of the client. This way we make sure they have enough choice."

Some clients, he says, probably won't take advantage of the combination, preferring to keep broadcast and cable separate. But the network might fold in inventory from SportsChannel America as part of a "sports daypart" it offers to advertisers.

Art Miller, CNBC's senior VP of sales, says CNBC is still selling time separately. But the clout of NBC, he says, gives CNBC more resources and ways to convince advertisers they are a better buy than the competition.

"We're still feeling our way," he says. "But we can target and do special tie-ins NBC advertisers might want to try but can't do on the network.

"This opens the door to so many more clients for us," he says. □

The Movie Channel is targeting local operators involved with Community Classics, a program aimed at four target groups, for viewings of classic films.

Nickelodeon is on an environmental beat via its Total Trashout kit—a big yellow garbage can filled with recycling information.

'Cross-promotion to create a buzz'

Starting channel? Build awareness via current fare

By Edmond Rosenthal

CROSS-SELLING: SISTER NETWORKS

Intensive cross-promotion for eight weeks on sister networks MTV, VH-1 and Nickelodeon/Nick at Nite, preceded the April 1 launch of Ha! TV Comedy Network.

"The cross-promotion campaign for Ha! has been running for about a month—with a different spot each week—on all three networks," says Leslye Schaefer, VP-marketing for Ha! TV Comedy Network.

There is $1 million in inventory set aside for this campaign in 1990, she says. "After the launch we will continue to promote it [Ha!] on our other networks, not only because of the reach, but because their visual and creative environment will mirror what Ha! will look like.

"It's a real cornerstone for our promotion plan," Ms. Schaefer says. "We've been getting calls from affiliates and viewers that show there is a real awareness created by our promotions.

"This cross-promotion has been done to create a buzz, and things are buzzing," she says. Ha! is spending an additional $6 million this year in consumer and trade promotion, print and TV.

Cross-promotion is the most effective form of promotion any of the networks can get, says Steve Seidmon, MTV VP-programming.

Turner Broadcasting System's VP-On-Air Promotion Jeff Grimshaw agrees. It wasn't long ago that Turner launched TNT with heavy promotion on its network channels. Not only did this help establish the new entity, he says, but it was perhaps the best indicator anyone has of the effectiveness of routine cross promotion.

"When TNT was launched [with heavy promotion on Super Station WTBS, CNN and Headline News], it took up the lion's share of all on-air promotion, so the other networks weren't getting as much as they had been. As a result, we saw a definite dip in viewing. That's the strongest argument I've seen for cross-promotion," says Mr. Grimshaw.

Turner's routine cross-promo-

(Continued on Page S-19)

Time Warner

(Continued from Page S-16)

pany's systems serving Manhattan, Queens or a portion of Brooklyn, says Richard Aurelio, president, Time Warner New York City Cable Group. Advertisers previously had to go to each of the five systems to buy time.

"In cable, New York City is one group that is actually merged," he says. "What we're doing here is being watched closely by both parents."

Mr. Aurelio says a number of other ideas are in the works but not announced, a situation executives throughout Time Warner media properties confirmed.

"Everything is possible," says Mr. Aurelio. With all of Time Warner's entertainment, music, movie and cable properties, it's "easy to find synergies. We'll do the more obvious things first," he adds, such as consolidate all customer-service operations and offer common channel lineups.

Cross-promotion includes, for example, special discount subscription forms for Time Warner's new *Entertainment Weekly* appearing in New York City Cable Group subscribers' bills.

Tony Adams, manager of national accounts, Warner Cable Communications, says Time magazine group always has been a big cable direct-response advertiser, but the merger has made it "a lot easier to get in the doors."

"With the signing of the merger," says Comedy Channel VP-National Sales Manager David McCoy, "getting pieces of Warner involved is just taking off." He sees the greatest opportunities in ad packages involving Warner's studio, its syndication properties, Comedy Channel and Time Warner magazines.

An upcoming project that crosses several of Time Warner's media groups is a 16-page "user's guide to comedy," an advertising supplement that will run in *People* and *Entertainment Weekly*, says Larry Divney, the channel's senior VP-advertising sales.

Advertisers are being offered a page in the ad supplement in both magazines, spots on the Comedy Channel, sponsorships and outdoor board placements, Mr. Divney says. He calls the campaign the most simple of planned projects, adding, "There are a lot of conversations still taking place," regarding other projects.

Mr. Divney says one roadblock may result from what he calls the "structural obstacle" of media placements being handled by separate agency groups.

"In companies that have outdoor, magazines, newspapers, broadcast, you've got to have somebody who can put those things together," says Joe Ostrow, exec VP-worldwide media director, Foote, Cone & Belding, New York.

He says FCB is carefully analyzing the opportunities, and sees two ways Time Warner could approach its situation.

The first, Mr. Ostrow says, is "a total volume deal for all areas of media." But he asks, "Are they prepared to put cable, programming, magazines together in one piece?"

The other option would be an individual buy. "If a client buys a lot of magazine [space], we might look for some [synergy] on a cable outlet. Not just a channel but, depending on how the experiment in Rochester [N.Y.] works, with national support from magazines and this form of local TV," he says.

Mr. Ostrow is referring to American Television & Communications Corp.'s Greater Rochester Cablevision, which early this year launched WGRC-TV, a cable channel that mimics an independent broadcast TV station (AA, Dec. 11).

"[That channel] is going to marry about a half-dozen different things," he says. "They're breaking through walls within that corporation as never before."

John Orr, WGRC general manager, says he'd be all for cross-media ads if his Area of Dominant Influence matched that of the regional editions of any Time Warner magazines.

Another area Time Warner can exploit is event marketing, says Tom Winner, exec VP-director media operations, Campbell-Mithun-Esty, New York. Time Warner will look for sponsorships for certain concerts, he says, adding, "Hopefully they'll include Warner artists and some HBO property."

Such sponsorships could run the gamut of Time Warner properties—magazines, TV, books—and perhaps even extend to areas such as educational programs. In that scenario, speculates Mr. Winner, Time Warner could produce a TV show or series of vignettes, cassettes for educators and booklet distribution as well.

But, he says, there may be too much of a good thing. "The problem as I see it, is that [such a large package] becomes cost-prohibitive for all but a few." Mr. Winner suggests, as did other media buyers, that Time Warner create an array of packages that would be "palatable to many."

Mr. Banks sees a benefit in the operation's immense reach, however, offering global possibilities in addition to domestic packages.

"The bottom line is will you save money as a package?" says Bart McHugh, senior VP-director of national radio and TV programming, DDB Needham Worldwide, New York.

He says he likes the pluses of dealing with a company that can provide cable and other media. But Mr. McHugh adds one caveat: "If it doesn't work for the client, we will walk away." □

Debbie Narrod is a free-lance writer based in Denver.

Ten Years Of Nonstop Information.

It's not a big deal to have survived for ten years; but it is a big deal to become the best in ten years.

Especially when so many questioned the whole concept. No one, they said, would be interested in a 24-hour news network.

It seems that reality has more of a following than the critics thought.

won't talk to anyone else.

Our audience has kept pace, growing from 1.7 million U.S. households in 1980 to 54 million today.

Our credibility with viewers also increases yearly; we're now regarded as the most believable network reporting the news.

Real Life Has Always Been Our Beat.

And the beat goes on.

Today we report on real life, in all its facets, with the world's largest newsgathering organization. Our reporters win awards, garner the respect of their peers, and gain access to people who

'A buzz'

(Continued from Page S-16)

tion is to give the two entertainment channels—TBS and TNT—one minute each an hour for promotion, and the news networks, 50 seconds each an hour. Of that time, 70% goes to the host network and 30% is split evenly among the other three services.

According to trade estimates, Turner's promotion time is worth about $50 million annually.

That promotion time is "obviously a tremendous advantage," says Andy Besch, senior VP-marketing, USA Network. "If you put yourself in the mode of the viewer, you can see Turner promote a movie on four networks—you can't get away from it."

"It forces me to spend money on local cable that I wouldn't ordinarily have to spend," he adds.

USA Network's annual expenditure for advertising is in six figures, he says. "I can't get on any of the other cable networks any more than I would want them on my air," Mr. Besch says.

While the cable networks can't use other cable nets for their advertising, at the system level, many operators will promote one cable network on the local time of a competing network.

"We cross-promote programs ourselves on comparative services using our local avails," says Charles Ward, VP-national marketing and programming, Times Mirror Cable Television.

There is talk at TBS about redesigning the allocation system based on gross rating points rather than number of spots, says Mr. Grimshaw.

For example, a single spot on WTBS will yield more audience than one on Headline News, so a system could be set up in which a certain number of Headline News spots are worth one WTBS spot. Under this system, WTBS would give away less promotion time and keep more for itself.

Another consideration, Mr. Grimshaw says, is assigning 50% of all cross-promotion to what, "for lack of a better title," is being called "Turner Network Tonight." This would involve promoting all four networks together, "but we'd still have the WTBS impression on WTBS" to maintain its separate identity.

MTV Networks—MTV, VH-1, Nickelodeon/Nick at Nite—are less formal. The time available varies according to commercial load and the needs of the networks to promote specific events.

Ha! usurped much of the recent inventory with 12 spots a day on each of its sister networks—MTV, VH-1, Nickelodeon/Nick at Nite. "It's difficult to quantify effectiveness," Mr. Seidmon says, "but we know from certain experiences when we've had success."

Although MTV channels don't cross-promote Showtime and The Movie Channel, the subscription pay services of parent company Viacom Entertainment do push music specials on Showtime Event Television, a pay-per-view service.

MTV networks also pay close attention to demographics. For example, two programs that skew older viewers than most of its fare —"Week in Rock" and "Unplugged"—are promoted heavily on VH-1 and Nick at Nite, which have older audiences.

Meanwhile, Home Box Office's The Comedy Channel appeared last Nov. 15 without any promotional buzz. Still, HBO benefited from the programming on the new basic service.

At startup, 20% of all clips from stand-up comedy shows and movies shown on The Comedy Channel came from HBO, says Dick Beahrs, The Comedy Channel's president. While there was no intention to promote HBO, all clips are attributed to their sources.

Over time the proportion of HBO clips will diminish to less than 5%, says Mr. Beahrs. In fact, The Comedy Network has had discussions with HBO rival Showtime about using and attributing some of its comedy material, he says.

"If we put on something that's funny and we're not going overboard to hype the product, it's of benefit to HBO." If HBO wants something more directly promotional, he adds, it can buy advertising spots on the channel.

"Cross-promotion is a double-edged sword," Mr. Beahrs says. "Cable operators are not going to be happy if they see an overabundance of HBO clips. They want to have some program integrity on a comedy service. They don't want a service that just promotes HBO."

Another concern in the relationship with cable operators involves promoting services they don't offer.

"If a system operator is carrying all of these services, it's a benefit, sometimes it's awkward if a system is not carrying the service being promoted, but in our experience and to their credit, they don't go as far as they could [they don't advise subscribers to demand the service]," says Mr. Ward.

Mr. Grimshaw says cross-promotion can be a "passive acquisition device" in pushing a newer service into the cable system. "But we don't say, 'Call your operator.' "

It's more an opportunity than a problem for MTV, says Mr. Seidmon.

"Most cable operators carry all of our services. By making cable subscribers aware of the range of services available, we're promoting cable as a whole." [ ]

Edmond Rosenthal is a freelance writer based in Freehold, New Jersey.

News In The Biggest Sense Of The Word.

It's our coverage of news in a broader sense that keeps viewers loyal and tuned in all day long. CNN is not only the network to watch in time of crisis, it's the one to watch anytime.

When it comes to regular reports on the international scene, for example, CNN is unequaled. And we alone offer such frequent and thorough coverage of business and finance, health, travel, science and medicine, fashion, entertainment and sports.

Headline News, for its part, draws on all this and condenses it into thirty-minute briefings, updated every half hour.

As CNN Gets Bigger, The World Gets Smaller.

The Wall Street Journal recently noted, "When world leaders want to talk to each other these days, they call CNN."

To accommodate these world leaders —and the world's viewers—CNN has expanded to 24 bureaus worldwide, and is now viewed in 89 countries.

We've invested heavily in new equipment, including a number of portable satellite uplinks for live coverage.

And an important new investigative unit has been formed. Its staff includes some of the most experienced and respected names in investigative journalism.

Television For People Who Live In The Present.

The real reason for our success, though, is our audience—aware, interested people, who consider being informed an integral part of life.

CNN and Headline News in combination provide a powerful means of reaching upscale viewers like these, in both the younger demos and the important mature market.

Moreover, when you reach our audience, you reach them at the best possible time:

They've tuned into an environment they trust, and they're looking for nonstop information.

CNN Headline NEWS™

© 1990 Turner Broadcasting System, Inc.

The Southern California council urges viewers to "Cable up."

You think it's easy to keep Californians in?

Cable co-op fights region's attractions for viewers' time

By Janice Steinberg

Co-op ad agreements can make or break the lines between cable operators and programming services.

"Many [operator] co-ops basically run campaigns that are directed in a way that sponsoring suppliers dictate, given their position of co-operative funding," says Jerry Maglio, senior VP-marketing and programming for United Artists Cable. "Some just run one pay campaign after another, just to use the funding."

Richard Lyness is executive director of the Southern California Cable Television Marketing Council.

In contrast, says Mr. Maglio, the Southern California Cable Television Marketing Council "spends its own money to realize its own objectives, yet makes program suppliers comfortable with the overall campaign."

The Southern California council is spending $3.2 million on advertising this year, with its major focus on basic cable, says Richard Lyness, the council's executive director.

This oldest and largest cable co-op represents 65 of the 85 cable operators in a region that includes Los Angeles, Orange and Ventura counties and parts of Riverside and San Bernardino counties.

Aggressive advertising has contributed to a significant growth in a notoriously tough market. When the council did its first direct-response TV campaign two years ago, penetration lagged behind much of the country at 41%. After three TV campaigns, penetration increased to 50.4% as of January.

"In this market, we are faced with competition from 19 or 20 off-air stations," says Bill Cullen, senior VP-Southwest division of United Artists Cable systems. "Video stores are on every corner, renting videos for 99¢ to $1.50. Plus we are faced with a wide array of leisure activities that tend to take people away from their televisions. People in L.A. watch an hour and a half less of TV per day than people in the rest of the country."

About 40% of the co-op's $3.2 million 1990 ad budget will go to TV, with $500,000 committed to an April direct-response acquisition campaign, says Mr. Lyness. The 1990 plan represents a 28% increase over last year's budget, and includes two major acquisition campaigns and two campaigns on Spanish-language TV. Asher/Gould is the agency.

Mr. Lyness also plans to spend about $200,000 on a spring value-retention campaign with the message, "I'm glad we've got cable."

"It is our hope that we can move our acquisition efforts more in the direction of stressing the benefits and value of the total cable product, in particular, basic, and then look at a strong, well-organized upgrade to maximize pay acquisition and retention," says Mr. Lyness. □

Janice Steinberg is a San Diego-based free-lance writer.

A strong dose of quality control

By Edmond Rosenthal

SELLING-PAY: PRICE VS. IMAGE

HBO and Cinemax are fighting the price-promotion trap with a $38 million consumer ad campaign this year that will pitch programming over cost, says Dan Levinson, HBO's VP-advertising and promotion.

This is the first national campaign of its type, claims Steve Janas, VP-direct marketing at HBO, with an objective of showing the consumer the number of choices in both pay and basic cable.

The campaign and its tagline, "HBO is simply the best," attempts to convey the idea of high-quality programming, says Mr. Levinson.

The 21-week effort, by BBDO Worldwide, New York, is divided into three commercials promoting movies, sports exclusives and comedy. Advertising is running through December on the four broadcast networks—at a cost of $34 million—with basic cable accounting for the other $4 million.

Subscriptions tripled for HBO and Cinemax in the 1987-88 test markets, Mr. Levinson claims.

Still, price discounting is far

Mailings for HBO and Cinemax provide a heavy dose of fresh movies.

Toll-free trap

Catchy numbers still work wonders as lure

By Len Strazewski

SELLING TUNE-INS VS. SELLING SIGN-UPS

Cable executives are confronting the dilemma faced by any marketer with a successful ad campaign: Why stop?

The direct-response campaigns featuring catchy toll-free telephone numbers such as 1-800 CABLEME and 1-800-OKCABLE still produce thousands of calls.

Metro Cable Marketing Co-op, Teaneck, N.J., one of the oldest and most powerful cable advertising co-ops in the country, and the first to run regional advertising with a toll-free number, receives about 2,000 to 3,000 calls a day on its 1-800-OKCABLE telephone lines.

Since the early days, says Jim Higgins, Greater Media corporate director of marketing and a founder of MCMC, "We've learned that we need to do more than just sell cable subscriptions with discounts. We need to increase the value of cable in the eyes of our subscribers.

"As penetration increases," he says, "our marketing efforts must become more sophisticated."

Mr. Higgins would like to see a national toll-free number that can provide leads for regional co-ops and allow subscribers to reconnect—rather than cancel—when moving.

"As the co-ops have matured they are beginning to see the logic of expanding their advertising objectives," says Margaret Durburow, president of the Cable Television Administration & Marketing Society and the founder of a Los Angeles-area co-op.

"People in this [New York/New Jersey] ADI have learned the 1-800 number from the years of acquisition campaigns, and those spots continue to draw new subscriber phone calls even without a special offer," says Susan Styer, executive director of MCMC.

The co-op continues its acquisition campaigns during the April and October flights to attract new residents.

"We still include the 1-800 number in the image spots," Ms. Styer says. The image spots also help retention by cutting down on the traditional churn rate, she says.

"The co-op needs to balance both brand/image and acquisition advertising," says Randall Coleman, president of Twin Cities Cable Consortium and a VP at Continental Cablevision in St. Paul, Minn. "We need to convince people that cable is quality TV worth paying for, and the image advertising helps position cable as good TV," he says.

But new subscribers are still best attracted by the incentives inherent in the acquisition spots such as discounted installation or free trial periods of pay channels, he believes.

Robert Alter, president of the Cabletelevision Advertising Bureau, told a January co-op conference that promotion and image advertising were the hottest in-

Palm Springs gets wired

Top markets in cable penetration

		% of HH with cable	total cable HH
1	Palm Springs, Calif.	87%	59,100
2	Santa Barbara/Santa Maria/ SanLuis Obispo, Calif.	86	176,400
3	Laredo, Texas	84	30,400
4	Parkersburg, W.Va.	81	29,300
5	Cheyenne, Wyo./Scottsbluff, Neb.	80	35,400
6	Bluefield/Beckley/Oak Hill, W. Va.	79	119,400
	Elmira, N.Y.	79	66,400
	San Angelo, Texas	79	38,100
9	Hartford/New Haven, Conn.	78	703,300
10	Johnstown/Altoona, Pa.	77	217,300
	Odessa/Midland, Texas	77	110,800
	Eureka, Calif.	77	40,400
	Lafayette, Ind.	77	33,200
14	San Diego, Calif.	75	652,300
	Wilkes-Barre/Scranton, Pa.	75	368,200

Source: Arbitron Co.

from over yet. "Price offers increase the connect rate, but they also increase the back-end churn [disconnect] rate," says Nora Ryan, senior VP-marketing at Showtime.

Pay services lose about 50% of price-promotion sign-ups, says Ms. Ryan, but once the early droppers are lost, the remainder perform like other subscribers.

In the normal course of business, pay TV loses 5% of its subscribers each month, Ms. Ryan claims, "so we have to replace 60% of our subscriber base annually just to stay even."

Under this kind of pressure, the pay services are hard pressed to find a more effective means of generating activity than price promotion.

The subscription rate for pay services is at least 50% greater if some kind of price promotion is involved, says Mr. Janas.

"Right now, the industry is re-evaluating the price/value relationship," says Ms. Ryan. "Our campaigns in the future will be more directed to selling the value of the product. We'd like to get out of the discounting mode, but the No. 1 reason for refusal to subscribe is that the price is too high," she says.

To some extent, The Disney Channel has found an alternative to price promotions. The pay service has had some success with free weekend previews in which the cable operator sends the service to all cable subscribers on a clear channel.

Although this approach doesn't have the "buy now" incentive attached to it, says Tom Wzyalek, VP-consumer marketing for The Disney Channel, more than 75% of those who subscribe after a preview do so with the intent of staying on for six months or longer.

Those signed up in price promotions, he says, have a 50% to 60%—or lower—retention rate.

Pay services are increasing offers that make more sense to the serious subscriber.

"We've encouraged multi-month discounts, where the discount may be over a period of six months," says Mr. Wzyalek.

> "Price offers increase the connect rate, but they also increase the back-end churn."

Variations include three months at half price for HBO, Cinemax and Showtime, and a third month free at HBO and Cinemax. The latter, according to Mr. Janas, "gets the most qualified subscriber, but first-month-free always performs best in getting new subscribers."

Some of Showtime's recent major promotions have included non-cable offers such as free movie theater passes and free pizza. Domino's pizza, providing the pizzas in exchange for the publicity, also will promote both Showtime and The Movie Channel on 2.4 million boxtops, Ms. Ryan says. These promotions are usually in conjunction with a price incentive at the local level.

The need for hard statistical data is evident. Mr. Janas hopes to answer that need via the tracking of a promotion that started in January. The six-month study, with 30 cable systems participating, will compare churn rates of first-month-free offers with a range of installation offers.

"I'd be hard pressed to say we want to be in this business of discounting," says Mr. Janas. "In terms of building value for the product, you can run yourself into the ground eventually." □

dustry topics.

"The cable industry is starting to realize that cable is a product no different than Pepsi, Coke or McDonald's," says Mr. Coleman. "It has a brand image that needs to be developed and maintained."

The image spots for TCCC feature "slice of life" vignettes from various cable demographic groups such as children, seniors, young singles and young marrieds that show how cable programming relates to each group. The campaign includes the toll-free number and the tagline, "Cable Television at its best."

However, direct response and the consortium's 1-800-CABLE-TV toll-free number are still important aspects of the campaign, he says. The co-op is continuing its subscriber acquisition campaign.

In Los Angeles, the Southern California Cable Council will continue to emphasize subscriber acquisition and is projecting about 200,000 sign-ups from its 1990 effort, says Executive Director Richard Lyness. But the group also will include image advertising as part of its campaign.

Three cable co-ops in San Francisco, Detroit and Columbus, Ohio, with average $1.5 million media budgets per area, also will be image building with a 60-second spot featuring a variety of cable programming options related to various lifestyles and groups such as Nickelodeon and Discovery for children and Lifetime for women, says co-op manager Jim Cooper, exec VP at Tailford Associates in Toledo, Ohio.

"The toll-free number will still be featured in the spot, but the campaign is clearly more than a subscriber-acquisition special offer," he says.

Also planned is an acquisition campaign offering installation within 24 hours.

"It's important to keep the direct-response aspects featured," says Mr. Cooper, "because people tend to pick up the telephone and call when they see something they like." □

SHE'S A HOUSEHOLD NAME
IN OVER 3,700,000 HOMES.

Thanks, Barbara Mandrell, for delivering over 3.7 million households when you hosted TNN's All-Star Salute To Country Music. The two-hour special celebrating TNN's 7th anniversary attracted the largest combined gross audience in TNN history.*

And so, starting this spring TNN welcomes the popular family variety show, "Barbara Mandrell And The Mandrell Sisters," to our Saturday lineup at 9PM.

TNN
THE NASHVILLE NETWORK
The Heart of Country

*Nielsen FastTrak. "TNN's All-Star Salute To Country Music." Two telecasts: Wed. March 7, 1990 9-11PM, 4.3 HH Rating and Sat. March 17, 1990 9-11PM, 3.2 HH Rating in TNN Universe. March, 1990 TNN Universe Estimate at 49,345,000 Households.

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Cable tie-in gets spicier

Pizza Hut establishes presence through link

By Russell Shaw

SELLING PIZZA WITH CABLE

Pizza Hut is about to fill a large order.

Cable programmers and Pizza Hut view their joint marketing effort for this month's observance of National Cable Month as an opportunity to cross-pollinate their loyal constituencies.

The numbers both sides bring to the effort are substantial. Nielsen reports cable penetration as of February 1990 at 57.8% with 53.2 million households. Pizza Hut estimates it serves 50 million customers a month.

Still, no conclusive research exists on the percentage of cable subscribers among Pizza Hut customers.

"Yet we do know that our stores and cable development seem to match very well in specific areas," says Claude Caylor, senior director-field marketing and media services for Pizza Hut.

"There is a heavy concentration of Pizza Hut customers in cable homes," says Frances Laufer, VP-associate media director at BBDO Worldwide, Pizza Hut's New York-based agency.

Pizza Hut will spend more than $7 million in broadcast and cable TV and print advertising on the Cable Month campaign.

A 30-second spot that features a combination of product promotion and National Cable Month information with programming highlights is tagged "TV You Gotta See."

The spots will run on 24 advertiser-supported cable networks.

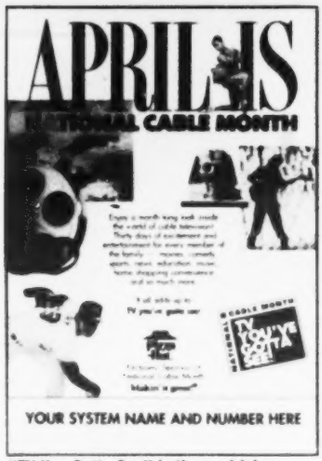
Pizza Hut will feature the National Cable Month schedule in free-standing inserts and on about 20 million placemats. Pizza Hut also will use bill stuffers with pizza discount coupons, focusing on Philadelphia, Atlanta, Albuquerque, N.M., and Rochester, N.Y.

In addition to the Pizza Hut tie-in for National Cable Month, cable operators and regional co-ops in about 80% of U.S. cable TV systems will spend an additional $20 million in promotional advertising.

Media for the campaign includes TV sections of local newspapers, outdoor boards, broadcast networks and local radio.

"More media, more lines, more copy, more advertising and all those tray covers mean we are going to be pretty broadly covered," says Margaret Durborow, president of the Cable Television Administration & Marketing Society.

On nights where pay networks are being highlighted, their signals will be unscrambled so basic viewers can sample the fare.



"TV You Gotta See" is theme driving "cable month" as Pizza Hut hopes viewers sample its fare while watching.

There is no solid research on whether this exposure alone generates new pay subscribers, but promoting pay has become essential as its subscriber levels fall. In 1989, 54.5% of U.S. cable households subscribed to one or more pay services, compared with 57.8% in 1988, according to Paul Kagan Associates.

"It [National Cable Month] is more likely going to drive connects through basic cable and pay will pick up a proportionate share of that," says McAadory Lipscomb, senior VP-corporate affairs and public relations for Showtime Networks.

Showtime's programming will be featured on April 21, including a pitch for two movies and a musical program, "Showtime Coast to Coast All Stars-Special."

The month's programming fare kicked off April 1 with "Night of the Living Gabors" on Nick at Nite/Nickelodeon.

Nickelodeon's involvement with the Pizza Hut National Cable Month promotion comes at the same time the network starts its own $20 million promotional deal with Pizza Hut. The deal calls for Pizza Hut to be a charter advertiser in *Nickelodeon* magazine, and sponsor Nickelodeon Studios at the Universal Studios theme park in Orlando.

"These are two separate deals, but the synergy is perfect, because National Cable Month occurs right around the time we are kicking off our own Pizza Hut tie-in for spring," says Richard Cronin, senior VP-marketing for Nickelodeon/Nick at Nite. "It gets more exposure to the cable industry, plus our audience and our potential audience are big pizza-eaters."

"On May 1, we want to be heroes and have the cable industry look at Pizza Hut as a real partner," Mr. Caylor says. □

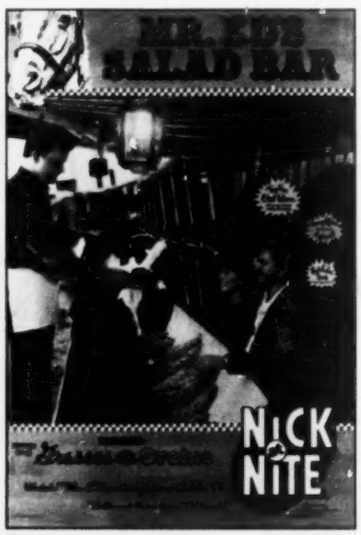
Russell Shaw is a free-lance writer based in Atlanta.

REVIEWING STAND

Cable leaders pick their favorite promotions

Getting audience involved is key

Advertising Age *asked cable promotion and marketing executives to name their favorite cable promotions other than their own.*



Nick at Nite builds on silliness for commuters to develop tune-ins.

Double Dare takes its frenetic game show on the road to 18 top markets.

CNN Newsroom got involved at the local level to head off resistance.

Rick Busciglio
VP-marketing
The Family Channel

"Nick at Nite's ads are generally lighthearted, and from what I've heard on the street, very successful. They may even be funnier than some of the programs.

"That can be a danger. How far do you go with the adjectives?"

Bo Loverlock
director-marketing and promotions
VH-1

"One goal is to bring promotion events off-channel to schools and malls. Nick at Nite is real successful with bringing the Double Dare Road Show to grammar schools. They're tangibly bringing the channel alive, bringing what they're trying to communicate on the air.

"Promotion is one of the fuels that powers the network."

Bonnie Johnson
manager-affiliate marketing
Nickelodeon

"CNN Newsroom is a good promotion just because it's working with schools and education. It boosts cable's image and brings cable into the classroom.

"In addition, Turner assists different schools to get TV sets so it can be viewed, and sends out a program to schools to tell teachers how to use the programming. I think it's really important because it answers more than that greedy need."

Michael Lerner
VP-marketing
The Weather Channel

"The Learning Channel has a nice little package with Converse. They've put together tele-clinics with Magic Johnson as the key spokesperson. That's really nice on-air promotion and something the affiliates can use."

Robin Fisher
director of promotion-Goodwill Games
Turner Broadcasting System

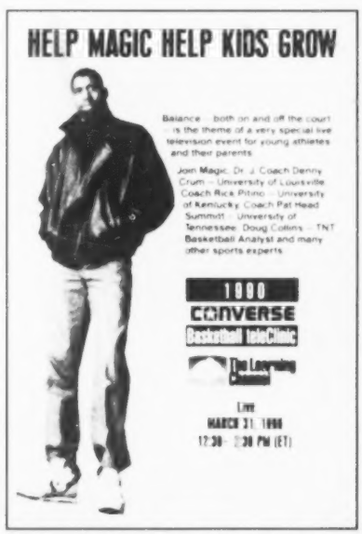
"My favorite promotion was the Corvette givaway on VH-1. That got so much press, and that's what it's all about."

Tom Lucas
VP-marketing
Financial News Network

"My favorite is the 'I want my MTV' updates. I know it works because I worked there then! It really got an audience animated about getting a new cable channel.

"I can't think of another campaign that ever generated as much awareness. It's advertising that strikes a resonant cord with the audience; people went wild."

—Steve Weinstein


HELP MAGIC HELP KIDS GROW
Balance – both on and off the court – is the theme of a very special live television event for young athletes and their parents.
Join Magic, Dr. J, Coach Denny Crum – University of Louisville, Coach Rick Pitino – University of Kentucky, Coach Pat Head Summitt – University of Tennessee, Doug Collins – TNT Basketball Analyst and many other sports experts.
1990
CONVERSE
Basketball Tele-Clinic
The Learning Channel
LIVE
MARCH 31, 1990
12:30 – 2:30 PM (ET)

The Learning Channel went to the experts for its hoops clinic.

Dreaming of a vintage Corvette? VH-1 gave a lucky viewer all 36.

"I want my MTV" helped put the channel on the cable map.

PEOPLE TO WATCH

Leslye Schaefer now needs more than one hand to count the cable services she has helped launch over the past 10 years.

Yesterday, she watched No. 6—Ha! TV Comedy Network—blast off.

As the VP-marketing and promotion for MTV Network's Ha! since February, Ms. Schaefer, 38, describes Ha!'s promotional opportunities as being "wide open."

A veteran of MTV Music Television, The Movie Channel, Nickelodeon, Nick at Nite and VH-1, whose promotional activity she still directs, Ms. Schaefer says, "What's really fun about launching a cable channel is establishing a need and proving that it's different. . . . We succeeded very well in differentiating VH-1 and proving there was a need for another . . . video music service.

"That exercise has prepared me pretty well for what needs to be done on Ha!, particularly vis-a-vis the competition and HBO [The Comedy Channel]."

The initial goal of Ha!'s launch has been to communicate to cable operators the network's image: familiar, friendly, relaxing and funny.

A print campaign placed in cable magazines and designed by agency Fred/Alan Inc., New York, directly positions Ha!'s long-form comedy format against HBO's short-form programming. The tagline is "TV comedy that works."

Similar print ad executions are aimed at the entertainment and advertising communities, and consumer campaigns are in the works.

Also, Ms. Schaefer has borrowed a proven pre-launch strategy from Turner Broadcasting System. Use the company's resources. "We've taken advantage of cross-channel opportunites by running spots over eight weeks on MTV, VH-1 and Nickelodeon to promote the fact that Ha! was coming," she says.

Although Ha! has a clearly defined niche, the demographic target audience is broad: the 12-to-54-year-old cable viewer.

Unlike the other MTV services, Ha! targets thematically, not demographically.

"It requires a different kind of thinking, so it's going to be a very interesting challenge. Someone who likes 'Saturday Night Live,' one of our programs, might not particularly care for 'Sergeant Bilko.'

"The important thing is to pick things that are important to your audience," she says.

The VH-1 Corvette Collection Sweepstakes last fall, for example, appealed to the channel's baby-boomer audience with the generation's automotive icon. During the eight-week promotion, more than 2.2 million entries flooded into the channel's office.

Doug Goodman

Leslye Schaefer

Ms. Schaefer attributes her success in the field to having "a passion for the products and so many talented and energetic people."

While creativity is important, she places equal emphasis on managerial skills. "I have a real team style, and I make people feel like they're making a contribution to something important."

"Her personality allows her to bring together a variety of constituencies—the entertainment, advertising and cable trades—who have different objectives," says Robert Friedman, president, Playboy Entertainment Co., and her former boss at MTV Networks. "That's an important quality," he says.

Ms. Schaefer says her ambition is to simply "progress."

But after a moment she reconsiders. "I guess that I do have a goal: I'd love to own a TV station . . . a radio station . . . a cable system."

—*Sally Fennell Robbins*

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For half of what it costs to reach affluent, educated men with news and sports, you can reach this highly desirable target on a very desirable network—A&E.

Given the rising cost of sports and the older, average-income profile of news, A&E is a logical alternative. A&E is not only more effective at reaching the right men, it's also more efficient than most news and sports programs. And unlike most networks, A&E's male audience is available seven days a week.

So if you've set your sights on upscale men make sure your plan includes A&E.

The Best Demographics in Television™

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CNN/Headline News

($ in millions)

	1990*	1989	1988
Gross advertising revenue	214.2	186.3	143.0
Programming expenses	165.0	152.0	117.0

*Estimated

Top shows for 1990	Cable HH	Rating
1. "Larry King"	1.3 mill.	2.3
2. "Style"	1.1 mill.	2.0
3. "The Big Story"	1.0 mill.	1.8
4. "Crossfire"	940,000	1.7
5. "Prime News"	830,000	1.5

New shows or specials scheduled for 1990: "The State of American Education"; "NewsAge"; "CNN News Quiz"; "Earthmatter—Environment Series"; "Focal Point."
Percentage of shows that are original programming: 100%

TNN (Group W Satellite Communications)

($ in millions)

	1990*	1989	1988
Gross advertising revenue	96.9	83.5	72.5
Programming expenses	76.0	66.0	55.0

*Estimated

Top shows for 1990	Cable HH	Rating
1. "Bass Masters"	658,000	1.5
2. "Bill Dance Outdoors"	658,000	1.5
3. "Nashville Now"	676,000	1.4
4. "Grand Ole Opry Live"	676,000	1.4
5. "In-Fisherman Angling Adventure"	624,000	1.4

New shows or specials scheduled for 1990: "Video Morning"; "Texas Connection"; "American Music Shop"; "NARA Today"; "Firestone Firehawk Endurance Championship"; "21st Annual Dove Awards"; "TNN Music City News Country Awards"; "Dinah Comes Home Again"; "Fairs & Festivals"; "Celebrities Offstage."
Percentage of shows that are original programming: 100%

ESPN

($ in millions)

	1990*	1989	1988
Gross advertising revenue	228.8	176.0	147.0
Programming expenses	208.0	155.0	140.0

*Estimated

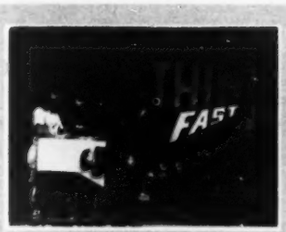
Top shows for 1990	Cable HH	Rating
1. NFL	5.2 mill.	10.2
2. CFA Football	1.9 mill.	3.4
3. College Hoops	1.2 mill.	2.1
4. "NFL Game Day"	1.4 mill.	2.6
5. "NFL Prime Time"	2.0 mill.	3.5
6. "Sports Center"	758,000	1.4

New shows or specials scheduled for 1990: Major League Baseball; "Baseball Tonight."
Percentage of shows that are original programming: More than 5,000 hours of original programming in 1990.

Top 10 networks: Why they're hot wired

From 'Bass Masters' to World Cup, cable's biggest hitters find the right mix to build audience, revenues

Sources: Cable TV households and ratings: cable networks; advertising revenues and programming expenses: Paul Kagan Associates



Nickelodeon

($ in millions)

	1990*	1989	1988
Gross advertising revenue	73.8	57.0	35.0
Programming expenses	54.0	42.5	33.0

*Estimated

Top shows for 1990	Cable HH	Rating
NA		

New shows or specials scheduled for 1990: "Nickelodeon News"; "SKB TV"; "Wild & Crazy Kids"; "Think Fast"; "Family Double Dare."
Percentage of shows that are original programming: 65%

USA Network

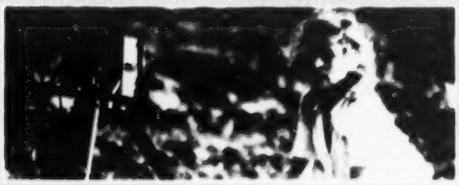
($ in millions)

	1990*	1989	1988
Gross advertising revenue	199.4	153.4	109.6
Programming expenses	149.0	121.0	84.0

*Estimated

Top shows for 1990	Cable HH	Rating
1. "Fire & Rain"	2.6 mill.	5.3
2. "Murder by Night"	2.5 mill.	5.2
3. "The Haunting of Sarah Hardy"	2.4 mill.	4.9
4. "USA Thursday Night Fights"	2.2 mill.	4.6
5. "Trapped"	2.2 mill.	4.6

New shows or specials scheduled for 1990: "Not a Penny More, Not a Penny Less"; "World Premiere Movies"; "Swamp Thing."
Percentage of shows that are original programming: 40%



TNT

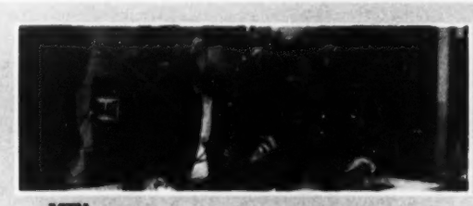
($ in millions)

	1990*	1989	1988
Gross advertising revenue	14.5	6.5	0.6
Programming expenses	118.0	58.0	10.0

*Estimated

Top shows for 1990	Cable HH	Rating
1. "How the Grinch Stole Christmas" (12/18)	NA	5.7
2. "NBA All Star Saturday"	NA	5.6
3. "How the Grinch Stole Christmas" (12/9)	NA	5.5
4. "Cold Sassy Tree"	NA	5.3
5. "Margaret Bourke-White"	NA	5.1

New shows or specials scheduled for 1990: "Cosmos"; "The Last Elephant"; "World Cup"; "The Lost Capone"; NBA playoffs.
Percentage of shows that are original programming: 10%



MTV

($ in millions)

	1990*	1989	1988
Gross advertising revenue	106.6	92.4	80.0
Programming expenses	65.0	56.0	42.5

*Estimated

Top shows for 1990	Cable HH	Rating
1. "Yo! MTV Raps"	NA	NA
2. "Just Say Julie"	NA	NA
3. "This Week in Rock"	NA	NA
4. "Remote Control"	NA	NA
5. "Club MTV"	NA	NA

New shows or specials scheduled for 1990: "Kevin Seal: Sporting Fool"; "BUZZ"; "The Ben Stiller Show"; "Colin Quinn's Manly World"; "Pirate TV."
Percentage of shows that are original programming: NA

TBS**

($ in millions)

	1990*	1989	1988
Gross advertising revenue	297.4	265.3	250.0
Programming expenses	132.0	121.0	105.0

*Estimated

Top shows for 1990	Cable HH	Rating
1. NBA playoffs—May 31	4.0 mill.	8.2
2. "Gone With the Wind"	4.1 mill.	8.0
3. NBA playoffs—May 23	3.8 mill.	7.6
4. NBA playoffs—May 16	2.8 mill.	5.7
5. NBA playoffs—May 19	2.7 mill.	5.6

New shows or specials scheduled for 1990: "National Geographic Explorer" segments; "Uncut Gem"; "Cousteau" specials.
Percentage of shows that are original programming: 20%
**Includes Atlanta station market revenue.

Lifetime

($ in millions)

	1990*	1989	1988
Gross advertising revenue	102.4	87.1	68.2
Programming expenses	62.0	48.0	42.0

*Estimated

Top shows for 1990	Cable HH	Rating
1. "Women of the Night"	719,000	1.6
2. "Saturday Movie"	665,000	1.5
3. "Diana: A Princess Story"	617,000	1.5
4. "Ask Me Anything"	656,000	1.4
5. "Against Her Will"	617,000	1.2

New shows or specials scheduled for 1990: "Rodeo Drive"; "Supermarket Sweep"; "Don't Divorce the Children"; "PRO-VOICE 1990"; "Quiet on the Set! Behind the Scenes at 'Molly Dodd.' "
Percentage of shows that are original programming: 43%

CBN/Family Channel

($ in millions)

	1990*	1989	1988
Gross advertising revenue	79.8	69.6	55.3
Programming expenses	36.0	31.0	25.0

*Estimated

Top shows for 1990	Cable HH	Rating
1. "Bonanza: The Lost Episodes"	1.1 mill.	2.6
2. "Gunsmoke"	976,000	2.2
3. "Bordertown" (original)	851,000	1.9
4. "Wagon Train"	786,000	1.8
5. "Rin Tin Tin K-9"	678,000	1.5

New shows or specials scheduled for 1990: "Zorro"; "Big Brother Jake"; "T & T"; "Inspector Gadget"; "Healthy Kids."
Percentage of shows that are original programming: 30%

A penny saved is a penny spent

By Scott Hume

CHICAGO—Consumers will change their shopping habits and brand preferences to take advantage of promotions, especially those that cut purchase prices or provide rebates.

That's one conclusion from a study on consumer attitudes toward sales promotion tactics, conducted for the Promotion Marketing Association of America by United Marketing Services.

Major findings from the study were presented last month at PMAA's "Update '90" conference.

The survey was conducted by phone in late 1989 among 500 people who said they were the primary shoppers in their household and who had participated in some type of sales promotion.

To make the group nationally projectable, 85% of participants were women. Of the total panel, most (39%) were 35 to 54; 30% were 18 to 34; 31% were 55 or older. In terms of household income, 33% were at less than $25,000; 36% reported $25,000 to $44,999; and 31% were greater than $45,000.

Manufacturers' coupons are the most popular of the four promotions studied, with 98% of respondents saying they had used at least one coupon on a purchase in the previous six months. Rebates were second (54% used them), followed by sweepstakes (26%) and premiums (17%).

Eight of 10 people surveyed (82%) said they regularly check newspaper ads for coupons, and nearly half (47%) said they also look for the other three types of promotional offers.

The survey found that in addition to being the most popular, coupons have the most influence on buying habits and brand switching.

Asked if they ever bought a new product they hadn't tried simply because of a promotional offer, 70% said they had done so because of a coupon offer. Premium offers had enticed 40% of respondents, while 20% had fallen for a sweepstakes offer and 38% had been lured by a rebate.

Coupons also proved to be the most compelling promotional lure for causing consumers to change brands within a product category. Almost three out of four respondents said a coupon had caused them to switch at least once in the previous six months. Half said a rebate had made them fickle, while 40% were enticed by a premium and 20% switched brands for a sweepstakes offer.

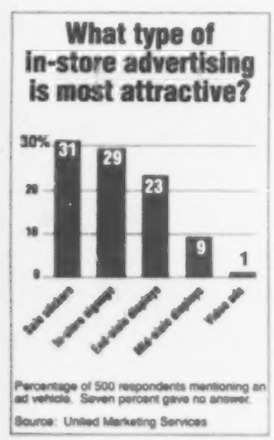
And which product categories are most vulnerable to brand switching because of an offer? More than 60% of respondents said batteries.

Brand loyalty also was weak for several other product categories. In coffee, personal appliances, shampoo and toothpaste, more than half said they are likely to switch brands because of promotional offers.

How much trouble will consumers go to for a promotion? That depends on the size of the potential reward, the study found.

For example, 56% of the consumers polled said they'd be willing to send in a single proof of purchase for a $1 rebate, and 38% said they'd go so far as to collect and send multiple proofs. For a $2 rebate the percentages rise to 70% and 52%, respectively. For $5, 86% would send a single proof and 76% would send multiples.

Consumers are less likely to spend extra time than extra money. Only 16% said they would travel an extra 10 minutes when shopping to take advantage of a $1 rebate; 5% said they'd go 20 minutes out of their way. But for a $5 rebate, more than half (58%) would spend an extra 10 minutes, 26% an extra 20 minutes. □



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Liquor industry takes another hit in volume

By John C. Maxwell Jr.

Liquor sales volume dropped an estimated 2.7% last year, and consumption is expected to continue falling as people remain health-conscious.

Despite the downturn, the results are still better than 1988, when sales dropped 6.1%.

In 1989, the total whiskey segment declined an estimated 4.1%, yet imported vodkas were up 18%, and tequilas rose an estimated 5%.

Overall, white spirits are expected to continue to outperform brown spirits in 1990.

The top 10 liquor brands (ranked by case volume) welcomed a new entry last year. Carillon Importers' Absolut vodka moved from No. 18 in 1988 to No. 10, advancing 38.9% and displacing Schenley Industries' Gordon's gin. Bacardi rum remained No. 1, holding its 5.1% share of the market despite a case volume decline of 1.8%. Jim Beam bourbon moved to fifth from sixth on a volume increase of 0.8%, and Seagram's gin moved to sixth from eighth on a unit gain of 2.8%.

There was one newcomer on the list of 34 brands estimated to have sold 1 million cases or more: Paddington Corp.'s Baileys Irish Cream holds the 34th position with 1 million cases.

Among liquor marketers, Seagram Co. continues to hold the top spot with a 14% share, though with a much narrower margin than in 1988, when it had 14.5%. No. 2 Heublein gained significantly with an estimated 13.8% share in 1989, up from 12.5% in 1988. Heublein got help from its acquisition of Christian Brothers' brandy and wines.

Bacardi Corp. (6.6% share) moved up to the No. 6 position on a 0.9% percentage-point gain, primarily due to the success of its Bacardi Breezers, a spirits cooler introduced in 1988. No. 11 Carillon was another big gainer last year, up to 2.2% from its earlier 1.5% share, due primarily to Absolut.

The industry will continue to face a number of challenging issues this year. A proposed tax increase in California to fund alcohol and drug rehabilitation programs would add $6.40 per gallon to alcoholic beverages. Since California is the nation's largest market for alcoholic beverages (on a state-by-state basis), its actions could be the start of a nationwide movement.

Other issues that will be widely discussed this year are proposals for limitations on alcoholic beverage advertising, the implementation of warning labels on alcoholic beverages and a federal excise tax. □

Mr. Maxwell is an analyst with Wheat, First Securities, Richmond, Va.

Top-selling liquor brands

Domestic depletions of brands selling more than 1 million cases. Units in thousands of 9-liter cases.

1989	1988	Brand	Company	1989*	Market share	1988	Market share	% chg
1	1	Bacardi	Bacardi Imports	8,000	5.1%	8,150	5.1%	(1.8)
2	2	Smirnoff	Heublein (IDV/GM)	7,823	5.0	7,815	4.9	0.1
3	3	7 Crown	Seagram Co.	4,380	2.8	4,440	2.8	(1.4)
4	4	Popov	Heublein (IDV/GM)	4,156	2.7	4,111	2.6	1.1
5	6	Jim Beam	Jim Beam Brands (AB)	3,715	2.4	3,685	2.3	0.8
6	8	Seagram's gin	Seagram Co.	3,700	2.4	3,600	2.2	2.8
7	5	Canadian Mist	Brown-Forman Corp.	3,610	2.3	3,754	2.3	(3.8)
8	7	Jack Daniel's	Brown-Forman Corp.	3,521	2.3	3,419	2.1	3.0
9	9	V.O.	Seagram Co.	2,500	1.6	2,500	1.6	—
10	18	Absolut	Carillon Importers (IDV/GM)	2,500	1.6	1,800	1.1	38.9
11	12	Canadian Club	Walker (HWI)	2,365	1.5	2,350	1.5	0.6
12	10	Gordon's gin	Schenley (G)	2,360	1.5	2,425	1.5	(2.7)
13	11	Dewar's	Schenley (G)	2,320	1.5	2,350	1.5	(1.3)
14	13	Gordon's vodka	Schenley (G)	2,271	1.5	2,205	1.4	3.0
15	17	Jose Cuervo	Heublein (IDV/GM)	2,064	1.3	1,830	1.1	12.8
16	14	Windsor Supreme	Jim Beam Brands (AB)	2,000	1.3	2,200	1.4	(9.1)
17	15	Black Velvet	Heublein (IDV/GM)	1,949	1.3	1,900	1.2	2.6
18	16	J&B Rare	Paddington (IDV/GM)	1,820	1.2	1,895	1.2	(4.0)
19	19	Kahlua	Walker (HWI)	1,760	1.1	1,750	1.1	0.6
20	20	Kamchatka	Jim Beam Brands (AB)	1,700	1.1	1,725	1.1	(1.4)
21	28	Crown Royal	Seagram Co.	1,450	0.9	1,330	0.8	9.0
22	22	Tanqueray	Schieffelin & Somerset	1,382	0.9	1,354	0.8	2.1
23	21	Ancient Age	Ancient Age	1,358	0.9	1,372	0.9	(1.0)
24	24	Gilbey's vodka	Jim Beam Brands (AB)	1,350	0.9	1,330	0.8	1.5
25	23	Early Times	Brown-Forman Corp.	1,344	0.9	1,321	0.8	1.7
26	25	Southern Comfort	Brown-Forman Corp.	1,327	0.9	1,305	0.8	1.7
27	27	Kessler	Seagram Co.	1,200	0.8	1,250	0.8	(4.0)
28	33	Lord Calvert	Seagram Co.	1,200	0.8	1,200	0.7	—
29	30	Skol	Glenmore Distillers	1,200	0.8	1,160	0.7	3.4
30	29	Johnnie Walker Red	Schieffelin & Somerset	1,166	0.7	1,210	0.8	(3.6)
31	26	Gilbey's gin	Jim Beam Brands (AB)	1,165	0.7	1,300	0.8	(10.4)
32	31	Beefeater	Buckingham Wile (AL)	1,100	0.7	1,130	0.7	(2.7)
33	34	Wolfschmidt	Seagram Co.	1,000	0.6	1,080	0.7	(7.4)
34	—	Bailey's Irish Cream	Paddington (IDV/GM)	1,000	0.6	975	0.6	2.6

*Estimated. Key to parent corporations: **(AB)** American Brands; **(IDV/GM)** IDV/Grand Metropolitan; **(HWI)** Hiram Walker Inc.; **(G)** Guinness; **(AL)** Allied Lyon. Source: John C. Maxwell Jr.

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Tequila—it's everywhere

Jose Cuervo effort shoots for margarita tie

By Patricia Winters

Jose Cuervo Especial tequila is moving to Margaritaville.

Beginning in May, Heublein's entire Jose Cuervo summer campaign is dedicated to the margarita—one of the top mixed drinks in the country. The company spends about $4 million annually on Cuervo.

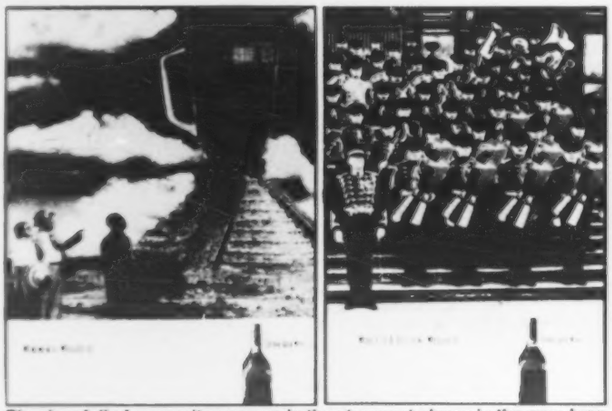
Heublein has even come up with its own margarita mneumonic, "Mo[illegible]mental margarita," that is used as a small type headline. The ads feature old b&w photographs in which electric blenders filled with bright gold Margaritas ubiquitously pop up in the strangest places.

In one ad, the blenders make their way atop an ancient ruin in Mexico. In another, blenders are the instruments in a brass band. The tagline is "Cuervo gold makes it."

"It's all part of the fun that blenders of margaritas pop up where you least expect them," said Steve Moss, Cuervo marketing director.

The campaign was created by Young & Rubicam, New York, which lost all of Heublein's estimated $15 million-to-$17 million account effective June 15 (AA, March 26).

A new agency hasn't been assigned yet, although Mr. Moss said the company intends to continue the "Monumental margarita" theme and plans several major promotions in the fourth quarter via Focus Marketing, Norwalk, Conn., Cuervo's sales promotion agency.



Blenders full of margaritas pop up in the strangest places in the new Jose Cuervo Especial tequila "Monumental margaritas" campaign.

While Heublein dropped its old tagline, "Ain't no mirage," the new campaign continues Cuervo's "irreverent, off-center personality," Mr. Moss said.

The new effort breaks in some 20 regional and national magazines, including *Esquire*, *GQ*, *Rolling Stone* and *Cosmopolitan*. Outdoor breaks the week of April 16 in select markets nationally.

By far the biggest use for tequila is as an ingredient in margaritas. Indeed, the drink's popularity has helped give acceptability to the bad-boy image of tequila.

The tequila market grew 3% to an estimated 4.3 million cases in 1989, making it one of just a handful of growing markets in the declining distilled spirits industry, reported *Market Watch*, a trade publication.

Even Mr. Moss conceded that not all margaritas are made with Cuervo. Still, as the market leader, increased Margarita consumption typically means increased Cuervo sales.

Cuervo case volume grew 11% to 1.8 million cases, and had a 42% market share. Domecq Importers' Sauza tequila followed with a 12.8% share, with 550,000 cases, representing a 10% increase from 1988, *Market Watch* reported. □

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Advertising Age

April 9, 1990

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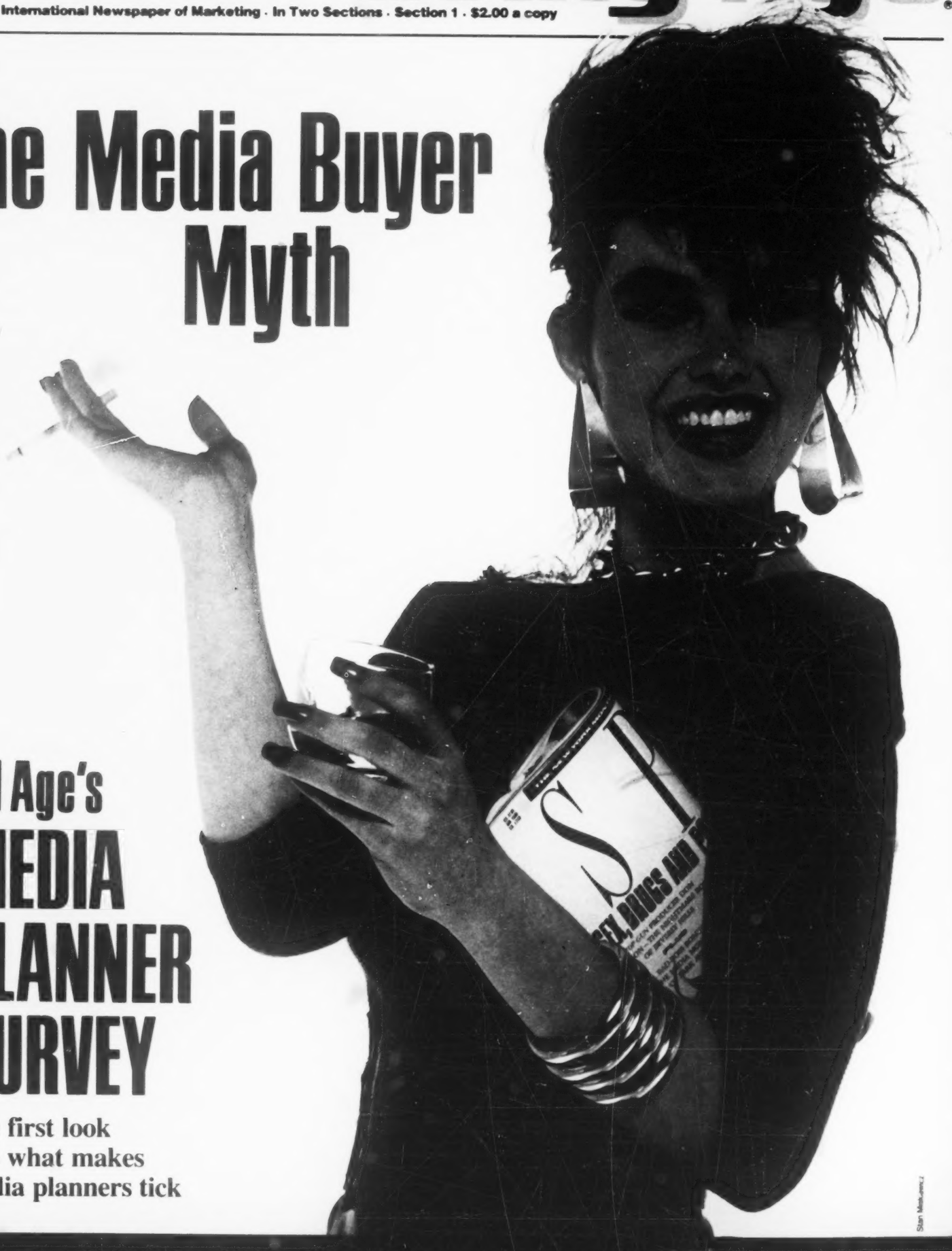


Ad Age's MEDIA PLANNER SURVEY

The first look into what makes media planners tick

Alcohol warnings favored

David E. Hiltz

U.S. Rep. Joe Kennedy (at podium) and Sen. Al Gore are sponsoring a bill that would require all alcohol product advertising to include one of five health warnings.

Consumers support bill: Poll

By Joseph M. Winski

Marketers of alcoholic beverages may not like it, but health warnings on ads for their products are an acceptable idea to consumers.

In a special *Advertising Age*-Gallup Organization poll, nearly three-quarters—73.5%—of the people questioned said they favor warnings on beer, wine and liquor advertising.

Only 12.8% said they oppose such warnings.

A significant number—42.2%—favor an outright ban on alcoholic beverage advertising.

Only about half—49%—are opposed to such a ban; the rest said they're not sure.

The nationwide poll was conducted April 5, when Gallup questioned a random sample of 823 adults by phone. The poll has a margin of error of plus or minus 3.5%.

GALLUP SURVEY

Support for health warnings was especially strong among women. Nearly eight in 10 (79.7%) of the 429 women surveyed said they favor them, including 30% who said they "strongly favor" them.

Fewer than 10% of the women said they oppose warnings.

Of the 394 men surveyed, 67% said they favor warnings, including 30% who said they strongly favor them. Sixteen percent expressed opposition.

Asked whether they favor or oppose a ban on all beer, wine and liquor advertising, 48% of the women said yes—including 26% who said they strongly favor the idea.

Among the men, 36% said they favor a ban, including 16% who expressed strong support.

The latest survey results seem to confirm those of an *Ad Age* poll on beer advertising.

(Continued on Page 64)

Industry leaders vow to battle bill

By Steven W. Colford

WASHINGTON—The advertising and alcoholic beverage industries are starting what could be a long, hard fight against moves to impose health warnings on product advertising.

Among other things, they're claiming the legislation would eliminate 15-second spots from the category.

And the category is huge. Total alcohol ad spending in 1989 was $1.04 billion, according to LNA/Arbitron Multi-Media Service, with beer accounting for $677.2 million, spirits $272.2 million, and wine, $90.9 million.

Opponents were roused to action after legislation was introduced April 4 by U.S. Sen. Al Gore (D., Tenn.) and Rep. Joe Kennedy (D., Mass.).

The Gore-Kennedy bill would require every print and broadcast alcohol ad to carry one of five rotated health warnings, ranging from "Surgeon general's warning: Drinking during pregnancy may cause mental retardation and other birth defects. Avoid alcohol during pregnancy" to "Warning: Alcohol may be hazardous if you are using any other drugs, such as over-the-counter, prescription or illicit drugs."

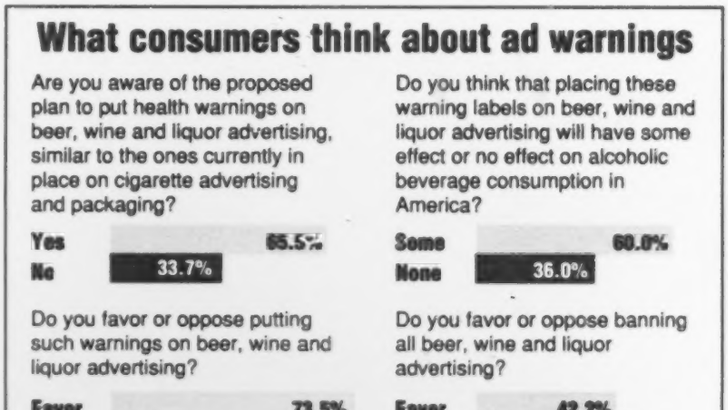
TV spots also would include voice-overs repeating the visual warning.

The biggest impact of the legislation would fall on broadcast advertising, ad and beer industry executives said.

"If you've got a 15-second ad and a 10- or 15-word warning, the only conclusion one

(Continued on Page 64)

What consumers think about ad warnings


Are you aware of the proposed plan to put health warnings on beer, wine and liquor advertising, similar to the ones currently in place on cigarette advertising and packaging?
Yes 65.5%
No 33.7%
Do you think that placing these warning labels on beer, wine and liquor advertising will have some effect or no effect on alcoholic beverage consumption in America?
Some 60.0%
None 36.0%
Do you favor or oppose putting such warnings on beer, wine and liquor advertising?
Favor 73.5%
Oppose 12.8%
Do you favor or oppose banning all beer, wine and liquor advertising?
Favor 42.2%
Oppose 49.0%
Source: The Gallup Organization
Ad Age graphic: Holly Seguine

Leo Burnett USA has created another "critter" character for Kellogg Co.

Kellogg puts $30M on kids

Cereal giant needs Bigg score on presweetened entry

By Julie Liesse

Kellogg Co. is betting $30 million on the kid appeal of an animated character with chicken feet, a wolf snout, moose antlers and a pig's tail.

It's an important bet, because the world's largest cereal marketer desperately needs a new-product hit after four lackluster, but expensive, introductions—including the highly touted Heartwise cereal.

Kellogg is now introducing Bigg Mixx, also the name of the product's spokesman.

Kellogg's first new presweetened cereal in 15 years, Bigg Mixx follows in a tradition of animated characters—Tony the Tiger, Snap, Crackle & Pop, Toucan Sam, and Dig'Em—all the creations of the Kellogg/Leo Burnett USA team.

Billed as "the legendary chicken/wolf/moose/pig of the Yakima Valley," Bigg Mixx will serve as spokesman on boxes and in ads for the new cereal.

The double-entendre of the Bigg Mixx name is found inside the box: flakes made from a mix of corn, oats, rice and wheat, and lightly sweetened with brown sugar and cinnamon.

Bigg Mixx may also be the first "healthy" cereal targeted to children. Kellogg said the product, which in addition to flakes contains whole rolled oats, is the first multigrain cereal developed for children, who account for more than one-third of all ready-to-eat cereal consumption.

"More and more, parents have been buying cereals that *they* like and feel are healthy for their chil-

(Continued on Page 66)

LAST MINUTE NEWS

Heileman, Y&R split

CHICAGO—Young & Rubicam resigned as G. Heileman Brewing Co.'s agency after the brewer announced plans to consolidate its estimated $20 million-plus account at one or two agencies. Y&R cited declining brand support. Heileman had invited its five roster agencies, plus Campbell-Mithun-Esty (agency for Corona beer) and perhaps one or two other non-roster shops, to participate in the review. Y&R had handled Old Style and Special Export beers. Other Heileman agencies are W.B. Doner & Co., Baltimore; Chiat/Day/Mojo, San Francisco; Della Femina, McNamee WCRS, Pittsburgh; and Borders, Perrin & Norrander, Portland, Ore. Bond Corp. Holdings, which bought Heileman in 1987, has had financial troubles and, under an agreement with its banks, in recent months has been paying interest, but not principal, on its acquisition loan. That agreement ends in June. Heileman officials said Friday they will have ad money for this summer and are negotiating with banks to recapitalize the loan.

Coke II ads start

ATLANTA—Coca-Cola Co. breaks TV and radio spots today for Coke II, which just began testing in Spokane, Wash., sources said. Coke II is a relaunch of new Coke with new packaging and new advertising by McCann-Erickson Worldwide, New York. The company

(Continued on Page 8)

INSIDE

Schering selections P. 3
Healthcare products unit consolidates agency roster.

Banking on shoppers P. 4
Banks battle for business with buyer protection guarantee programs.

Out of balance P. 16
J. Walter Thompson Co. and parent WPP's budget disagreements strain relations.

Infiniti revises ads, snubs nature theme

By Cleveland Horton

Just two months after it began featuring cars in its TV advertising, Nissan Motor Corp. USA's Infiniti division is hastily redesigning its campaign.

Executives at Infiniti agency Hill, Holliday, Connors, Cosmopulos, Marina del Rey, Calif., planned to work through the past weekend to edit a new effort scheduled to start airing April 15.

Infiniti marketing executives said the new work represents an evolution, rather than an abandonment, of the "car features" campaign that began in February. But there will be some marked differences.

The spots feature a new voice-over replacing the subdued tones of former Hill, Holliday copywriter Bill Heater; they also include music instead of long silences.

Perhaps the biggest change, however, is that they all but shun the previous emphasis on nature to focus on the cars.

"It's just an extension of what we're doing now," said David Hubbard, Infiniti's national advertising manager. "In fact, we're not really calling it a campaign. We're just building some new spots."

The spots replace commercials made up of vignettelike segments interspersing shots of nature scenes and Infiniti models. That effort represented the last Infiniti work created by Don Easdon, then exec VP-creative director. Mr. Easdon returned to the agency's Boston headquarters last month and subsequently resigned (AA, April 2).

Dan Mountain, the newly installed successor to Mr. Easdon, created the new spots *(see story on Page 46)*.

Mr. Easdon's final Infiniti campaign represented a "transition from nature to a more product-specific type of advertising," Mr. Hubbard said. "It's [the new ads] really nothing more than that."

He characterized the new work as "a bit more traditional in terms of beginning to tell a story"; voice-overs now will reinforce the visual element of the commercials.

> **"We know we're facing a tough market. It's turning around a little bit but not as fast as we'd like. It's time for us to roll up our sleeves and go to work."**

Like the campaign it replaces, the new ads will play up the performance qualities of the Q45 sedan and M30 coupe.

The change was prompted by the tightening market for luxury cars and Infiniti's ongoing research, Mr. Hubbard said.

"We know we're facing a tough market," he said. "It's turning around a little bit but not as fast as we'd like. It's time for us to roll up our sleeves and go to work."

Tracking studies indicate general awareness of the Infiniti division ranks so high "it's uncanny," Mr. Hubbard said, but prospective customers' familiarity with the individual models falls below acceptable levels.

The division faced the same disparity earlier this year when it accelerated its move out of the initial image-oriented "nature scenes" launch campaign to the product-specific ad phase.

Despite the changes, sales for the division are picking up. Infiniti reported March sales of 1,549, compared to 1,075 in February and 1,071 in January.

Infiniti's sales performance trails well behind Lexus, Toyota Motor Sales USA's upscale division that began selling cars last September, two months before Infiniti. Lexus in March sold 4,861 cars.

But Infiniti insists direct sales comparisons fail to take into account its corporate goal of customer satisfaction, not volume.

In fact, Nissan lacks the capacity to produce Infiniti cars to match Lexus' projected annual sales volume of 60,000 vehicles. Infiniti steadfastly refuses to announce its sales projections.

Will the division built on "rocks and trees" ever return to a nature-laden image campaign? Perhaps, though that's not likely to happen before the middle of next year.

"I think there's a feeling around here that we all would have liked to have stuck with the nature campaign, to do more with it," Mr. Hubbard said. "But when research comes in and it says you've got tremendous awareness out there but you've got a problem in the sense that nobody knows where your products fit in ... then you've got to adjust to meet that need. That's marketing. That's what it's all about." □

States lose ad round

By Jennifer Lawrence

State officials can't regulate airline ads, a federal appeals court panel has ruled.

The decision last week by a three-judge panel of the 5th U.S. Circuit Court of Appeals in New Orleans is a major setback for the state attorneys general.

Officials in California, Texas and New York said the ruling will probably be appealed to the Supreme Court. A separate but similar case is pending before the 2nd U.S. Circuit Court of Appeals in New York.

In the 5th Circuit case, those three states, Washington and Massachusetts had threatened to sue several airlines, including British Airways, Continental Airlines and Trans World Airlines, for not including certain footnoted surcharges in the prominently displayed advertised fares.

After the threat, the airlines sued Texas, contending the Federal Aviation Act pre-empted state regulation of ads relating to rates, routes and services. A total of 33 other states intervened in the case.

State officials maintain the footnoting practice is deceptive and violates state laws; the U.S. Department of Transportation permits footnoting.

"We believe it is clear ... that Congress intended to retain in the federal government exclusive authority over airline advertising of fares," the three-judge panel said. "It is not as though Congress had left a vacuum that the states needed to fill in order to protect citizens."

The judges concluded that federal law expressly pre-empts "state deceptive-advertising laws as applied to airline fare advertising."

"If you accept this broad a reading of the pre-emptive statute, states can never regulate airline advertising or practices. That's not what Congress meant," said Texas Assistant Attorney General Stephen Gardner.

"We're highly disappointed and don't agree with the court's analysis," said Al Shelden, California supervising deputy attorney general. "We think this kind of ruling presents great problems for a state's abilities to enforce its own deceptive-practices act against companies that operate in more than one state. This decision, if picked up and followed by other courts, could present great problems."

In fact, oral arguments are scheduled April 20 before the 2nd Circuit in a case involving New York state and Pan American World Airways. Pre-emption also is the focus of that case.

The airlines were bolstered by the 5th Circuit ruling.

"The decision of a federal circuit court opining that the federal government has expressly pre-empted anything relating to rates, routes and services is comprehensive and sweeping," said one airline attorney directly involved in the case. "This is the leading opinion on the subject."

"One would expect the federal court's ruling to be instructive" to the state courts, he said. "We're all one country here."

The National Association of Attorneys General in 1987 adopted national airfare ad guidelines. The states contended Reagan administration officials weren't doing enough to protect consumers.

However, "even under the Bush administration, the DOT is uninterested in protecting the rights of traveling consumers and is only interested in toadying to the demands of a relatively few airlines that choose to advertise deceptively," Mr. Gardner said.

State efforts to regulate national advertising in other areas, such as foods, automobiles, car rental services and environmental claims, are not directly affected by the 5th Circuit ruling. □

IN THIS ISSUE

NEWS

- **Playtex's** Joel Smilow has expansion plans for new acquisition 12
- **Renewed ad spending** will help frozen treats compete for kids' attention. 22
- **Gerber** overhauls strategy to include new products and more advertising. 26
- **Campbell-Mithun-Esty** hooks up with London-based sister agency KHBB to develop European growth. 52
- **BMW** introduces the 318is to compete with Japanese autos for first-time luxury car buyers. 60

VIEWPOINT

- Sid Bernstein: employee benefits' hidden impact 28
- European marketing 1992-style, in Forum 31
- James Brady frets about England 37
- Joe Winski finds trouble in Ford County 37

Editorials 28 | Letters 34
Brady's Bunch 31 | The Next Trend 37

SPECIAL SECTION Starts after Page 38

Media buying & planning

- Media buyers: Perception vs. reality.
- The Power Players behind the biggest buys.

INTERNATIONAL NEWS

- Hungarians elect pro-ad stance 40

- CBS exec proposes measurement revamp 42

MEDIAWORKS

- TV markets face a long, hot summer 44

PEOPLE

- Dan Mountain steers Hill, Holliday, Connors, Cosmopulos' Infiniti ad drive in a new direction 46

- People Moving 46
- Photo Review 48

AD REVIEW 48

- U.S. Department of Transportation's new seat-belt campaign crashes in an attempt to add humor to injury and death.

OTHER DEPARTMENTS

U.S. NewsWatch 10 | Classified 57
Corrections & Clarifications 34 | For the Record 61
Index to Advertisers 68

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Advertising Age

Survey sheds new light on media practices

A hard look at how buyers work, fuel marketing system

Perception: Buyers are loose cannons

Reality: Loose cannons get fired

Media planners are supervised less today than they were five years ago:

• Media sellers	
Agree Absolutely	26.9%
Agree	46.2%
Neutral	15.4%
Disagree	11.5%
Disagree Absolutely	0.0%

We spend more time supervising planners than we did five years ago:

• Media directors	
Agree Absolutely	9.8%
Agree	33.3%
Neutral	27.5%
Disagree	27.5%
Disagree Absolutely	2.0%

Media planners are supervised closely by senior media department executives:

• Media buyers and planners	
Agree Absolutely	17.7%
Agree	38.5%
Neutral	17.7%
Disagree	21.9%
Disagree Absolutely	4.2%

Media plans are rarely revised by senior media executives:

• Media sellers	
Agree Absolutely	0.0%
Agree	30.8%
Neutral	26.9%
Disagree	42.3%
Disagree Absolutely	0.0%

We regularly amend media plans in the review process:

• Media directors	
Agree Absolutely	33.3%
Agree	56.9%
Neutral	2.0%
Disagree	7.8%
Disagree Absolutely	0.0%

Media plans are regularly amended in the review process:

• Media buyers and planners	
Agree Absolutely	35.4%
Agree	42.7%
Neutral	13.5%
Disagree	8.3%
Disagree Absolutely	0.0%

Media planners' primary source of training is on the job:

• Media sellers	
Agree Absolutely	42.3%
Agree	42.3%

'Meddling' in creative more welcome

Increasingly active media groups are creating a new harmony within agency structure

By Gary Levin

CROSSING THE LINE ••••

There's a creative revolution taking root in ad agencies today. The thing is, it isn't necessarily coming from creatives.

More and more creative directors are turning to media departments to make their best ideas work harder.

Important in some cases, media people are even initiating ideas for new campaigns.

"There's an increasing amount of fraternization and discussion with creatives," says Richard Kostyra, exec VP-U.S. director of media services at J. Walter Thompson Co. "The idea is to exploit to the maximum program-type positioning or magazine placement. It's becoming a more competitive market and it's harder to stand out."

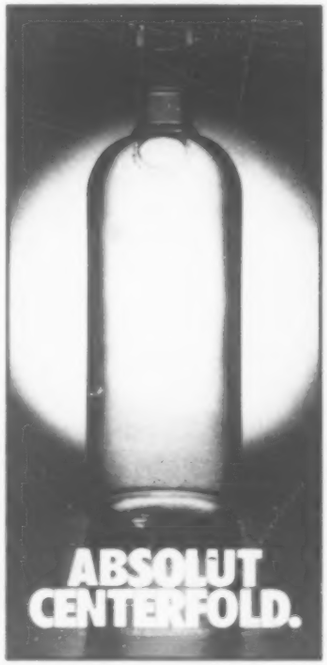
Media planning is no longer an after-the-fact complement to a new campaign.

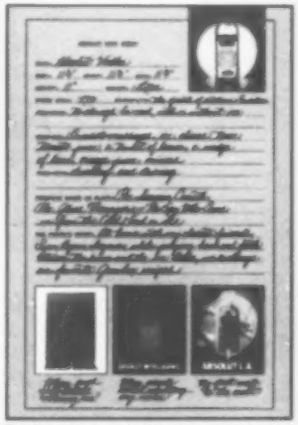
Media executives say they're working more closely than ever with creatives to allow media selection to help shape the creative process, often before a single ad is written. They say account planning and the increasing push for breakthrough advertising are the major forces behind the new harmony.

Single-sponsor magazine issues and "bookend" split-30s wrapped around other TV spots are merely the start of the trend toward media-creative collaboration.

Among the more noteworthy campaigns based on tight media-creative partnerships is the one for Carillon Importers' Absolut vodka.

Carillon and TBWA, its New York agency, meet with a slew of magazines once each year to set big-selling Absolut's annual media schedule, which consists of up to 100 magazines.





For its ad to run in *Playboy*, Carillon Importers ran an "Absolut Centerfold," complete with its ambitions: "To always be cool, with or without ice."

After that process is completed, the agency's creative department is charged with creating several media-specific ads to run, for example, in business publications or theater playbills or *Playboy*. An "Absolut Bravo" ad in playbills has roses adorning the clear bottle, while business magazines trumpet a *Mad*-magazine style "Absolut Merger" foldout.

Sometimes, however, creatives will develop an ad for a magazine not even on the schedule, as was the case with *Playboy*'s "Absolut Centerfold" ad, which portrayed its playmate bottle ("11-inch bust, 11-inch waist and 11-inch hips").

The process doesn't require a major reorientation of TBWA's media department, but it has had an impact on the agency.

"What Carillon has done for us is give us a more open mind and put more demand on all departments to be creative in their ideas than might be the case otherwise," says Richard Costello, TBWA's president and chief operating officer.

Among regional campaigns, DDB Needham Worldwide's work for the New York state lottery pinpointed subway stations, phone kiosks and other media targets—often located near lottery sales agents—and then developed specific ads to run in each along with a more general campaign.

In that series, themed "All you need is a dollar and a dream," real

(Continued on Page S-8)

Survey quirks and conundrums

Advertising Age sent three separate survey forms to a geographically dispersed sample of media representatives, agency media directors and agency media buyers/media planners.

Of the 179 total respondents, 54.2% carry the title of media buyer/media planner, 30.7% are media directors, 15.1% are media representatives such as top executives at multi-media companies, magazines, newspapers, broadcast and cable TV networks or radio companies.

The universe of those carrying the media buyer/media planner title includes a random sample of all U.S. agencies, including both large and small shops.

Although those persons carrying the title of media buyer received the survey because agency media department

media planner moniker was used throughout the survey questionnaire for continuity.

The media director list comprised a geographically-dispersed sample of top executives in media departments at medium to large agencies. The discrepancy in agency sizes may help explain slight inconsistencies in reporting such elements as the number of supervisors overseeing media planning and salary levels.

For example, media buyers/media planners report that their work is reviewed by 1.3 supervisors on average. Media directors, however, report an average of 10 media buyers/planners on their staffs with five reviewing supervisors, leading to an average of two reviewing supervisors per buyer/planner.

from sampled media directors working with larger media departments than responding buyers/planners.

In terms of salary levels, 15.8% of buyers/planners reported their starting salaries were less than $13,000, while no media director reported a starting salary at that level in their department. Current average salaries of media buyers/planners also skewed higher in media directors' reports than those received from buyers/planners.

The total survey sample of 179 is indicative of media department structure and trends, but must be considered too small to statistically represent the entire industry. It is, however, a good barometer of prevailing opinion on the subject of media buying and planning.

Additionally, some charts may not total 100% because of rounding of fig-

(Continued from Page S-4)

Neutral: 7.7%
Disagree: 7.7%
Disagree Absolutely: 0.0%

• Media buyers and planners
Agree Absolutely: 59.4%
Agree: 37.5%
Neutral: 3.1%
Disagree: 0.0%
Disagree Absolutely: 0.0%

• Media directors
Agree Absolutely: 21.6%
Agree: 68.6%
Neutral: 5.9%
Disagree: 3.9%
Disagree Absolutely: 0.0%

(Continued on Page S-12)

Creative

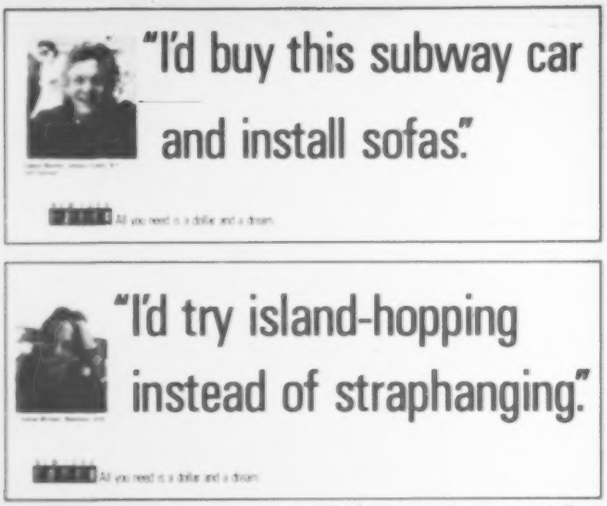
(Continued from Page S-4)

and fictional lottery buyers are asked what they'd do with their potential winnings; one man says he'd "trade in this subway car for a chauffeured limousine."

"We have taken the attitude that we try to identify media apertures before we initiate the creative development," says Peter Tate, exec VP at DDB Needham's New York office.

After developing a list of TV programs appealing to working women, the agency decided what spot TV placements would yield the best response for Campbell Soup Co.'s Mrs. Paul's seafood when the target audience is deciding what to do for dinner.

"We went down and presented


"I'd buy this subway car and install sofas."
All you need is a dollar and a dream.
"I'd try island-hopping instead of straphanging."
All you need is a dollar and a dream.

After locating media targets near New York state lottery agents, DDB Needham tailored media taglines to the place: "I'd try island-hopping instead of straphanging."

the media plan before any creative was written," says Page Thompson, exec VP-media director.

Closer cooperation between creative and media people takes many forms. At some agencies, physical proximity and inclusion in creative strategy sessions gives media people the opportunity to offer constructive suggestions.

"I think because of the way we're situated...where we've got people mixed on every different floor...there's more access," says Patrick Cunningham, exec VP-chief creative officer at N W Ayer.

DDB Needham has created a "personal media network," which aids creative planning by developing a list of choices made by the loyal user of a particular brand before campaigns are developed.

"For every one of our products, we are writing a personal media plan for the core target audience," says Mike White, senior VP-media director at DDB Needham's Chicago office.

Still others use no new-fangled labels or physical structures, but old-fashioned techniques like the telephone.

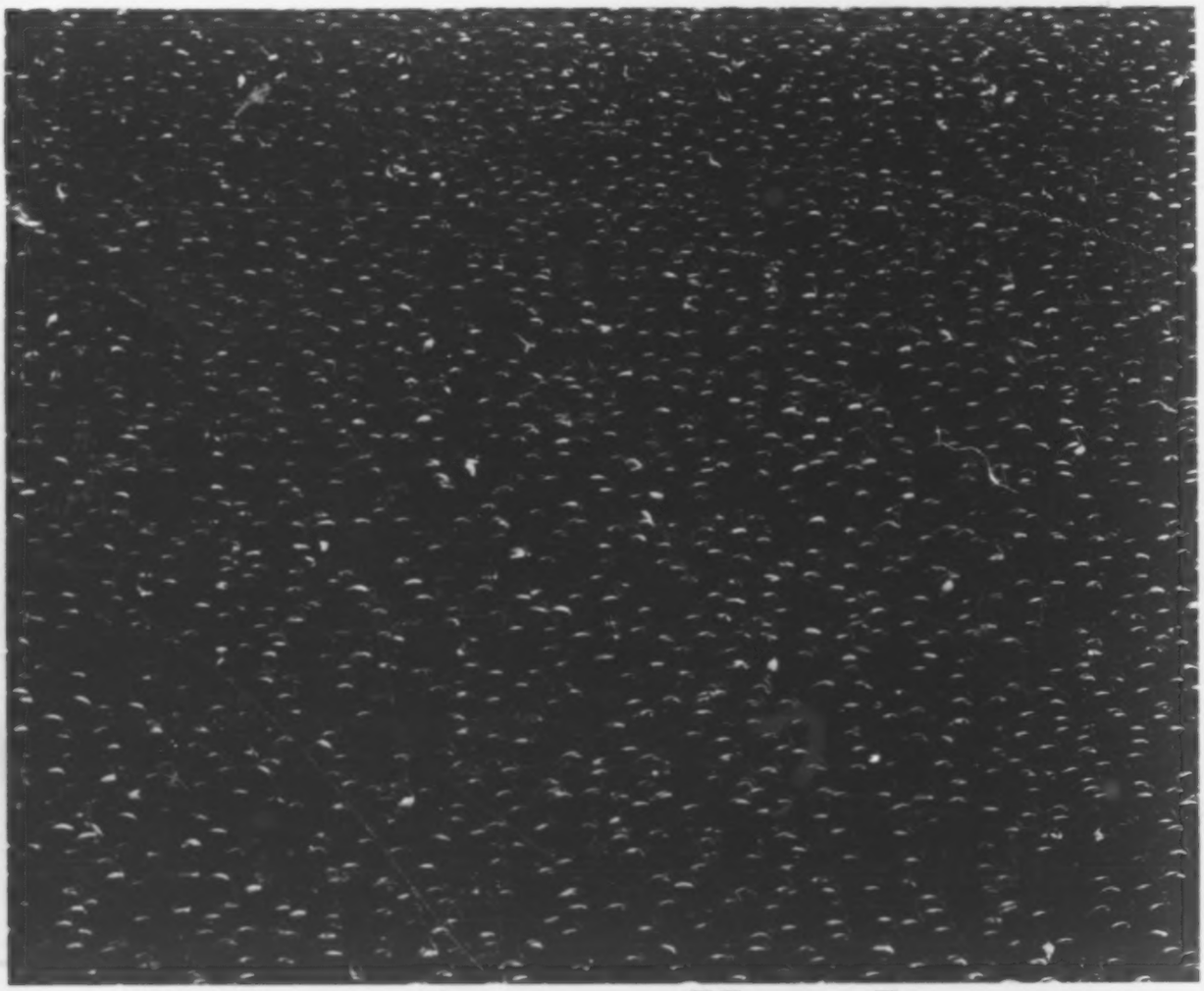
"It effectively requires the media person to call the creative person and say, 'What are you thinking of?'" says Mr. Kostyra. "It often can be done through the account group in terms of [account execs] giving us leads."

Media executives also can help extend the life of a campaign by expanding its reach.

For Colgate-Palmolive Co., FCB/Leber Katz Partners, New York, created a poster showing three identical rowhouses. A spotless house between two dirty ones is captioned, "Ajax was here." The ad, originally used on Actmedia shopping carts, has since been transformed into a TV campaign and more recently, into outdoor and transit advertising.

"Sometimes creatives will have a great idea, and they'll seek the help of the media department to find an avenue [to run] the ad," says Ted Littleford, senior exec VP-executive creative director at the agency.

Still other creatives simply seek complementary media placements for spots they've already created for general usage. "When Wrigley Field turned its lights on for the first time, we arranged to have our nighttime baseball spot for [General Electric] running in the first pod of the first spots," says Phil Dusenberry, ceo of BBDO Worldwide's New York office. □



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*Source: Nielsen Universe Estimates, March 1990.

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(Continued from Page S-8)

Does your agency have a formal training program for media planners?

- **Media directors**
  - Yes: 61.8%
  - No: 38.2%
- **Media buyers and planners**
  - Yes: 19.6%
  - No: 80.4%

Here's where media sellers start to show their real opinions about buyers and planners.

Only 11.5% think you're being watched more closely now than your colleagues of five years ago.

But in one of those crazy inconsistencies, most media sellers think your work is revised regularly, a statement both you and your supervisors agree with wholeheartedly.

In fact, 43.1% of your bosses say you are being supervised more closely, and 56.2% of your colleagues say close supervision is a fact of your job life.

Another thing on which all of you agree: Media planning and buying is a learn-as-you-go process, indicating tenure in the job is a big factor in determining your expertise.

Training would help, but only 19.6% of you say you were offered any. However, 80.4% of media directors say they offer training, a response most likely skewed by the large percentage of surveyed directors in big shops.

Perception: The buy can be bought **Reality:** Bite your tongue

It is easy to sway media planners' decisions:

- **Media sellers**
  - Agree Absolutely: 3.9%
  - Agree: 7.7%
  - Neutral: 23.1%
  - Disagree: 65.4%
  - Disagree Absolutely: 0.0%

I agree with claims that media planners are greatly influenced by perquisites:

- **Media sellers**
  - Agree Absolutely: 3.9%
  - Agree: 61.5%
  - Neutral: 26.9%
  - Disagree: 7.7%
  - Disagree Absolutely: 0.0%
- **Media buyers and planners**
  - Agree Absolutely: 4.2%
  - Agree: 14.6%
  - Neutral: 33.3%
  - Disagree: 25.0%
  - Disagree Absolutely: 22.9%
- **Media directors**
  - Agree Absolutely: 3.9%
  - Agree: 2.0%
  - Neutral: 13.7%
  - Disagree: 43.1%
  - Disagree Absolutely: 37.3%

We got your dander up with this question.

In another switch, media sellers say media buyers and planners are not an easy group to sway, yet are greatly influenced by perquisites. In fact, only 7.7% say perks don't play a role in media buying. So you can't be swayed, but you can be bought.

Not so, media buyers and planners insist–at least most of you.

According to the survey, almost one out of five media buyers' and planners' heads can be turned by a cruise on Forbes' Highlander yacht. Yet almost half report perks never enter the picture.

Characteristic of the many comments received on the subject is the following from a media planner at a major Chicago agency: "One of the most misleading perceptions of the media planner is that we are influenced by extra gifts from sales reps. I can personally say that my choices are not influenced by these extras, and I know many who feel the same.

"We're trying to help sell product, and regardless of the courting, if a certain medium does not fit into an advertising plan, we'll choose one that does," she says.

Your boss loves you. Media directors hate this stereotype of the power of the perk. Only 5.9% say perks factor into buying and planning decisions.

Perception: They pick media they like **Reality:** Nah! No way!...Well, maybe TV

Media planners tend to recommend media they personally use:

- **Media sellers**
  - Agree Absolutely: 23.1%
  - Agree: 53.9%
  - Neutral: 15.4%
  - Disagree: 7.7%
  - Disagree Absolutely: 0.0%

(Continued on Page S-17)

Spot TV Power Players

Before any media plan ever makes it to fruition, chances are two to 20 media-philes have given it their 2¢.

For agencies whose media departments comprise hundreds of people from the assistant junior buyer level to senior exec VPs with titles longer than their ABC printouts, those pennies can really add up.

To find out where the buck finally stops, *Advertising Age* went in search of the country's Media Power Players—those executives who plan the strategies or control the budgets on some of the largest media assignments.

We focused on the executives responsible for media budgeting and planning decisions on the top-selling brands and companies as listed by LNA/Arbitron Multi-Media Services. Media spending figures also were culled from these lists.

With numbers in hand, Alicia Lasek and Ken Wylie contacted the brands' parent companies, ad agencies or media buying services to determine just who is ultimately responsible for media budgeting and planning.

Those individuals were chosen *Advertising Age* Media Power Players.

Gerri Donini
senior VP-mgr/broadcast purchasing
Young & Rubicam, New York

Account: Kentucky Fried Chicken.

Spot TV spending: Jan.-Sept. 1989: $35.1 million; Jan.-Sept. 1988: $28.3 million.

On spending increases: "Television budgets will stay flat for 1990, partly because of the economy, and I believe costs will go down. I don't know if they can keep these rates up where they are."

On managing a big budget: "The size of the budget allows for a lot of creativity. We're more able to do special things in sports, like being part of 'Monday Night Football' and the NCAA."

First media job: Started at BBDO Worldwide, New York.

Lisa Wegmann
broadcast supervisor-Los Angeles media buyer
Chiat/Day/Mojo, Venice, Calif.

Account: Nissan Motor Corp. USA, passenger cars and light trucks.

Spot TV spending: Jan.-Sept. 1989: $34.7 million; Jan.-Sept. 1988: $31.8 million.

On managing a big budget: "It does help that I have some clout. L.A.'s always sold out ... it's definitely a seller's market. I can't just go in and say, 'I'm Lisa Wegmann, I want to place some ads.' When we really need a favor for Nissan, they know how much we spend, and they'll give it to us. People say, 'Chiat/Day, we've gotta play.' "

Stuart Shlossman
senior VP-associate director of national broadcast
BBDO Worldwide, New York

Account: PepsiCo's Pepsi-Cola.

Spot TV spending: Jan.-Sept. 1989: $26.7 million; Jan.-Sept. 1988: $29.2 million.

On spending levels: "The size of the soft-drink business has been increasing tremendously, and diet drinks have grown in sales, so the category is very competitive.

"The Coke-Pepsi nature of the business makes it very exciting or very painful if you're on the losing end, which we're not usually as media buyers."

On managing a big budget: "The size of a budget does not have a direct correlation with creativity —but more so with the nature of the account. With Pepsi, the progressiveness of their media department is why they are what they are."

On business trends: "At McCann-Erickson, [where I worked previously,] I had the total budget for the AT&T account. It was exciting during the break-up of the Bell system, but not necessarily innovative. It was simply managing an account that kept getting bigger on a daily basis."

First media job: Assistant media planner at SSC&B, New York.

Claude Cayler
senior director of field marketing and media supervisor
Pizza Hut, Wichita, Kan.

Account: Pizza Hut.

Spot TV spending: Jan.-Sept. 1989: $41.7 million; Jan.-Sept. 1988: $42.8 million.

On managing a big budget: "In previous lives, I've bought for smaller and larger clients, and it depends on the negotiator whether [business is] good or not.

"I look at each spot opportunity that we have as a direct-response opportunity for us."

Al Orlick
senior VP-associate media director
Ogilvy & Mather, New York

Account: Hardee's Food Systems.

Spot TV spending: Jan.-Sept. 1989: $29.3 million; Jan.-Sept. 1988: $30.0 million.

On managing a big budget: "Working with Hardee's is a collaborative effort, and that includes media decisions. We work together on a team premise.

"They encourage us to seek out the innovative. So it's not a question of 'power'—who has the power—but getting the best for the client and how we do that.

"Some companies have no media department, but Hardee's does. They're savvy about media. And the more a client knows about media, the better for us."

First media job: Mr. Orlick entered the advertising business more than 20 years ago at Ogilvy & Mather, where he worked with clients such as Lever Bros., Pepperidge Farm and Hershey chocolate.

Advertising Age Power Players are those people identified as having the responsibility for media budgeting and planning decisions on the top-spending brands in each of the nine media measured by LNA/Arbitron Multi-Media Services. Names were provided by the client or its agency. Interviews were conducted by Alicia Lasek and Ken Wylie.

Note: Some power players appear in more than one category.

Network TV Power Players

Chuck Fruit
VP-corporate media & sports
Anheuser-Busch

Account: Budweiser, Michelob Dry

Network TV spending Jan.-Sept. 1989 vs. Jan.-Sept. 1988: Budweiser—$33.8 million vs. $50.8 million; Michelob Dry (first year)—$31.5 million.

On spending levels: "Any spending increases in 1989 can be attributed to the introduction of Michelob Dry beer. Other than that, spending in '88 and '89 was basically the same, recognizing that '88 was an Olympic year."

On managing a big budget: "Even though Anheuser-Busch has a big ad budget overall, there are still areas we're not so big. But in most sports areas, we are.

"I get a chance to work with so many stations, clubs and networks. I get a broader perspective that allows me to compare one organization with another. Also, an opportunity to work with so many great people in sports media and management."

First media job: "I started in 1970 with Gardner Advertising in St. Louis—just out of college. On my first day, my assignment was a project with Cardinal Baseball Radio Marketing. Twenty years later, I'm still doing the same thing."

Gerri Donini
senior VP-mgr., broadcast purchasing
Young & Rubicam, New York

Account: Kentucky Fried Chicken

Network TV spending: Jan.-Sept. 1989: $48.9 million; Jan.-Sept. 1988: $42.8 million.

On spending increases: "Television budgets will stay flat for 1990, partly because of the economy, and I believe costs will go down. I don't know if they can keep these rates up where they are."

On managing a big budget: "The size of the budget allows for a lot of creativity. We're more able to do special things in sports, like being part of 'Monday Night Football' and the NCAA."

First media job: Started at BBDO Worldwide, New York.

Charlie Rutman
senior VP-corporate media director
Backer Spielvogel Bates Worldwide, New York

Account: Wendy's restaurants, Wendy's International

Network TV spending: Jan.-Sept. 1989: $34.4 million; Jan.-Sept. 1988: $36.7 million.

On spending decreases: "[Wendy's] makes small swings in spending from year to year in variations of syndication and cable with network."

On managing a big budget: "I can't believe that the size of the budget is a decisive factor in being creative, motivated, aggressive, conservative.

"A smaller client can be just as innovative as a big one. So what it comes down to is the question: Is the client willing to seek out opportunities?

"Our clients encourage innovation and risk-taking.

"Money, of course, does open up more choices, adds to our options, giving us more alternatives.

"This is exciting. But I don't find budgets intimidating."

First media job: Started in advertising at McCaffrey & Ratner, New York, in the media and research department.

David Robertson
advertising director-consumer communications services
AT&T Co., Basking Ridge, N.J.

Account: AT&T long-distance business lines.

Network TV spending: Jan.-Sept. 1989: $48.0 million; Jan.-Sept. 1988: $24.3 million.

On spending increases: "AT&T is offering a variety of new products and services, so our goal is to make customers more aware of their options.

"We've put more into television and media in general so the public can make more informed choices. There are more people out there saying more things to customers—there's more information they have to sort through.

"We're trying to help complete a customer's snapshot of the industry."

On industry trends: "The media and the message itself must be in sync. There has to be a sympatico between advertising and programming—you have to be relevant, and that drives you into more particular kinds of vehicles.

"As media becomes de-massified with new syndication in television and different lifestyle publications in print, you may not have the kind of reach you once had."

First media job: At Michael Davis Shipping Co., Los Angeles.

Richard Ross
director of marketing
General Motors Corp.'s Oldsmobile division, Lansing, Mich.

Account: Oldsmobile Cutlass automobiles

Network TV spending: Jan.-Sept. 1989: $30.8 million; Jan.-Sept. 1988: $32.0 million.

Why he buys network TV: "With input from Burnett's media staff, we look at each task, such as a new-product launch, and consider it separately. For mass awareness, we use network TV.

"We want to know what kind of flight levels. We use the calendar to set the time for flights to reach some pretty well-defined targets. The agency media people come back to us with launches for network, cable and syndicated TV. They come up with a plan for dayparts, sport, nightly news."

First advertising job: Started as a clerk in GM's advertising department. □

Advertising Age *Power Players are those people identified as having the responsibility for media budgeting and planning decisions on the top-spending brands in each of the nine media measured by LNA/Arbitron Multi-Media Services. Names were provided by the client or its agency. Interviews were conducted by Alicia Lasek and Ken Wylie.*

(Continued from Page S-12)

• Media buyers and planners
Agree Absolutely: 2.1%
Agree: 10.4%
Neutral: 19.8%
Disagree: 49.0%
Disagree Absolutely: 18.6%

• Media directors
Agree Absolutely: 0.0%
Agree: 7.8%
Neutral: 27.5%
Disagree: 49.0%
Disagree Absolutely: 15.9%

Media planners are more responsive to trend oriented media than senior media executives:

• Media sellers
Agree Absolutely: 23.1%
Agree: 38.5%
Neutral: 23.1%
Disagree: 15.4%
Disagree Absolutely: 0.0%

• Media buyers and planners
Agree Absolutely: 4.2%
Agree: 38.5%
Neutral: 28.1%
Disagree: 26.0%
Disagree Absolutely: 3.1%

• Media directors
Agree Absolutely: 0.0%
Agree: 35.3%
Neutral: 21.6%
Disagree: 37.3%
Disagree Absolutely: 5.9%

Senior media people are very familiar with media recommended by planners:

• Media sellers
Agree Absolutely: 7.7%
Agree: 26.9%
Neutral: 26.9%
Disagree: 26.9%
Disagree Absolutely: 11.5%

• Media buyers and planners
Agree Absolutely: 22.9%
Agree: 46.9%
Neutral: 16.7%
Disagree: 11.5%
Disagree Absolutely: 2.1%

• Media directors
Agree Absolutely: 62.7%
Agree: 31.4%
Neutral: 3.9%
Disagree: 2.0%
Disagree Absolutely: 0.0%

Senior media executives personally watch, read and listen to different media than do planners:

• Media sellers
Agree Absolutely: 19.2%
Agree: 42.3%
Neutral: 15.4%
Disagree: 23.1%
Disagree Absolutely: 0.0%

• Media buyers and planners
Agree Absolutely: 2.1%
Agree: 19.8%
Neutral: 34.4%
Disagree: 31.3%
Disagree Absolutely: 12.5%

• Media directors
Agree Absolutely: 5.9%
Agree: 52.9%
Neutral: 19.6%
Disagree: 19.6%
Disagree Absolutely: 2.0%

OK, so you media planners are supposed to be single-handedly responsible for the growth of trendy new magazine titles, such as *Spy*, and quirky cable programs, and that without your personal bias, these things would never draw an ad dollar.

Don't get huffy now, we're just repeating the perception.

Only 7.7% of media sellers think you recommend media you don't personally use. Yes, that's 7.7%!

And most sellers think you and your supervisors are out of touch in terms of media choices and preferences. Only 15.4% of the sellers feel both you and your supervisors are equally responsive to trend-oriented media, and most think you use different media than your supervisors in your free time. (They do, however, give your bosses credit for being familiar with the media you recommend.)

Like we said, we're just repeating the perception.

(Continued on Page S-22)

(Continued from Page S-17)

Most buyers and planners agree that one perception is reality: 35.3% say you are more responsive to trend-oriented media than your bosses.

However, both you and your supervisors disagree with sellers that you recommend media you personally use and that your bosses are unfamiliar with media you suggest in plans.

In fact, you think you're on a closer wavelength with your supervisors than they do: Only 21.9% of you thought you personally preferred different media than senior media staffers, while 58.8% of media directors say they're reading, listening and watching different media than their staff members.

(Just to make you feel better, you're right and they're wrong. See the presentation of favorite personal media on Page S-22.)

Can we put those perceptions to rest? Ah, not so fast. What about *Spy*? What about tilting toward the tube?

Media planners favor broadcast TV over other media:

- **Media sellers**
  - Yes: 65.4%
  - No: 23.1%
  - Don't know: 11.5%
- **Media planners and buyers**
  - Yes: 31.3%
  - No: 50.0%
  - Don't know: 18.8%
- **Media directors**
  - Yes: 21.6%
  - No: 68.6%
  - Don't know: 9.8%

Media planners favor cable TV over other media:

- **Media sellers**
  - Yes: 15.4%
  - No: 42.3%
  - Don't know: 42.3%
- **Media buyers and planners**
  - Yes: 5.2%
  - No: 75.0%
  - Don't know: 19.8%
- **Media directors**
  - Yes: 5.9%
  - No: 86.3%
  - Don't know: 7.8%

Media planners favor syndicated TV over other media:

- **Media sellers**
  - Yes: 7.7%
  - No: 50.0%
  - Don't know: 42.3%
- **Media buyers and planners**
  - Yes: 3.1%
  - No: 74.0%
  - Don't know: 22.9%
- **Media directors**
  - Yes: 2.0%
  - No: 88.2%
  - Don't know: 9.8%

Media planners favor radio over other media:

- **Media sellers**
  - Yes: 0.0%
  - No: 69.2%
  - Don't know: 30.8%
- **Media buyers and planners**
  - Yes: 18.8%
  - No: 64.6%
  - Don't know: 16.7%
- **Media directors**
  - Yes: 0.0%
  - No: 94.1%
  - Don't know: 5.9%

Media planners favor general-interest magazines over other media:

- **Media sellers**
  - Yes: 30.8%
  - No: 50.0%
  - Don't know: 19.2%
- **Media buyers and planners**
  - Yes: 17.7%
  - No: 63.5%
  - Don't know: 18.8%
- **Media directors**
  - Yes: 5.9%
  - No: 90.2%
  - Don't know: 3.9%

(Continued on Page S-26)

Leisure pursuits

'Time,' 'People' hold their attention

Media buyers and planners earn their salaries by determining what media other people are reading, watching and listening to.

What are they doing when they're away from the office?

Chances are they're reading magazines, watching TV or listening to the radio.

Buyers and planners often are accused of favoring TV shows, magazines and cable networks they personally use. While they *really hate* this stereotype, they should acknowledge the source of the accusations. Often the people selling the magazine or program the planner/buyer has weeded out.

To reach buyers and planners, media sellers might do well by buying an ad in one of their favorite media.

Just what do they like? *Advertising Age's* Media Planning Practices Survey asked media buyers/planners, directors to name the three TV shows, magazines, newspapers, cable networks and radio formats they're most likely to be tuned into when they're out of the office. ☐

Rock 'n' roll is here to stay

Favorite radio formats

Media buyers and planners
1. Album oriented rock
2. Contemporary hit radio
3. Adult contemporary
4. News/information
5. Oldies
6. Classical
7. Classic Rock
8. Easy listening
9. Jazz
10. Country

Media directors
1. News/information
2. Classical
3. Album oriented rock
4. Oldies
5. Classic Rock
6. Adult contemporary
7. Easy listening
8. Contemporary hit radio
9. Jazz
10. Country

Media sellers
1. News/information
2. Easy listening
3. Contemporary hit radio
4. Album oriented rock
5. Sports
6. Urban contemporary
7. Classical
8. Oldies
9. Adult contemporary
10. Jazz

Source: *Advertising Age* Media Planning Practices Survey

Time Inc. rolls

10 favorite magazines

Media buyers and planners
1. *People*
2. *Time*
3. *Sports Illustrated*
4. *Cosmopolitan*
5. *Rolling Stone*
6. *Self*
7. *Life*
8. *Country Living*
9. *Newsweek*
10. *National Geographic*

Media directors
1. *Time*
2. *Sports Illustrated*
3. *People*
4. *Newsweek*
5. *New Yorker*
6. *New York*
7. *Forbes*
8. *Vanity Fair*
9. *Golf Digest*
10. *Smithsonian*

Media sellers
1. *Time*
2. *Sports Illustrated*
3. *People*
4. *Vanity Fair*
5. *Esquire*
6. *Forbes*
7. *New York*
8. *National Geographic*
9. *Conde Nast Traveler*
10. (Nine publications tied)

Source: *Advertising Age* Media Planning Practices Survey

Finding common ground on cable

10 favorite cable services

Media buyers and planners
1. CNN
2. ESPN
3. Arts & Entertainment
4. Home Box Office
5. MTV: Music Television
6. USA Network
7. TNT
8. Lifetime
9. Am. Movie Channel
10. VH-1

Media directors
1. ESPN
2. CNN
3. Arts & Entertainment
4. Home Box Office
5. USA Network
6. The Discovery Channel
7. TNT
8. Am. Movie Channel
9. Showtime
10. SportsChannel

Media sellers
1. ESPN
2. CNN
3. Arts & Entertainment
4. TBS
5. Home Box Office
6. USA Network
7. MTV: Music Television
8. Lifetime
9. Family Channel
10. VH-1

Source: *Advertising Age* Media Planning Practices Survey

Sunday Power Players

(Continued from Page S-19)

On spending increases: "We were the forerunners in the industry in Sunday magazines. Many people have followed suit by looking at Sunday magazines as a viable media."

On managing a big budget: "Having proven our success has made the job easier. When you're doing a program as consistent as ours, there's not a lot of changing schedules and going back and forth. We know a year in advance what we're going to be doing."

Alan Beer
VP-advertising
Franklin Mint, Franklin Center, Pa.

Accounts: Franklin Mint Collections, Porcelain and Jewelry

Sunday magazine spending: Jan.-Sept. 1989 vs. Jan.-Sept. 1988: Franklin Mint Porcelain Collection—$11.8 million vs. $9.7 million; Franklin Mint Collections—$13.6 million vs. $12.2 million; Franklin Mint Jewelry: $4.6 million vs. $3.9 million

Richard Capessela
VP-Video Club advertising
CBS Records/Columbia House, New York

Account: CBS Video Club

Sunday magazine spending: Jan.-Sept. 1989: $4.0 million; Jan.-Sept. 1988: $3.4 million

On buying Sunday magazines: "We've found a medium that hasn't been fully exploited yet.

"The efficiency of the buy is what's been happening for us vs. pre-supplied preprints, for example.

"Sunday magazines allow good penetration into specific markets.

"For 1990, you'll probably see a continued effort and possibly further expansion and more scheduling to our other media efforts.

"We don't like to duplicate our efforts in a certain category."

First media job: "I started with Wunderman Worldwide in 1975, and left in 1983 and started a videogame club.

"The industry skyrocketed and dove quickly. It got us in and out of the business without too many scars." ☐

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Roles expand in value-added era

By Scott Donaton

It was early 1988, a full year before the term "value-added marketing partnerships" would become part of every media professional's vocabulary.

Bill Murphy, director of Meredith Corp.'s Custom Marketing division, was pitching a group of ad agency media planners on a multimedia package he had designed to help solve clients' marketing problems.

"Their eyes went wide," Mr. Murphy remembers. "They realized it was a great idea. But in the backs of their minds, you could see they were having trouble figuring out how it was going to be executed."

Two years and several such deals later, most agency executives have quite a different reaction.

According to results from *Advertising Age's* Media Planning Practices Survey, adding value to traditional media placements has arrived.

When asked to identify the biggest trends and issues in media buying today, 28.3% of media directors responded with value-added buys. The only subjects to garner more mentions were issues relating to media costs and rate negotiations, which were listed by 50.9% of media directors.

With media companies eager to bundle their various properties for advertisers or put together massive added-value programs, a new species of media director has begun to evolve, one with the mental tools to evaluate and execute complex deals encompassing several marketing disciplines.

"The buying process has changed to the extent that the normal criteria used in the past are being augmented by promotions, merchandising and marketing partnerships and are bringing into play more skills," says Neil Jacobs, VP, Conde Nast Package. "Agencies have to get involved in those areas."

Executives on both the agency and media side are quick to point out that the concept of marketing partnerships is new and virtually unexplored. But they also understand the opportunities presented by such partnerships and the risks involved in not preparing for them.

"It's pretty easy to overstate the volume of mega-deals because they're new and exciting," says Donald Elliman, exec VP-marketing at Time Inc. Magazine Co. "Still, the media department has to adapt to be able to evaluate

(Continued on Page S-28)

A Hot Tip For Media Buyers

If you're looking to make a cost-effective buy of a top 10 market, here's a hot tip. At the southern tip of Florida is a dynamic ADI that ranks #15 in the nation in population. But...

When you buy South Florida, you're really buying a top 10 market

Nationally, South Florida ranks:
- #1 in gross media revenues
- #1 in automotive dealer sales
- #1 in drug store sales
- #2 in total retail sales per household
- #2 in apparel & accessories store sales
- #3 in furniture/home furnishings/ appliance store sales

The Miami Herald is one of the nation's top 10 newspapers

Every day, The Herald is read by over a million of South Florida's most inquisitive, acquisitive adults. It also boasts primary market penetration second only to one newspaper in the top 10 ADIs.

Reach of Largest Newspapers — Top 10 ADIs and Miami

Market	Coverage Daily	Coverage Sunday	Market	Coverage Daily	Coverage Sunday
Washington D.C.	51%	71%	Los Angeles	29%	40%
Miami	44	53	New York	28	32
Houston	40	52	Philadelphia	27	47
Detroit	40	49	San Francisco	27	37
Boston	33	49	Dallas	27	36
Chicago	33	47			

South Florida is the nation's third largest Hispanic market

But compared to the national average, Hispanics here are better educated, hold better jobs and have higher median incomes. South Florida's one million plus Hispanics have made El Nuevo Herald the largest Spanish-language daily in the continental U.S. Our audited circulation confirms it.

Make The Miami Herald and El Nuevo Herald a vital part of your next media buy. And put a hot tip to work for you.

Sources: National ranking, sales per household data - 1988 Birch/Scarborough Multi-Media Study; Ad Age June 27, 1988; Time Magazine; SRDS, Dec. 12, 1989; Strategy Research, 1989; Verified Audit Circulation, 9/30/89.

THE MIAMI HERALD
EL NUEVO HERALD
The Combination That Sells South Florida

(Continued from Page S-22)

Media planners favor specialty magazines over other media:

- **Media Sellers**
  - Yes: 46.2%
  - No: 34.6%
  - Don't know: 19.2%
- **Media buyers and planners**
  - Yes: 27.1%
  - No: 52.1%
  - Don't know: 20.8%
- **Media directors**
  - Yes: 17.6%
  - No: 76.5%
  - Don't know: 5.9%

Media planners favor newspapers over other media:

- **Media sellers**
  - Yes: 11.5%
  - No: 53.9%
  - Don't know: 34.6%
- **Media buyers and planners**
  - Yes: 8.3%
  - No: 72.9%
  - Don't know: 18.6%
- **Media directors**
  - Yes: 0.0%
  - No: 96.1%
  - Don't know: 3.9%

Media planners favor free standing inserts over other media:

- **Media sellers**
  - Yes: 0.0%
  - No: 65.4%
  - Don't know: 34.6%
- **Media buyers and planners**
  - Yes: 6.3%
  - No: 70.8%
  - Don't know: 22.9%
- **Media directors**
  - Yes: 0.0%
  - No: 94.1%
  - Don't know: 5.9%

Many buyers and planners cried "Foul" over this series of statements, and we have to come clean and agree.

We were expecting to get 100% response of "Don't know" or "No" or even more colorful statements, such as one provided by a buyer at a Seattle shop: "This is stupid. It depends on the objectives of the campaign." In fact, 46.4% of buyers and planners–and 54.7% of media directors–responded with a uniform "No" or "Don't know," which we assume to mean you also found it stupid.

Sure, it's stupid, but look at the number of people who think your media choices are biased. (And because we're talking "perception/reality" here, you should know only two media sellers provided solid "No" or "Don't know" responses.)

A lot of folks–your colleagues included–provided "Yes" answers. And when they said "Yes," it was to broadcast TV and specialty magazines. A bit of that perception may be reality.

While you're envisioning media reps at *Spy* and NBC dialing your number, you also should expect a call from your favorite radio salesperson. Although no media directors or media sellers assumed a favoritism toward radio, 18.8% of you say you lean toward the medium.

(Continued on Page S-32)

(Continued from Page S-26)

Perception: The pay stinks **Reality:** It does

Media planners are underpaid:

- **Media sellers**

Agree Absolutely:	7.7%
Agree:	34.6%
Neutral:	46.2%
Disagree:	11.5%
Disagree Absolutely:	0.0%

What do you estimate is the average starting salary of a media planner?

- **Media sellers**

$13,001-$17,000	38.5%
$17,001-$21,000	34.6%
$21,001-$25,000	23.1%
$25,001-$29,000	3.8%

What was your starting salary range (as a media planner)?

- **Media buyers and planners**

Less than $13,000	15.8%
$13,001-$17,000	35.8%
$17,001-$21,000	36.8%
$21,001-$25,000	7.4%
$25,001-$29,000	3.2%
more than $29,000	1.0%

What is the average starting salary of a media planner in your department?

- **Media directors**

$13,001-$17,000	30.6%
$17,001-$21,000	32.7%
$21,001-$25,000	28.6%
$25,001-$29,000	6.1%
more than $29,000	2.0%

What do you estimate is the average salary of a media planner?

- **Media sellers**

$17,001-$21,000	11.5%
$21,001-$25,000	42.3%
$25,001-$29,000	34.6%
more than $29,000	11.5%

(Continued on Page S-38)

Up before the sun; home before midnight

Expecting a cakewalk? No way for starters

By Julie Whitmore

SALARY SLAVES

Not long after graduating from college in 1987, Melanie Saltzman entered a world of darkness: She became an assistant media buyer.

Living on a salary of under $17,000, Ms. Saltzman commuted from her parents' home in Westport, Conn., where she would catch the 5:59 a.m. train to Manhattan for her entry-level job at Chiat/Day/Mojo and return home about 8:30 p.m. If she skipped lunch, which she often did, Ms. Saltzman scarcely saw the light of day.

Since then Ms. Saltzman has moved up, to Manhattan, where she shares a two-bedroom apartment with two friends. For a while it seemed ideal, but things have gotten a little crowded: Ms. Saltzman sleeps in the living room.

"I don't have a social life," she laments.

Thanks to several raises, Ms. Saltzman will soon move into an apartment with just one roommate, and will find herself living in luxury: She will have her own bedroom and bath.

Like most entry-level media staffers, Ms. Saltzman is still working brutal hours, but that's a fact of the business she is willing to accept.

"You have to get the work done, and that's that," she says.

According to *Advertising Age's* Media Planning Practices Survey, Ms. Saltzman is not alone: 35.8% of media buyers reported starting salaries of $13,001 to $17,000 and 36.8% said they started at $17,000 to $21,000 *(see charts at left)*.

"People have to learn a whole new profession; no one is really prepared for this job," says Larry Cole, exec VP-U.S. media director for Ogilvy & Mather Worldwide, New York.

Starting salaries always have been low in the field, particularly for bachelor's degree-level entrants, because media buying is perceived as being the bottom rung of the ladder, he adds.

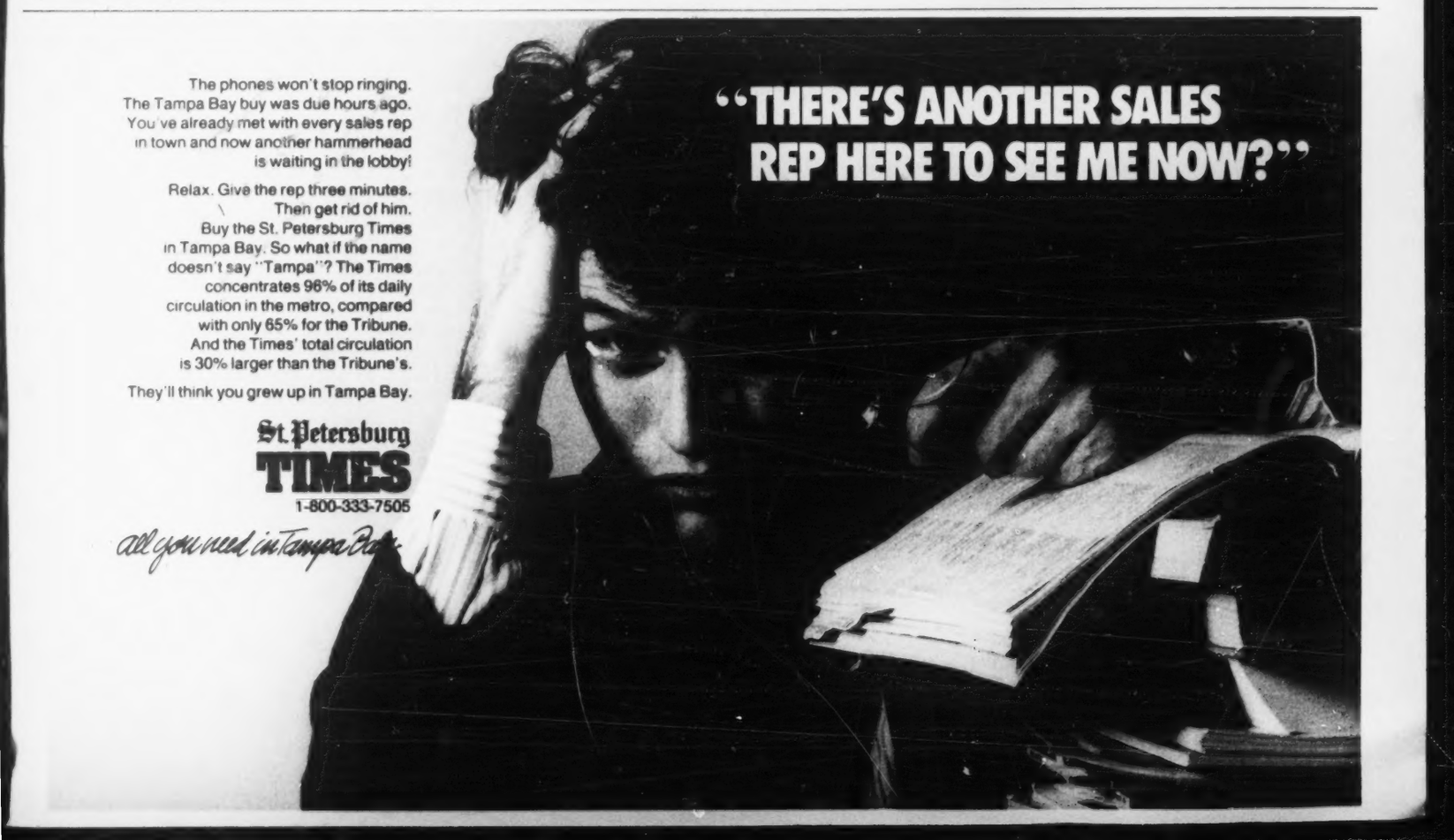
But Mr. Cole says performance is quickly rewarded. The industry standard is generally to consider raises every six months for the first two years.

"There are very few jobs where you can double your starting salary in three years and quadruple it in five," he says.

Martin Block, director of the advertising department at Northwestern University's Medill School of Journalism, blames low starting pay on the advertising industry's "glamor factor."

"The ethic in the industry is to give lots of entrants a chance,

(Continued on Page S-34)



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(Continued from Page S-32)

What is your current salary?

• Media buyers and planners

$13,001-$17,000	3.2%
$17,001-$21,000	28.0%
$21,001-$25,000	19.4%
$25,001-$29,000	26.9%
more than $29,000	22.6%

What is the average salary of a media planner in your department?

• Media directors

$17,001-$21,000	3.9%
$21,001-$25,000	49.0%
$25,001-$29,000	39.2%
more than $29,000	7.8%

Media planners take heart. Those people out there trying to convince you to buy space or time pity your pittance. Only 11.5% of sellers responding to the survey disagreed with the statement that you are underpaid–and they think you make more money than you actually do.

About 73% of media sellers think your starting pay was less than $21,000, although more than 88% say you now earn more than that.

And while 88.4% of you say your starting pay was less than $21,000, 68.9% of you are now earning over that level. So, while the pay does stink, it gets a bit better.

Unless, of course, your bosses have their way: 49% of media directors say the average salary for a media planner in their department is between $21,001 and $25,000.

The salary situation was not lost on most buyers and planners who responded to the survey. The sentiment was best expressed by one of your colleagues in a New York agency: "The money sucks–plain and simple. How can you get the best people and hold on to them when they can go anywhere else and make real money?"

Perception: It's a mediocre, revolving-door job

Reality: It often opens on better media and marketing jobs

What do you estimate is the average tenure of a media planner?

• Media sellers

one year to two years	26.9%
two years to three years	26.9%
three years to four years	26.9%
four years to five years	15.4%
more than five years	3.9%

What is the average tenure of a media planner in your department?

• Media directors

one year to two years	25.5%
two years to three years	33.3%
three years to four years	19.6%
four years to five years	15.7%
more than five years	5.9%

How many years have you held the position of media planner or buyer?

• Media planners and buyers

less than one year	20.7%
one year to two years	33.7%
two years to three years	15.2%
three years to four years	10.8%
four years to five years	18.3%
for the duration of my career	30.1%

(Continued on Page S-40)

Roundtable

(Continued from Page S-36)

media sales person is going to have to change, too. It's not going to be simply selling pages. One publisher told me he has added an entire promotion and marketing staff—which he didn't have before—to deal with some of the new ways agencies and advertisers expect him to participate.

Mr. Knapp: What kind of sales rep would you like to see work with you to develop a client's interest?

Mr. Drexler: I think there will be a blur between media and promotion; there will be more media-oriented promotions. We will look at the client's marketing objectives, media objectives, and try to develop some ideas for pursuing this value-added partnership. We will then call in the various media and suggest that they bring in their promotion people, merchandising people, editorial people and anyone else who might be able to bring something to a larger program.

Mr. Ostrow: A lot of these value-added things represent accountability, which is a tremendous opportunity for the magazine industry to prove that magazines can deliver something tangible, measurable and meaningful.

When you can marry promotion, PR, direct response and all of those things together, you're in a position to do the testing that we've been screaming for years for magazines to do.

Joe Cappo: Publications are setting up merchandising departments. There aren't any merchandising departments as such in ad agencies to deal with the same kind of marketing problems that the clients have.

Jim Guthrie: They were there once. They went away about 15 years ago, when clients didn't give agencies a larger part of the promotion budget. Now, with clients under the same pressure everybody else is, the client's promotion departments have declined as well. It's going back into brand management . . . Phil Guarascio (executive director-advertising and strategic merchandising at General Motors) says he's looking for somebody who can deal with a lot of media and marketing problems at the same time. A Renaissance Man, he calls him.

Michael Drake: We're talking about a share battle here, in many cases. The larger publishing groups have an insider's edge in the way they can discount. And I don't know if agencies are really set up to handle this.

Mr. Ostrow: Time Warner, on one channel in Rochester, N.Y., is going to marry about a half-dozen different things. In companies that have outdoor, magazines, newspapers, broadcast, you've got to have somebody who can put those things together.

Mr. Knapp: We are constantly challenged to come up with our own packages, or make deals with other media, to satisfy your client's program. Do you envision an agency being in a role where they could bring in various media themselves?

Mr. Ostrow: An agency has to take the role of making certain combinations happen.

Doug Goodman

Stretching marketing packages across media will dramatically affect executives such as MPA's Jim Guthrie, FCB's Joseph Ostrow and Cleon T. "Bud" Knapp of Knapp Communications.

Abbott Wool: Years ago, the weaker media started doing this sort of thing. Network radio was building into deals 0.5% for merchandising, and then putting together a contest. They would make your product the prize. Spot radio and Spanish radio would go into stores and get distribution for you. That was real value-added for them. Magazines have been going through years of weakness, page and circulation losses, and now that cable has grown, the networks are starting to do these things.

Mr. Drexler: I think magazines have been closer to the marketing process than perhaps most other media.

Mr. Cole: Local media have understood promotions and local needs because they didn't have inroads to national agencies. They had inroads with local sales people.

Mr. Knapp: We're relatively small, without radio or TV stations, printing presses, etc. And there are probably thousands of magazines that are smaller than my company. How can we compete? When you begin adding services, or direct mail, public relations, whatever, how do you price this?

Mr. Ostrow: The rate card was set by calendar rather than by cost: It's the new year so it's time to put in a price increase. Now, it's "Cut the rate card. Get all the meat off the bone and start cutting into the bone." We don't want to see that happen either. What they have to do is look at value; they don't have to cut into the bone.

Mr. Knapp: It's hard to sell that to the agencies because pricing is always suspect.

Mr. Ostrow: It's suspect because you have so many things that have absolutely no reason for being, like bleed charges. Bite the bullet and increase your rates to accommodate the bleed charges; don't keep that very archaic, suspect and negative perspective of, "I'm charging for something that doesn't cost me any money."

Mr. Cappo: Actually, the economics of broadcasting are less logical than the economics of publishing. We find, with the deterioration in network TV audiences, that TV is selling for premium prices now, higher than ever before, with the biggest upfront ever. That's not logical.

Mr. Link: What it boils down to is that there are fewer gross rating points being generated, and more dollars chasing them.

Mr. Cappo: From the operating end of the business, broadcasting is really not a cost-plus business. Publishing is a cost-plus business.

Mr. Link: That's not true. The margins that broadcasters enjoyed in establishing the marketplace make more of a difference than the margins of other businesses.

Mr. Guthrie: A magazine's identity, what it stands for, is an awfully important point. When they put together packages, how certain can they be that next year you don't try and bid them out for a better price on that package?

Mr. Drexler: It's a little absurd to suggest that the promotion is the dog and the product is the tail. The inherent value of the product is the starting point. That's what you concentrate on. Lose that relationship with your reader, even for a short time, and you're in big trouble.

Mr. Lippman: In some ways, *Architectural Digest* is the quintessential modern magazine. It's beautiful. It's got the right audience. It makes absolutely no demands on its readers of any kind. It's kind of a fantasy book, if you will. It's a very productive, very enjoyable two or three hours a month.

Mr. Drexler: The future, I think, is the personalization of media. All media, including TV, will become more personal in nature, given the proliferation of channels and programmers, and VCRs. Magazines have been certainly one of the most personal media that exist. I think that strength has real value to advertisers.

Mr. Link: And in the '90s, this opportunity to leverage is going to be greater for magazines. Technology is driving everything, including media. Things like selective binding that are available now are going to enhance this personalized power. Broadcasters are going to have a tougher time, I believe, in leveraging technology, at least short term.

Mr. Ostrow: In selling magazines, the magazine industry cannot talk with one voice. Some tell you paid is more important, others tell you unpaid. Some tell you newsstand is the answer; others that subscriptions is the answer.

Mr. Drexler: That's right. There's got to be a common interest to sell the medium, to expound on the values of magazines.

Mr. Cole: You're doomed to fail if you think the right way is to sell against television.

Mr. Guthrie: MPA agrees. We haven't been on one of those kicks in four years. Now we're focusing on the editorial product, the quality of the reader. □

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Network radio Power Players

Larry Spiegel
principal
Richards Group, Dallas

Account: Motel 6
Network radio spending: Jan.-Sept. 1989: $14.6 million; Jan.-Sept. 1988: $9.1 million.
On spending increases: "I see a continued increased use of [radio]. People are learning that there's more than television out there. More and more, results show that radio does work, Motel 6 being a prime example."
On managing a big budget: " 'Dominant player' is New York jargon.
"Understanding media placement is an effectiveness issue. The focus should be on the client's interests, not cost-per-points. Sale and movement of product is what media should be concerned with as compared with those agencies driven by internal financial requirements."
First media job: Trainee at William Esty Co., New York.

Barry Fischer
senior VP-director
of national broadcast
Wells, Rich, Greene, New York

Account: Ford Car Stereo Systems, Ford Motor Co.
Radio spending: Jan.-Sept. 1989: $4.9 million; Jan.-Sept. 1988: $2.3 million.
On managing a big budget: "The size of our budget shouldn't make us feel particularly powerful and shouldn't make us more or less creative.
"With very large budgets, diminishing returns can set in, but we should be able to do our media job well regardless of budget size."
On buying options: "From the media-selection point of view, our job is to be as innovative as we can. Many media buys are necessarily made before the creative. Sometimes we don't even see the creative before we have to do our media job, but we can't let that limit our abilities in media decisions."
How he started: Worked in network media for 15 years prior to joining WRG, where he says he has been "a long time." His first account in advertising was General Electric.

(Continued on Page S-42)

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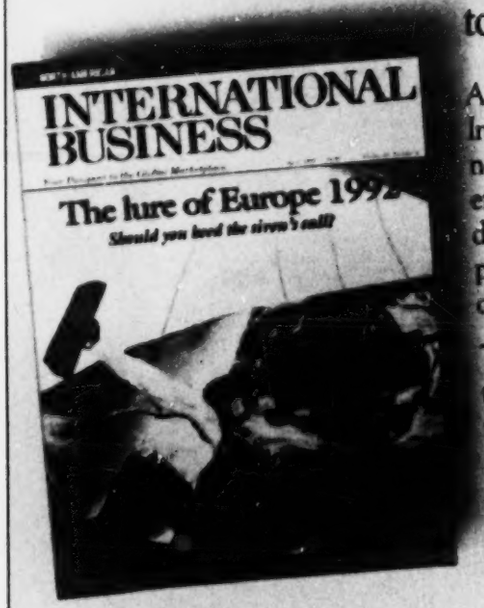

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(Continued from Page S-38)

How long do you intend to remain an agency media professional?

• Media planners and buyers

less than one year	16.1%
one year to two years	15.1%
two years to three year	9.7%
three years to four years	10.8%
four years to five years	18.3%
more than five years	30.1%

If you plan to leave the media department, what occupations are you considering?

• Media planners and buyers

Client company media staff:	36.5%
Media representation:	30.2%
Other:	27.1%
Agency account management:	19.8%
Client company brand management:	18.5%
Agency research:	6.3%
Agency creative department:	5.2%
Free-lance media consulting:	2.1%
Agency production:	2.1%

Note: totals more than 100% because of multiple responses

So, Mr. and Ms. media buyer and planner, you're getting a bad rap for not being in your job long enough to really become an expert for wanting to move on to other things. Try asking your critics how long they wanted to stay in their entry-level jobs.

Almost 70% of you say you've been a buyer or planner for less than three years. But just because you haven't been in the position that long doesn't mean you're just biding your time until something better comes along: 30.1% of you saying you're apt to stay in the agency media business for the duration of your career.

Those of you who plan to leave agency media work are most likely staying in media, but heading to the client side. The next most common response was to jump to the selling side of the table.

Money seems to be the motivator. One planner in a Detroit-area shop asked the following rhetorical question: "Did you know the professionals in the media department are the lowest paid in any agency's structure? I can't wait to become a sales rep."

But those critics who think you're planning and buying media just to put food on the table until Hollywood calls should note only 18.9% of you want to get out of media, advertising and marketing altogether. It certainly appears you are the future of the advertising/marketing industry.

Perception: They have more power than they deserve
Reality: Depends who's talking

Media planners' influence on media placements is greater than their experience warrants:

• Media sellers

Agree Absolutely:	42.3%
Agree:	38.5%
Neutral:	11.5%
Disagree:	7.7%
Disagree Absolutely:	0.0%

I agree with claims that media planners' influence on media placements is greater than their experience warrants:

• Media buyers and planners

Agree Absolutely:	6.3%
Agree:	16.7%
Neutral:	31.3%
Disagree:	42.7%
Disagree Absolutely:	3.1%

• Media directors

Agree Absolutely:	3.9%
Agree:	17.6%
Neutral:	17.6%
Disagree:	49.0%
Disagree Absolutely:	11.8%

Media planners are the most important link in the media buying process:

• Media sellers

Agree Absolutely:	3.9%
Agree:	19.2%
Neutral:	30.8%
Disagree:	42.3%
Disagree Absolutely:	3.9%

(Continued on Page S-42)

Radio Power Players

Lt. Col. Greg McGeckin
chief of Media & Distribution Division, Advertising & Sales Promotion Directorate, U.S. Army

Account: U.S. Army Recruiting Command

Radio spending: Jan.-Sept. 1989: $4.7 million; Jan.-Sept. 1988: $4.6 million

On spending shifts: "We are downsizing our budgets with the reduction in defense spending, and making decisions about media accordingly. The differences in totals spent recently are just a shift in budget."

On why he buys radio: "If we must use TV less, we use radio as the most efficient medium to reach our audience.

"Network radio works well for us. It's a great frequency builder, has a positive effect on reach and with it we're able to get to our primary target audience, men ages 18-24. Radio does deliver the 18-to-24 year olds."

On entering the business: After a tour of duty as a Pentagon public affairs officer, he took a seven-month training session at Ogilvy & Mather, Chicago.

Monica Eargoff
director of advertising
National Live Stock & Meat Board's Beef Industry Council

Account: Beef Industry Council

Radio spending: Jan.-Sept. 1989: $6.3 million; Jan.-Sept. 1988: $3.2 million

On managing a big budget: "I don't think of it as an enormous amount of money to spend, but all the things you can do with it does make the selection process more difficult.

"In this day of more media choices and a more fragmented marketplace it is very difficult to spend your dollars effectively. And the Beef Industry Council is pushing closer to $30 million annually on promotion, now spending in the $25 million-to-$26 million range."

On spending increases: "Network radio spending goes up during the pre-Memorial Day-to-post-Labor Day period because of our summer grilling promotion, especially for chuck cuts."

However, magazine spending will be getting the big push, she says. "There is more opposition to meat in the diet, we realize. We have put more and more dollars into print because the nutrition message is more complex and has to be explained in detail."

First media job: Started in the media department at Bozell, Chicago, followed by a tour at J. Walter Thompson USA, Chicago.

Gary Coppinger
advertising manager
Cotter & Co., Chicago

Account: True Value Hardware Stores

Network radio spending: Jan.-Sept. 1989: $10.7 million; Jan.-Sept. 1988: $12.0 million

On spending decreases: "Our spending is off slightly in network radio because we've shifted some dollars within the radio category, out of the large AM networks and into some newer FM outlets with younger demographics.

"We wanted to do a better job of targeting women 25-35. In both cases we're reaching for the first-time homeowner, prime customers for True Value.

"Also, because we're a dealer-owned co-operative, we're always seeking the broadest means for advertising our growing product line —we need to cover many bases.

"At the same time, we definitely look at all the players in media.

(Continued on Page S-43)

(Continued from Page S-40)

I agree with claims that media planners are the most important link in the media buying process:

- **Media buyers and planners**
  - Agree Absolutely: 28.1%
  - Agree: 39.6%
  - Neutral: 22.9%
  - Disagree: 9.4%
  - Disagree Absolutely: 0.0%
- **Media directors**
  - Agree Absolutely: 11.8%
  - Agree: 21.6%
  - Neutral: 25.5%
  - Disagree: 33.3%
  - Disagree Absolutely: 7.8%

It is easy to establish working relationships with media planners:

- **Media sellers**
  - Agree Absolutely: 0.0%
  - Agree: 42.3%
  - Neutral: 34.6%
  - Disagree: 19.2%
  - Disagree Absolutely: 3.9%

Media planners bear the primary responsibility for tracking and analyzing new media vehicles:

- **Media sellers**
  - Agree Absolutely: 7.7%
  - Agree: 50.0%
  - Neutral: 15.4%
  - Disagree: 23.1%
  - Disagree Absolutely: 3.9%
- **Media buyers and planners**
  - Agree Absolutely: 29.2%
  - Agree: 52.1%
  - Neutral: 14.6%
  - Disagree: 4.2%
  - Disagree Absolutely: 0.0%
- **Media directors**
  - Agree Absolutely: 2.0%
  - Agree: 37.3%
  - Neutral: 17.6%
  - Disagree: 41.2%
  - Disagree Absolutely: 2.0%

It is increasingly difficult for new media vehicles to break into media plans:

- **Media sellers**
  - Agree Absolutely: 26.9%
  - Agree: 42.3%
  - Neutral: 0.0%
  - Disagree: 30.8%
  - Disagree Absolutely: 0.0%

There are too many new media vehicles to adequately track given our current staff levels:

- **Media buyers and planners**
  - Agree Absolutely: 16.7%
  - Agree: 39.6%
  - Neutral: 27.1%
  - Disagree: 15.6%
  - Disagree Absolutely: 1.0%
- **Media directors**
  - Agree Absolutely: 3.9%
  - Agree: 23.5%
  - Neutral: 19.6%
  - Disagree: 41.2%
  - Disagree Absolutely: 11.8%

Let's get right down to it. Media buyers and planners take note: Media sellers think you have too much power; neither you nor your bosses agree. There's a big-time perception/reality gap here.

Almost 81% of sellers surveyed say your influence is greater than your experience warrants. A majority of your supervisors, and most of your colleagues, disagree.

Who's right?

Probably you and your bosses, but not for a reason you're going to like. While media sellers think you have too much power, they think your

(Continued on Page S-46)

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Agencies meet changes head-on

After string of cuts, many see growth ahead

By Laura Loro

Torn by changes brought by merger mania, belt-tightening and the increasingly powerful role of computers in media decisions, media departments at many top agencies have cut staff and restructured their hierarchies.

Media departments, however, were no strangers to change.

"In years past, media people were in the back room, they were technicians and they weren't visible," says Michael Widener, senior VP-media director at AC&R, New York. "Today's media person has to be presentable, intelligent, well spoken."

While most media directors queried by *Advertising Age* say their departments have trimmed back personnel in recent years, many agree their departments will grow rather than shrink as marketing problems increasingly are addressed with solutions based on the media buy.

"Finding today's customer will be the starting point first to tailor the creative," says Page Thompson, exec VP-media director, DDB Needham Worldwide, New York. "Media will even lead the process. In five years you'll see an explosion in media. It is the ideal time to get into it."

Here's how media departments at some U.S. agencies are dealing with industry changes.

Foote, Cone & Belding: Business up, staff down

Business at this Chicago-based agency is heavier than five years ago, but the size of the media department has shrunk.

FCB's media department in Chicago employs 78 staffers, down from 109 five years ago. At the same time, billings have grown about 70.5% since 1985, to $669 million projected for '90.

"We have fewer people working smarter—that's an effect of computerization," says Roger Baron, VP-director of media research.

"Belt tightening is possible because of the computer."

What remains, Mr. Baron says, are staffers who spend more time analyzing, rather than just crunching, numbers. "We can look at over 100 different alternatives in a media plan to select one that is the best. In the past, we looked at five or 10 and more obvious ones. Some of the subtleties were lost," Mr. Baron says.

AC&R, New York: Fewer people, longer hours

Fewer people are doing more work and doing it later each day at AC&R, says Michael Widener, senior VP-media director at the New York agency.

"Our media planners today are working nights—it's almost routine now, whereas that wasn't the case" two years ago, he says, blaming the changes on belt-tightening.

"As billings have increased and as sophistication has increased, departments haven't kept pace. Even if you take inflation, there are so many fewer people per million dollars of billings."

DDB Needham Worldwide: A matter of evolution

Major changes were made in this agency's media department recently, but not because of belt-tightening or mergers, says Page Thompson, exec VP-media director at the New York shop.

Changes in the media landscape, such as fragmentation and clutter, forced Needham to redesign its media unit, he says.

"We are trying to change the whole media process and how it has been done in the last 10 to 20 years," Mr. Thompson says.

(Continued on Page S-48)

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Product Placement in Television and Motion Pictures — 1970 20th YEAR 1990

(Continued from Page S-42)

position is not as powerful as you do. Only 26.8% of media sellers say your slot is the most important link in the media buying process. Compare this with the 67.7% of your fellow buyers/planners–and 33.4% of media directors–who think planner/buyer is the most crucial cog in the wheel.

Where you may command the clout, however, is when a new media property is attempting to have its day in the media department court. Both you and media sellers say the job of evaluating new media vehicles falls on your desk.

Most of your bosses don't agree.

In comments, a few planners and buyers complained about a recurring Catch-22. From one planner at a major New York shop: "Media planners are charged with finding more creative media vehicles and ideas, yet have more and more work to do and therefore don't have the time to really think about new ideas."

Perception: They're just a bunch of number crunchers
Reality: That, and then some

Media planning has become more numbers oriented

• Media sellers	
Agree Absolutely:	34.6%
Agree:	50.0%
Neutral:	7.7%
Disagree:	7.7%
Disagree Absolutely:	0.0%
• Media buyers and planners	
Agree Absolutely:	13.5%
Agree:	40.6%
Neutral:	22.9%
Disagree:	20.8%
Disagree Absolutely:	2.1%
• Media directors	
Agree Absolutely:	5.9%
Agree:	33.3%
Neutral:	13.7%
Disagree:	33.3%
Disagree Absolutely:	13.7%

Media buys have become more content oriented, with program/editorial content affecting buys more than in the past:

• Media sellers	
Agree Absolutely:	23.1%
Agree:	26.9%
Neutral:	11.5%
Disagree:	23.1%
Disagree Absolutely:	15.4%
• Media buyers and planners	
Agree Absolutely:	21.9%
Agree:	57.3%
Neutral:	13.5%
Disagree:	6.3%
Disagree Absolutely:	1.0%
• Media directors	
Agree Absolutely:	15.7%
Agree:	60.8%
Neutral:	11.8%
Disagree:	11.8%
Disagree Absolutely:	0.0%

To be an effective media buyer and planner, you need:
A) A passing knowledge of eighth-grade math
B) A multi-function calculator
C) 10 fingers with which to count.
D) None of the above
E) All of the above

We cheated. The correct answer is both D and E, because the job requires those elements listed and much more.

A rudimentary knowledge of math and an awareness of how to calculate CPMs and GRPs won't do the trick, as buying and planning media becomes more numbers oriented. Media directors were the only group surveyed to say crunching numbers is not more critical, although the opinion was far from unanimous.

In an interesting new twist, media buying and planning also is becoming more content oriented as the program-watching, product-boycotting Terry Rakoltas of this day and age have their say.

The ability to judge media properties on a social/emotional level is becoming just as important as watching the numbers, according to all groups surveyed.

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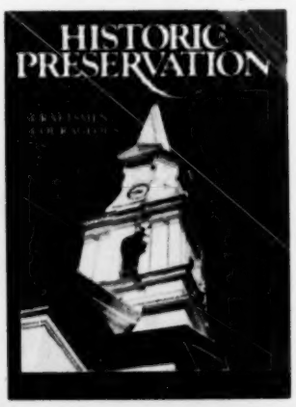

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Alcohol industry to combat ad bill

(Continued from Page 1)

can draw is that this is effectively a ban on 15-second ads," said Stephen Lambright, VP-group executive at Anheuser-Busch. About 5% of A-B's ad volume is made up of 15-second spots.

That argument failed to sway Sen. Gore. When told the proposed 20-word warning within a 15-second spot would leave barely enough time for a brand or corporate name, he replied, "Regardless, they should be accompanied by a statement of risk."

The ad industry is united on one point: The legislation will hurt radio and TV advertising.

Peter Moore, president of the Radio Network Association, said the measure represented "media discrimination" against radio.

"Print is visual, and you can do a fancy disclaimer in the background," he said. "TV could do different things. But in radio, sound is it."

He also said beer and wine ads are absent from most radio formats because a significant portion of their listeners are underage.

Mr. Moore said required disclaimers in ads for auto rebates, financing plans and some airline fares have already driven some advertisers from the medium.

If enacted, the Gore-Kennedy legislation could force alcohol advertising off TV along with radio, said Jim May, VP at the National Association of Broadcasters.

"The real effect of such a labeling system for broadcasters will be to discourage advertising," Mr. May said. "Further, there is no scientific evidence to support the notion that advertising causes alcohol abuse."

Although Sen. Gore said the legislation is aimed at helping the "one in 10 persons who abuse alcohol," John Kamp, VP at the American Association of Advertising Agencies, alleged that alcohol abusers "just may not be the people who watch TV programs with beer ads."

It's government by bumper sticker," said Miller Brewing Co.'s Richard Klemp, director of governmental affairs.

"There is a legitimate issue of drunken driving, but it seems like alcohol is always a scab that can be kicked and picked," he said. "If it is [their] intention to address fetal alcohol syndrome, then we disagree on approach. Miller never uses advertising to recommend pregnant women drink. Advertising has been to get beer drinkers to drink Miller brands."

"It's government by bumper sticker. There is a legitimate issue of drunken driving, but it seems like alcohol is always a scab that can be kicked and picked."

Peter Seremet, VP-public affairs at Heublein, said his company is monitoring the legislation but declined to say whether it would oppose the measure.

However, Mr. Seremet said, health warnings in ads are not "the best way to communicate the potential for abuse of products. We've reached a point where there's a credibility problem; does anyone read them?"

Heublein, marketer of Smirnoff vodka and Jose Cuervo tequila among other brands, previously opposed legislation that took effect Nov. 18, 1989, requiring health warnings on alcoholic beverage containers.

Wally Snyder, exec VP at American Advertising Federation, argued that ads are the wrong place for government warnings.

"We are concerned that this legislation is a clear departure from longstanding federal policy" that a product label is the appropriate spot for warning information, he said.

Association of National Advertisers Exec VP Dan Jaffe also questioned the proposed placement of lengthy warnings on outdoor ads.

"Billboards just can't have a lot of words," he said. "If someone is driving along, it's kind of difficult to read while driving past, or to stop to read."

The proposed advertising restrictions may run into some headwinds as early as next week, when the National Commission Against Drunk Driving may release a summary of its 16-month study.

John Grant, the commission's program director, said the report will make no recommendations to restict or modify alcohol ads. The commission is the non-governmental descendant of the Presidential Commission on Drunk Driving established in 1983 by President Reagan. Its membership ranges from prohibitionist groups to the Beer Institute.

The legislation now goes to committees in both chambers, where it will be scheduled for hearings. But neither Sen. Gore nor Rep. Kennedy could say whether committee hearings would be held this year. □

Contributing to this story: Ira Teinowitz, Wayne Walley and Jon Lafayette.

Survey

(Continued from Page 1)

last year, in which 39% of 1,001 adults questioned said they favor prohibition of beer advertising (AA, June 5).

In last week's survey, slightly more than 54% said warnings would have "some effect" on consumption; another 6% said they would have "great effect."

Thirty-six percent said warnings would have "no effect at all."

Having an "effect" on consumption presumably means reducing it, but the question wasn't specific.

In comparison with other age segments, the youngest people surveyed agree the most with the idea that warnings would affect consumption.

Nearly 70% of 18-to-24-year-olds said the warnings would have an effect, including 12% who said warnings would have great effect.

People 35 to 44 years old are the least likely to agree; 56% of them said warnings would affect consumption.

Overall, 66% of those questioned said they were aware of proposals to attach health warnings to alcoholic beverage advertising.

Christian Roome, a Gallup analyst, said that percentage is probably higher than the true percentage because people typically don't like to admit being unaware of an issue.

Of those surveyed, 38% said they drink alcohol either "frequently" or "occasionally," while 62% said they "rarely" or "never" drink.

Half of the men said they drink frequently or occasionally; 27% of the women responded likewise.

Not surprisingly, support for warnings is highest among those who said they rarely drink (79% in favor) or never drink (76%) and lowest among those who said they drink frequently (64%).

In terms of education, support for warning labels is also lowest (67%) among those with less than 12 years of schooling and highest (82%) among those with "some college" education.

The breakdown by education level isn't consistent, however: A relatively low 68% of those describing themselves as college graduates—or about the same percentage as those with fewer than 12 years of schooling—said they support warning labels.

Those with less education are more likely to favor a ban on alcoholic beverage ads, the survey found. Some 44% of those who said they have fewer than 12 years of schooling said they favor a ban, vs. 36% of those with at least a high school education.

The poll found support for warnings to be generally the same across the country, though slightly higher in the West, where 76% of respondents said they favored warnings vs. 73% in each of the three other geographical areas —East, North Central and South Central.

People who make more money are more likely to oppose an ad ban.

Of those who said they make $75,000 or more a year, 65% said they oppose a ban, compared with fewer than half of those with incomes less than $75,000. □

Anti-smoking bill draws opposition

By Steven W. Colford

WASHINGTON—The attempt by U.S. Sen. Ted Kennedy (D., Mass.) to let states regulate—and even prohibit—tobacco advertising has encountered significant opposition from the senator's colleagues, sources say.

Ad and tobacco groups have criticized the proposal as unconstitutional. The bill also would create a $50 million, government-funded anti-tobacco ad campaign.

Legal scholars argued against the bill, apparently with some effectiveness, at last week's hearing before the Senate Labor & Human Resources Committee chaired by Sen. Kennedy.

After noted First Amendment attorney Floyd Abrams argued that the bill was overly restrictive and probably unconstitutional, Sen. Paul Simon (D., Ill.) asked whether removing the state regulation provision would appease the ad groups and solve constitutional concerns. Mr. Abrams said he thought so, and industry representatives later said they were optimistic their argument would prevail.

Other committee members expressing concern about the same provision were Sens. Christopher Dodd (D., Conn.) and Orrin Hatch (R., Utah), industry officials said.

A Kennedy aide said a vote on the measure could come as early as April 25.

"It's a ban in sheep's clothing," said Association of National Advertisers Exec VP Dan Jaffe.

He said letting states determine tobacco ad regulations would so impair any national marketing effort that marketers would be forced to stop advertising rather than comply with as many as 50 sets of regulations.

Mr. Abrams was joined in opposing the legislation by Morton Halperin, American Civil Liberties Union director, and Burt Neuborne, Columbia University law professor who appeared on behalf of the Freedom to Advertise Coalition. □

Adapt, broadcasters told

By Wayne Walley

ATLANTA—Advertisers are redefining media, and it's up to broadcasters to adjust to the needs of marketers.

That was the message Donald Keough, president of Coca-Cola Co., brought to last week's National Association of Broadcasters convention here.

"More advertisers are looking toward 'non-traditional' media such as cable, videos, theaters, special inserts in magazines and increased presence in places and events with high visibility," Mr. Keough said in his NAB presentation.

"We are looking for media options that are most focused to specific demographics or lifestyle segments of the consumer audience," he said.

In a separate panel discussion at the convention, ceos from ABC, CBS and NBC emphasized that ad revenue alone won't be enough to ensure network TV's ability to offer the best programming.

Robert Wright, NBC's president-ceo, said cable competitors ESPN and Turner Broadcasting System can generate enough money through subscriber fees to pay for their respective $450 million National Football League contracts to telecast Sunday night games.

"Advertising that comes in on those sought-after [Sunday night cable] packages is essentially free profit," Mr. Wright said. "The price on advertising can pretty much be anything when you don't have to cover substantial costs. Meanwhile, ABC, CBS and NBC struggle to get their money back."

Mr. Wright said the Big 3 are near the breaking point.

"We are looking for media options that are most focused to specific demographics or lifestyle segments of the consumer audience."

"We're more and more in an auction marketplace for shows," Mr. Wright said. "More and more, we are going to have to look seriously at passing things up."

A new bone of contention during the convention's panel discussion with the network chiefs was the current four-year limit on contracts between the networks and producers. This limit, the networks argue, invariably leads to massive payments to producers to keep a successful series going.

Citing NBC's recent negotiations to keep "The Cosby Show" —for a reported $2 million per episode license fee—the network leaders likened contract renewals to producers "pointing a gun to our heads."

"We pay the price," said Laurence Tisch, president-ceo of CBS Inc. "We have the worst of all worlds. We are allowed to lose money in the first years of a show and then not allowed to make money when a show does work."

The current system, the networks argue, leaves them at a competitive disadvantage.

"In my opinion, it's an unhealthy business where you put up 80% to 90% of the cost of a new show, get two runs, and then you don't have any [financial] interest," said Thomas Murphy, chairman-ceo, Capital Cities/ABC.

The Big 3 networks announced at the meeting that they'd formed the Network Television Association specifically to express the value of network TV to major advertisers and ad agencies.

"We're going to do everything possible to enhance the value of what we've created," Mr. Wright said.

Peter Chrisanthopoulos was named president-chief operating officer of the new organization. He most recently held the same title at the now-defunct RJR Nabisco Broadcast. □

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Advertising Age

April 16, 1990

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Heileman sets bank deal

Debt restructuring could save No. 5 brewer

By Ira Teinowitz

G. Heileman Brewing Co., the nation's No. 5 brewer, is close to signing an accord with its debt holders that will keep the marketer afloat.

The agreement will enable the company to increase ad and promotional spending, company executives said, though it will be accompanied by cost-cutting measures affecting the brewer's agency compensation and event sponsorship strategies.

Heileman President-CEO Murray S. Cutbush told *Advertising Age* last week the banks have decided their chances for recovering funds are much improved by letting Heileman continue to market beer, rather than by selling off major parts of the company at, perhaps, bargain prices.

Instead of moving to liquidate the financially troubled brewer, several major banks will take an equity position in Heileman, company executives said.

The deal includes a commitment to ad spending, said Ian Crichton, senior exec VP-marketing and sales.

The restructuring of the bank loans "will put Heileman on a viable financial footing to continue into the future."

Heileman intends to pare its agency roster from five shops to one or two, a move that prompted Young & Rubicam, Chicago, to resign earlier this month. Concerns about Heileman's level of future media support were a major factor in Y&R's decision.

Consultants hired by Heileman as part of its bank negotiations recommended renewed marketing spending and the agency consolidation and review, sources said.

The financial pressures on Heileman stem from Australian entrepreneur Alan Bond's 1987 acquisition of the brewery for $1.2 billion. A syndicate of banks, led by the Bank of Boston, the Bank of Nova Scotia and the Pittsburgh National Bank, reportedly hold as much as $800 million in loans for that purchase.

Beer industry sources put Heileman's total worth at $250 million to $350 million.

The banks' earlier agreement to grant

(Continued on Page 66)

LAST MINUTE NEWS

Reebok laces up with Hill Holliday

STOUGHTON, Mass.—Reebok International today will name Hill, Holliday, Connors, Cosmopulos, Boston, to handle its $40 million U.S. athletic-shoe account, formerly at Chiat/Day/-Mojo, New York, sources said.

Reebok began notifying five contenders on Friday of its decision, but Bernadette Mansur, a Reebok spokeswoman, wouldn't confirm or deny the selection. She labeled word of the choice as "speculation."

Ms. Mansur said a single agency would handle Reebok's entire account, interpreted by sources as a sign Reebok's $15 million international account, recently awarded to Chiat, would be pulled in favor of a global campaign.

Hill Holliday lost to Chiat in a 1987 pitch and was considered an early favorite this time (AA, Feb. 5) despite Chiat's re-entry.

The winner's creative presentation and location, and the close relationship between agency President-CEO Jack Connors and Reebok Chairman-CEO Paul Fireman were cited as reasons for the selection.

Hill Holliday has developed a new umbrella positioning campaign for Reebok, as well as a separate spot for the Pump, its inflatable basketball shoe.

Chiat had its share of controversy on the account. A failed "U.B.U." campaign of 1988 was pulled quickly and replaced by another short-lived effort themed "The physics behind the physique." More recently, a spot depicting bungee jumpers wearing Reebok and

(Continued on Page 8)

INSIDE

Nabisco's John Greeniaus talks about life after the KKR buyout. Page 3

Anti-smoke torch flickers

California's ad attack on tobacco marketers draws fire from stations

By Bradley Johnson

California's well-financed and boldly creative attack on the cigarette industry is running into trouble right out of the blocks.

TV stations in the state's top two markets are refusing to run the initial spots, part of what's said to be the biggest anti-smoking effort since the federal government required all broadcasters to run free anti-smoking ads in the late 1960s.

Two Capital Cities/ABC-owned stations, KABC-TV in Los Angeles and KGO-TV in San Francisco, have rejected "Industry Spokesman," the most controversial commercial in the state government's anti-smoking campaign.

The spot portrays cigarette executives as plotting ways to attract new smokers to replace those who've quit or died.

"We felt it was inflammatory," said Georgia Seid-Enseki, KABC director of broadcast standards and practices. "Ash-canning the competition has never been acceptable."

KPIX-TV, the CBS affiliate in San Francisco, has rejected the entire campaign because it wouldn't give in to the state's request for public service time equal to half of what the state bought in paid time.

"I just had a major, major problem with somebody with a cash commitment trying to influence our public service time,"

■ Anti-smoking ad doesn't sit well with Bob Garfield—Page 70.

said Kennen Williams, KPIX general sales manager. "To allow cash to influence our public service programming is not in ours or the viewers' best interest."

Executives at Keye/Donna/Pearlstein, the Los Angeles agency that created the TV and radio campaign for the California Department of Health Services, said they were unaware of any problems getting their spots on the air.

But Chairman Paul Keye—whose agency is known for its "Fried Egg" spot for the Media-Advertising Partnership for a Drug-Free America—seems determined to go from the frying pan into the fire.

"It would break my heart" if the ads had appeared without garnering any attention or controversy, Mr. Keye said. "We're

(Continued on Page 66)

The most controversial spot, set in a board room, portrays a corporate executive saying, "We need more cigarette smokers."

Stock deal unites WRG and BDDP

By Jon Lafayette

J. Boulet

K. Olshan

NEW YORK—Mary Wells Lawrence stepped down as ceo of Wells, Rich, Greene late last week, but not before her agency formed a global "union" with Paris-based BDDP.

Kenneth Olshan, 56, named to succeed the legendary Mrs. Lawrence, 61, as chairman of the board and ceo, said BDDP Holdings has agreed to buy a 40% stake in WRG.

Mr. Olshan and BDDP Holdings Chairman Jean Claude Boulet declined to discuss the purchase price, but industry executives estimated the price of the stake in WRG at $90 million to $100 million.

The management group at WRG, in turn, will get a 30% to 40% stake in BDDP Holdings through stock purchases at an undisclosed price, exchanges of shares and stock options, said Mr. Olshan, who keeps his current title of chairman-ceo at the WRG/Worldwide ad agency.

The deal creates what the principals are calling a worldwide "union" of agencies with billings of $2.2 billion and gives BDDP a long-sought presence in the U.S.

Mr. Boulet will be on the board of WRG; Mr. Olshan will be vice chairman of BDDP Holdings.

Mrs. Lawrence retains the titles of chairman and founder of WRG.

BDDP, founded in 1984, is a well-regarded creative agency with billings of $1.4 billion and revenues of $300 million from advertising, marketing services, corporate communication and human resources. The agency has wholly owned operations in seven European countries, plus a 20% interest in Singapore-based Batey Communications.

Mr. Olshan said the two agencies share Hertz Corp. as a client and that the union will conform to the conflict policies of WRG's clients. WRG works for Procter & Gamble Co., Ford Motor Co. and Sun Co., while BDDP works for Reckitt & Colman, BMW and British Petroleum.

The WRG/BDDP union will be governed by a six-person executive committee that will cross-refer clients, decide conflict policies and share technologies, Mr. Olshan said.

BDDP came close to a merger with Chiat/Day, Venice, Calif., four years ago before that shop became Chiat/Day/Mojo, and last year launched a hostile takeover of Boase Massimi Pollitt, London. Omnicom Group later acquired BMP.

The deal also comes at a key juncture for WRG, which needed to find cash to reduce Mrs. Lawrence's ownership stake.

At the same time, the move allows WRG to gain sorely needed international capability without losing control of its operation.

Although Mrs. Lawrence no longer controls a majority of WRG, she said she remains the largest stockholder among the management group.

In "passing the baton" to Mr. Olshan, Mrs. Lawrence said: "Wells, Rich, Greene is at the stage where it needs a full-time ceo on cite. Ken deserves the opportunity."

She said she will continue to act as "spirit guide and compulsive nagger. They'll never get rid of me."

Mrs. Lawrence will continue to work out of the agency's New York office for four months of the year and work from her various residences the rest of the year.

With only a minority stake in a London shop, WRG is the largest U.S.-only agency at $860 million in billings. Mr. Olshan acknowledged the agency's lack of an international arm has caused frustrations with both current clients and new-business prospects.

Mr. Olshan said joining BDDP was attractive because each of BDDP's agencies "is a strong local entity with experienced, successful, home-grown management." □

Cont'l axes O'Donnell

By Jennifer Lawrence

Continental Airlines last week fired Senior VP-Marketing James O'Donnell, the executive reportedly instrumental in the company's recent selection of Wells, Rich, Greene, New York.

The Texas Air Corp. unit said officially that Mr. O'Donnell "left to pursue other interests," but insiders said his departure wasn't voluntary.

Mr. O'Donnell, a Texas Air marketing veteran of almost two decades, wouldn't comment.

Sources said they were unsure what precipitated Mr. O'Donnell's dismissal, but insiders pointed to friction with John Nelson, Continental exec VP-marketing. Mr. Nelson apparently delivered the news to Mr. O'Donnell April 12 and asked him to leave that same day.

Mr. Nelson was unavailable for comment.

The firing comes just as WRG comes on board to reshape Continental's image. N W Ayer, New York and Houston, was abruptly terminated in late January on the $40 million-to-$50 million account.

WRG was said to be Mr. O'Donnell's choice while Mr. Nelson, at least initially, favored Lintas:New York. Lintas, the finalist in the review, is agency for Eastern Airlines, another Texas Air unit. Mr. Nelson had been a marketing executive at Eastern until 18 months ago.

"WRG will have to win over John Nelson," said an agency source close to the situation.

Three other sources said WRG's winning the Continental account was the "last straw" from Mr. Nelson's point of view.

"Jim flunked the loyalty test for the last time when he said that the agency he wanted was different from what Nelson wanted," said a former airline executive.

WRG late last week said it had learned of Mr. O'Donnell's exit but referred questions to Mr. Nelson.

The two executives were thought of as extreme opposites. Colleagues

"Jim flunked the loyalty test for the last time when he said that the agency he wanted was different from what Nelson wanted."

of both men describe Mr. O'Donnell, 48, as a "brilliant, intuitive, aggressive, flamboyant" marketer and Mr. Nelson, 47, as a "level-headed and brilliant politician."

Mr. O'Donnell had been Texas Air's key marketing architect with direct access to company Chairman Frank Lorenzo.

The men first met in the late 1960s in New York, when Mr. O'Donnell was staff marketing VP for the now-defunct Mohawk Airlines and Mr. Lorenzo was with Jet Capital Corp. In 1972, when Mr. Lorenzo took over Texas International Airlines, he recruited Mr. O'Donnell to serve as marketing VP.

It was Mr. O'Donnell's loyalty and access to the entrepreneurial Mr. Lorenzo that prompted the more bureaucratic Mr. Nelson to fire his marketing subordinate, sources speculated.

They also said they believe Mr. O'Donnell's removal paves the way for a replacement from Eastern. Mr. Nelson is said to have close ties to George Brennan, Eastern's VP-marketing.

Mr. Brennan couldn't be reached for comment.

Eastern faces an uncertain future as it struggles under federal bankruptcy protection. Industry talk has focused on a merger of Eastern into Continental, though Texas Air has denied such a plan.

Industry observers said they expect to see Continental turn to a more traditional marketing approach under Mr. Nelson. In the past, it's often taken a creative approach to selling seats.

Two years ago, a Continental ad campaign urged customers to leave the country April 15 to avoid paying taxes. The effort prompted the Internal Revenue Service to revise its rule that permitted an automatic filing extension for those not in the U.S. on tax return day.

Mr. O'Donnell has been fired by Continental once before—in late 1982, after Stephen M. Wolf was named president-chief operating officer. Mr. O'Donnell at that point was VP-marketing services.

After Mr. Wolf left Continental in 1983, Mr. O'Donnell was named president of Scali, McCabe, Sloves, Houston, then Continental's agency. He returned to Continental as VP-marketing in 1985. □

IN THIS ISSUE

- **Duracell** has increased its market-share margin over Energizer batteries since Energizer's "bunny" spot started airing last year 4
- **HDM's** new ceo will tackle the agency's lack of U.S. growth 16
- **Sport utility trucks** get hotter as Ford and Chevy introduce new models 20
- **College graduates** relate their struggles landing agency jobs 26
- **National Geographic's** ad pages rebound with aggressive sales effort 56
- **The Newspaper Ad Bureau** predicts 1990 ad revenues will be less than expected 70

VIEWPOINT

- Sid Bernstein: Is there too much advertising? 28
- Forum: Give clients the facts 29
- James Brady: Remembering Halston 34
- Joe Cappo: Ode to the fountain pen 34

Editorials ..... 28 Letters 30
Brady's Bunch ..... 29 The Next Trend 34

The Nordic market

- Swedish marketers test the waters beyond the fjords.
- Pan-Scandinavian channel forces countries to tune in ads.
- How to do business in Sweden: with casual formality.

- Nordic Gallery 42

RETAIL MARKETING

- "Common sense" replaces price at Meijer 44

SALES PROMOTION

- NBC and CBS line up promotions 45

MEDIAWORKS

- What concerns advertisers about syndication 46

PEOPLE

- John McGarry builds client relations for Y&R 48
- People Moving 48
- Photo Review 50

- The California Department of Health Services' anti-smoking campaign resorts to the same sinister and racist marketing techniques used by tobacco companies.

U.S. NewsWatch 10
Classified 61
Calendar 64
For the Record 65
Index to Advertisers 70

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THE NORDIC MARKET

Ad Age examines how media, marketers and agencies operate in Denmark, Finland, Norway and Sweden.

Swedish marketers going global

Ikea's success worldwide showed them 'the impossible is possible'

By Seth Chandler

STOCKHOLM—A new generation of Swedish consumer goods companies is following furniture marketer Ikea's lead into the international marketplace.

"I get a lot of inspiration from Ikea, because they have proved that the impossible is possible," said George Kittel, international marketing director for Pogen, Sweden's largest family-owned baking company.

Sweden isn't known as the home of a great many internationally recognized brand names, and some companies choose not to trade on their Swedish culture.

"Big companies like Electrolux don't give a damn about being Swedish or prefer not to be seen as Swedish," Mr. Kittel said.

It's not surprising then that Ikea has become a role model for companies such as Pogen, Ramlosa, Zoegas Kaffe and H&M Hennes & Mauritz.

Since Ikea entered Denmark in 1969, the company has been seeking to attract business outside Sweden. Last year, 72% of the company's $2.7 billion in sales came from the 20 countries outside Scandinavia where Ikea goods are marketed.

Ikea spends about half its estimated $70 million annual marketing budget on 27 different catalogs, produced in-house in 12 languages.

Its first U.S. store opened in Philadelphia in 1985; there are now Ikea stores in Washington, Pittsburgh and Baltimore as well, with stores opening in New York and Burbank, Calif., this year. Deutsch, New York, handles the $7 million U.S. account.

All Ikea stores are painted in the colors of the Swedish flag, blue and yellow, and the company emphasizes its roots by naming new designs after Scandinavian rivers, lakes, trees and towns.

"Ikea is not just selling Swedish furniture; it's selling Swedish lifestyle," Mr. Kittel said.

Pogen, with worldwide sales last year of $270 million, began selling cookies in the U.S. in 1969.

Until this year, its U.S. focus had been on vending machines, where it's become the No. 3 supplier of cookies, said Kathy O'Brien, national sales manager, Pogens Family Bakery, Compton, Calif.

In January, Pogens began rolling out a line of 14 cookies into supermarkets in 11 Western and Midwestern markets; additional expansion, possibly on the East Coast, is planned for 1991, Ms. O'Brien said. She wouldn't disclose sales figures.

Pogens runs newspaper ads with coupons to support the line in the U.S. Advertising and promotions are handled in-house.

Zoegas, a Nestle subsidiary, is also moving West. The premium coffee marketer began selling in the U.S. via a mail-order test last November and offers whole bean and ground varieties of Rut Pa Skaret Rost, Sofiero Palace Rost, and Mollberg's Rost flavors.

Direct mail and ads in *Food & Wine* and *Travel & Leisure* support; Krupp/Taylor, Los Angeles, is the agency.

By yearend, Zoegas will decide whether to expand in the U.S.

"We are a very small company. We have to be careful," said Ann Katrin Bergsten, international marketing director.

Another company aiming for greater international awareness is Ramlosa, the leading Swedish mineral water. Ramlosa is trying to take advantage of Sweden's reputation for purity, health and cleanliness, said Anna Montelius, assistant export manager.

Ramlosa's advertising refers to the brand's Swedish origins, and the logo appears in the original Swedish typography.

BSB Sweden here and ASL/Alliance, London, handle Ramlosa, which spends about $8.3 million annually in advertising worldwide, about half of that contributed by distributors.

At home, Ramlosa holds a 35% share of the $70 million market (at wholesale). Ramlosa also dominates the mineral water market in Denmark and is a major player in Finland, Norway and the Middle East.

In other markets, Ramlosa is focusing on the hotel and restaurant business because of higher margins.

"Our overall concern is the price structure," said Roland Bengtsson, managing director. "No one makes money in the U.S., Canada or the U.K. in the supermarket trade."

Ramlosa has spotty distribution in U.S. supermarkets and delis.

Sales have quadrupled in the past decade to $33 million in 1989, but foreign sales account for less than 25% of the total. The tougher-than-expected going in the U.S. and U.K. has held total exports to $5 million to $6 million.

H&M Hennes & Mauritz has also been expanding its line of popularly priced women's and men's clothing stores beyond Sweden's borders. Although there are no plans to enter the U.S., the company expects to add 25 to 30 more stores this year, for a total of 275 outlets in Europe.

Hennes has stores in Norway, Denmark, the Netherlands, U.K., West Germany and Switzerland.

With worldwide ad spending of an estimated $35 million, the chain aims to project an image of a low-cost marketer of "expendable fashion," mostly casual separates.

"The idea is that you can buy a lot of fashion, change a lot and have fun," said Hugues Goulin, a Hennes project leader in this titleless company.

Colors, sizes and some styles are adapted for each market.

"Scandinavians are very fond of blue. Germans like to flash more with their colors. In England, black is always big. Scandinavians are taller; Swiss are shorter," Mr. Goulin explained. "German men wear a lot more blazers. In Scandinavia, it's more fashionable to wear outdoor jackets, but in England, they wear heavy woolen coats."

Swedish marketers, such as Hennes & Mauritz department store (above) and Ramlosa bottled water, bring the clean look of their ads across the Atlantic.

Unlike the clothing, Hennes advertising has the same distinctive look in every country.

It "is clean, less is more, with nothing to distract," Mr. Goulin said of the white background layouts.

"The focus is on the clothes," he said. All art is produced in Sweden because the minimalist look is "difficult to get right without looking cheap," he said. Hennes works with three Stockholm agencies: Aggerborgs for its adult ads; Rififi for youth advertising; and Mansson & Nord for ads for cosmetics sold in the company's stores and for advertising at two other smaller, domestic clothing chains owned by Hennes.

Although copy and media are handled by small local agencies in each country, there's little room for deviation. Copy typically gives only the name of the product and the price. □

Nielsen/Ad Age Nordic overview

All consumption figures are given in U.S. dollars. In the U.S., total 1989 sales of coffee reached $3.0 billion, $12.43 per capita; tea, $853.9 million, $3.50 per capita; cat food, $1.7 billion, $6.78 per capita; dog food, $1.8 billion, $7.53 per capita, and rice, $136.5 million, $0.56 per capita.

Norway

	1989 consumption (in thousands)	1989 per capita
Rice	$25,626	$5.89
Tea	20,300	4.67
Cat food	28,749	6.61
Dog food	25,821	5.94

Population: 4,349,000 Currency: Krone Conversion: 7.1725

Oslo

Sweden

	1989 consumption (in thousands)	1989 per capita
Coffee	$417,986	$48.62
Rice	18,714	2.18
Tea	36,034	4.19
Cat food	85,807	9.98
Dog food	45,997	5.35

Population: 8,597,000 Currency: Krona Conversion: 6.6743

Stockholm

Finland

	1989 consumption (in thousands)	1989 per capita
Coffee	$298,132	$60.18
Rice	11,493	2.32
Tea	17,876	3.61

Population: 4,954,000 Currency: Markka Conversion: 4.4193

Helsinki

Denmark

	1989 consumption (in thousands)	1989 per capita
Coffee	$166,015	$31.38
Rice	12,603	2.38
Cat food	30,222	5.71
Dog food	30,625	5.79

Population: 5,290,000 Currency: Krone Conversion: 7.6963

Copenhagen

Source: A.C. Nielsen Graphic by John Holland

Haircare lines tout salon connections

By Pat Sloan

Shampoos, conditioners and styling aids increasingly are getting the salon treatment.

Sales of salon-related brands in mass-market stores grew 8% last year. And that $650 million retail segment is attracting new players and inspiring current competitors to introduce new products and increase marketing support.

Growth was even more impressive for salon products sold to consumers in salons. In 1989, these brands, representing close to $1 billion in business, by various industry estimates grew anywhere from 12% to 25%.

Sales of haircare products in food and drugstore outlets totaled $2.7 billion last year.

Top five professional haircare brands

(sold in salons to consumers)

1. Nexxus	$200 million
2. Redken	$140 million
3. Paul Mitchell	$100 million
4. Matrix	$75 million
5. Sebastian	$60 million

Source: Industry estimates

Credibility is the big advantage for salon-related brands, said Cody Dalton, president of Jose Eber Inc.

"What a salon provides that a Finesse can never provide is the individual who has the authority to deliver the message. It's like a salon in a bottle," she said.

Three salon-positioned brands sold at mass market—Eber, Playtex Family Products' La Coupe and Condition by Clairol—this year are slated for advertising and promotional programs valued at $20 million each.

The Eber line is handled by Altschiller Reitzfeld Davis/-Tracy-Locke, New York, while Margeotes Fertitta & Weiss is La Coupe's agency and Laurence, Charles, Free & Lawson handles Condition.

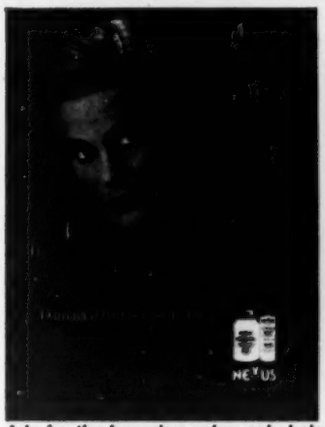
In 1988, Condition received barely $4 million and Eber's measured media support was less than $1 million, reported LNA/Arbitron Multi-Media Service. La Coupe didn't even register on the measured-media charts.

Eber is a joint venture between hair stylist Jose Eber and Meshulam Riklis. La Coupe was created by salon owner Charles Booth in 1983. Both ended up in the mass market, positioning themselves competitively against retail brand names like Procter & Gamble Co.'s Vidal Sassoon, the first stylist to lend his salon authority to a mass-market brand.

Condition by Clairol has little actual salon heritage, though Clairol itself ranks among the leading suppliers of hair color to salons. So Condition brand managers try to reinforce a salon "image" through packaging and formulas. It's much the same tactic Helene Curtis Industries has used with its Salon Selectives line.

Eber has shot for a mass presence because "that's where the volume is," Ms. Dalton said.

Certainly, products can get a faster start in mass outlets than salons. In its first year out more than a decade ago, Sassoon, for instance, reportedly rocketed to $80 million in sales while it took 25 years for the No. 2 salon brand, Redken, to hit $100 million. But building that kind of volume in the mass market can be risky and expensive, and longevity isn't guaranteed.



Ads for the booming salon-only haircare segment, which includes Nexxus (l.) and Mastey, bank on the implicit endorsement salons give them.

As a result, some marketers are sticking to salons.

For example, former Minnetonka CEO Robert Taylor now is chairman of Graham Webb International, named for the British stylist and salon owner.

While at Minnetonka, Mr. Taylor built brands like Check-Up toothpaste and Calvin Klein's Obsession fragrance.

He said he sees haircare products sold to consumers through salons as a wide-open category because there are only "five dominant players, all non-public and all owned by entrepreneurs."

According to industry estimates, the top five are: Nexxus Products Corp. with $200 million in sales; Redken Laboratories with $140 million; Paul Mitchell, $100 million; Matrix, $75 million; and Sebastian, $60 million.

Mr. Taylor said part of the formula for a successful salon line is hooking up with an established name.

Mr. Webb, who's served as a spokesman for other salon lines in the U.S. and who in June will go to the Soviet Union to create a *perestroika* hair design, fits that bill, Mr. Taylor said.

Traditionally, salon lines haven't been advertised much because salons looked askance at consumer marketing.

"Consumer advertising, they felt, created a demand for diversion," the practice of independent companies using fraudulent methods to get products and reselling them to retailers, said Harris Shepard, ad manager for Mastey, a marketer of salon products.

But as salons have realized that advertising also helps them reach consumers, it has become more acceptable, said Mr. Shepard, whose company will use spot TV on a national basis for the first time this year. Ads are handled in-house.

Graham Webb uses upscale displays, videos and sampling for its new line. A regional $1.5 million campaign, handled in-house, breaks this month.

While most salon lines are handled in-house, Nexxus uses RAO Associates, Los Angeles. Among salon lines, Nexxus spends the most on advertising, more than $17 million in 1989.

This year marks the first time that Nexxus is using prime-time TV rather than just spot TV and print. □

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HISTORY...

Kids cologne line broadens

By Marcy Magiera

Kids William & Clarissa this month is introducing what it says is the most extensive line of personal-care products for children.

The extensive Kids line, now shipping to drugstores, supermarkets and mass merchandisers nationally, includes shampoo, conditioner, bubble bath, lotion, oil and colognes for boys and girls, plus powder, lip balm, liquid soap, bar soap and sunblock for infants and children to age 12.

In going up against Johnson & Johnson Baby Products Co. and other established product marketers, Kids William & Clarissa will be under the wing of President Mary George, 39, who is no stranger to creating new niches in the personal-care market.

As VP-marketing and, later, president-chief operating officer of VLI Corp., Ms. George guided the marketing campaign that made the Today sponge the No. 1 over-the-counter female contraceptive.

She joined Kids William & Clarissa last year after working as a marketing consultant.

Ms. George said that marketing the Kids line is similar to marketing the contraceptive, "in the sense that you're going into the same retail outlets and . . . you're marketing to women." The only difference is that VLI's customer was the "modern, upcoming woman," she said, while the woman who will buy Kids is "a little more upscale, more highly educated."

Print and direct-mail ads will appeal to affluent parents and grandparents by telling them the Kids products "come from people who are parents before they are manufacturers," she said.

Kids William & Clarissa, in fact, is named after the children of Chairman-CEO William A. Meyer.

The estimated $8 million ad campaign will start in May, when the company will send a direct-mail piece with a $1 coupon to 30 million mothers with children under 12. Print ads will break in June issues of women's and parenting magazines.

Ketchum Advertising, Los Angeles, handles.

The concept for the line was born in 1988, when the company began selling colognes for boys and girls in department stores in San Francisco and New York.

Last year, Mr. Meyer approached Ms. George with the idea of expanding the colognes into a complete line of toiletries for children.

"I knew the concept was fantastic, but I knew we could do much better at mass market," she said.

Kids William & Clarissa estimates the market for children's personal-care products to be about $350 million. □

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CALENDAR

APRIL

April 22-24, **National Retail Federation**, Credit Collections Conference, Waldorf-Astoria Hotel, New York, (212) 244-8780.

April 22-25, **Association of Business Publishers**, spring meeting, Rancho Las Palmas, Rancho Mirage, Calif., (212) 661-6360.

April 23-25, **City & Regional Magazine Association**, 14th annual conference, Sir Francis Drake Hotel, San Francisco, (703) 548-5016.

April 23-27, **Magazine Publishers of America**, Magazine Publishing Congress/Spring, New York Hilton, (212) 752-0055.

April 26, **American Association of Advertising Agencies**, "High Performance Account Management: Running, Holding & Growing Accounts in Tough Times" seminar led by Robert S. Marker, Barclay Hotel, Philadelphia, (212) 682-2500.

April 26, **Magazine Publishers of America**, American Society of Magazine Editors National Magazine Awards, Waldorf-Astoria Hotel, New York, (212) 752-0055.

April 29-May 2, **Council of Sales Promotion Agencies**, "Managing the Three Forces of a Promotion Agency" spring meeting, Mark Hopkins Inter-Continental Hotel, San Francisco, (203) 325-3911.

MAY

May 2-3, **Direct Marketing Association**, Government Affairs Conference, Capital Hilton Hotel, Washington, (212) 768-7277.

May 6-9, **Association of National Advertisers**, Advertising Financial Management Conference, Hotel del Coronado, San Diego, (212) 697-5950.

May 6-9, **Food Marketing Institute**, 1990 convention, McCormick Place, Chicago, (202) 452-8444.

May 8-9, **Advertising Research Foundation**, second annual Media Research Workshop (including Hispanic Media Research Workshop), Omni Park Central, New York, (212) 751-5656.

May 23, **Magazine Publishers of America**, Kelly Award, Waldorf-Astoria Hotel, New York, (212) 752-0055.

JUNE

June 4-5, **Direct Marketing Association**, sixth annual Financial Services Conference, New York Hilton, (212) 768-7277.

June 5, **Association of National Advertisers**, Corporate Communications Workshop, Plaza Hotel, New York, (212) 697-5950.

June 6-7, **National Retail Federation**, Customer Service in Retailing conference, Inter-Continental Hotel, New York, (212) 244-8780.

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Canon bets camcorders will be hot in summer

By Ira Teinowitz

Canon USA is betting camcorders have become so popular that traditional consumer electronics advertising rules can be tossed out the window.

In a move that flies in the face of industry wisdom, Canon tripled its budget for camcorder advertising and has begun a new $7 million to $8 million camcorder campaign this month rather than before the Christmas holiday season.

"We believe that camcorders are no longer seasonal items," said Mike Matzkin, manager of public relations for Canon. "They are year-round items."

Canon's ads spotlighting the new tiny E51 Canovision 8 camcorder (AA, April 9) are intended to make the company a major player in the U.S. camcorder market, Mr. Matzkin said.

Ads for Canon's E51 Canovision camcorder focus on its special features, such as low-light capability.

RCA, Panasonic and Sony brands are the three top-selling camcorders, each with about a 15% share of the $2.1 billion market last year, *Television Digest* reported.

Canon in 1988 was the No. 1 video camera maker among traditional film camera companies but still had only 1.4% of the market, said David Lachenbruch, editorial director of *Television Digest*. Figures for last year were still being calculated.

Four 15-second commercials have begun a nine-week flight in 10 top spot markets and on Cable News Network, Arts & Entertainment and Discovery cable channels.

The humorous spots also get a few network airings on CBS' Professional Golfers' Association coverage.

Half-page spreads in consumer magazines also tout Canon's noninterest credit card. DCA Advertising, New York, handles. ☐

Coffee sales climb in '89

By John C. Maxwell Jr.

Though dollar sales in the coffee industry rose slightly in 1989, adjusted per capita consumption continued to decline.

Marketers' emphasis on higher-priced, upscale, quality coffees may have helped to prop up sales, which rose 4% last year to an estimated $2.7 billion.

The specialty coffee subsegment has shown continued strength based on the increased availability of the higher-quality arabica coffee bean and consumers' apparent willingness to pay a little extra for a better cup of coffee.

Increased sales are also due in part to the renewed competitive battle for market share between General Foods USA's Maxwell House and Procter & Gamble Co.'s Folgers.

That rekindled share fight boosted coffee advertising and promotion substantially last year. A number of new-product introductions also increased spending.

Nevertheless, coffee consumption will remain flat or decline as consumers move away from hot, acidic drinks to cold beverages such as soft drinks. Historically, there's a direct correlation between coffee consumption and age, but that's expected to weaken as baby-boomers age and take their soft-drink habits with them.

Per capita consumption (based on a three-year moving average) declined modestly last year to an estimated 25.3 gallons, vs. 25.4 gallons in 1988 and 25.7 in 1987.

Market share estimates show P&G moving narrowly ahead of General Foods in the regular coffee segment, 32.2% to 32.1%. But General Foods continued its lead in instant coffee with a combined 36.7%, as second-place Nestle came in at 33.6% and P&G had 23.9%. ☐

Mr. Maxwell is an analyst with Wheat, First Securities, Richmond, Va.

Coffee market shares

Brand	Regular coffee 1989*	1988	1987
General Foods			
Maxwell House			
Regular	16.0	16.7	18.1
Decaf.	2.0	2.0	2.0
Private Collection	0.3	0.3	0.2
Subtotal	18.3	19.0	20.3
Master Blend	8.2	8.0	7.6
Sanka	1.9	2.0	2.1
Yuban			
Regular	2.1	2.2	2.3
Decaf.	0.3	0.3	0.4
Subtotal	2.4	2.5	2.7
Brim (includes Max-Pax)	1.3	1.5	1.8
Total	32.1	33.0	34.5
Procter & Gamble			
Folgers			
Regular	23.0	22.8	22.8
Decaf.	4.2	4.0	3.4
Flakes	5.0	5.0	5.1
Total	32.2	31.8	31.3
Nestle			
Hills Brothers	7.8	7.7	7.5
MJB	3.4	3.3	2.7
Chase & Sanborn	2.0	1.8	1.3
Taster's Choice	0.3	0.2	—
Total	13.5	13.0	11.5
Chock Full O'Nuts	3.4	3.4	5.1
Winterpark Investment Group**			
Maryland Club	0.5	0.7	0.9
Butternut	0.8	0.9	1.1
Total	1.3	1.6	2.0
Subtotal	**82.5**	**82.8**	**84.4**
All others	17.5	17.2	15.6
Grand total	**100.0**	**100.0**	**100.0**

Brand	Instant coffee 1989*	1988	1987
General Foods			
Maxwell House			
Regular	20.0	20.5	21.5
Decaf.	1.8	2.0	2.4
Subtotal	21.8	22.5	23.9
Maxim	1.3	1.4	1.5
Sanka	8.3	8.3	8.4
Freeze Dried Sanka	0.6	0.6	0.7
Yuban	0.8	0.7	0.6
Brim	0.9	1.1	1.6
International Coffees	3.0	3.0	3.0
Total	36.7	37.6	39.7
Nestle			
Nescafe Regular	7.3	7.4	7.5
Nescafe Decaf.	2.7	2.8	3.1
Taster's Choice Regular	11.6	11.3	10.6
Taster's Choice Decaf.	5.7	5.9	6.2
Sunrise	0.8	0.8	0.8
Hills Brothers	2.5	2.4	2.1
MJB	1.6	1.5	1.3
Chase & Sanborn	1.4	1.0	0.5
Total	33.6	33.1	32.1
Procter & Gamble			
Folgers Regular	17.5	17.0	16.0
High Point	0.8	0.9	1.0
Decaffeinated Folgers	5.6	5.2	4.3
Total	23.9	23.1	21.3
Borden			
Kava	0.3	0.4	0.5
Subtotal	**94.5**	**94.2**	**93.6**
All others	5.5	5.8	6.4
Grand Total	**100.0**	**100.0**	**100.0**

*1989 figures are estimates. **Procter & Gamble acquired Maryland Club and Butternut from Winterpark Investment Group in October 1989.
Source: John C. Maxwell Jr.

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A-B to ink $100M ESPN deal

By John McManus

Anheuser-Busch is about to sign a new five-year, $100 million-plus ad commitment to ESPN, the major sports cable network.

The move could have ramifications for the Big 3 TV networks, each of which is preparing to sell ad packages on sports programming purchased for record fees.

"We're working on a multiyear deal with ESPN that will take care of our involvement with their coverage of Major League Baseball and National Football League games, as well as other parts of their schedule," said Charles Fruit, VP-corporate media at Anheuser-Busch.

Mr. Fruit declined to elaborate, except to say the deal was "not quite done, but we hope to announce it soon."

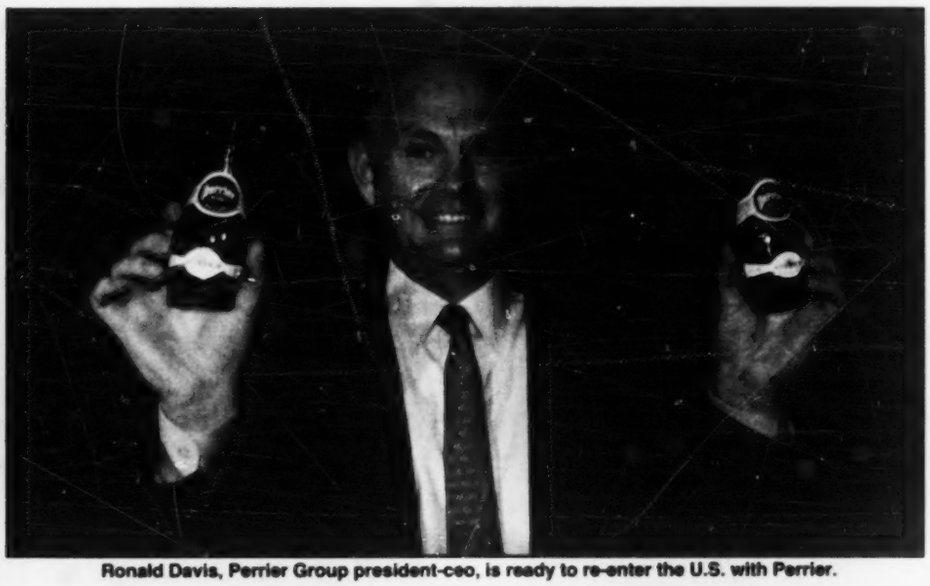
ESPN officials confirmed negotiations had reached the final stage but wouldn't disclose terms.

Media executives familiar with the pact said A-B has committed to buying five or six units in all of ESPN's 170 baseball telecasts. The current pact, signed in 1985, runs through this year; however, the 1990 baseball season will be considered part of the new deal.

The units are priced at about $17,000 per 30-second spot on Sunday nights, $13,000 for Wednesday nights and $8,000 for Tuesday and Friday night doubleheaders.

A-B is also expected to have a dominant beer category position in ESPN's new package of NFL

(Continued on Page 82)



Ronald Davis, Perrier Group president-ceo, is ready to re-enter the U.S. with Perrier.

PERRIER'S BACK

Whimsical campaign to support its return

By Patricia Winters

Perrier returns to the marketplace this week, facing one of the biggest marketing challenges in recent years—one that could make or break the brand in the U.S.

The marketer, Perrier Group, is using a deliberately whimsical ad and promotional blitz to bring back its sparkling water.

The company is hoping to erase any lingering doubts about the safety of the product, recalled from the market globally after traces of benzene, a carcinogen, were discovered.

"We recalled, we recycled, we publicly acknowledged we made a mistake," Ronald Davis, Perrier Group president-ceo, said in an interview at the company's serene Greenwich, Conn., headquarters. "We tried to be responsible."

"It's over," said Kim Jeffery, senior VP-marketing and sales. "In order to start to have some fun, we had to say what happened and say we're sorry. We did [that in March]. Now, we move on from that point."

Perrier's return:

New York	April 26
Miami	May 2
Baltimore/Washington	May 4
Los Angeles	May 8
Philadelphia	May 10
Boston	May 15
Chicago	May 22
San Francisco	May 24

Perrier hits shelves April 26 in New York, and after six weeks will be back in 90% of the U.S.

On the day each market is reentered, the company will start a two-week TV and newspaper campaign themed "We're back."

The TV commercials—the first since Waring & LaRosa, New York, won back the account from Hal Riney & Partners, San Francisco—are expected to use a fun-spirited variation of the famous "The earth's first soft drink" line, a source said.

In promotions, Perrier will conduct sampling in 15 top markets via portable "Perrier cafes," complete with staffers in "We're back" apparel.

These efforts are part of the

(Continued on Page 84)

Coke taps Host for marketing

By Patricia Winters

Coca-Cola USA has named an American Home Products Corp. executive as its senior VP-marketing, a post considered one of the toughest jobs in package-goods marketing.

Theodore J. Host, 44, now president of AHP's recently sold Boyle-Midway Household Products unit, assumes the Coca-Cola post May 1. The company has been searching to fill the top marketing post, formerly held by John C. Reid, for 18 months.

Reporting to Mr. Host will be Michael Beindorff, VP-marketing planning, and James Patton, head of marketing services. Mr. Beindorff is responsible for the company's $170 million soft-drink ad budget, as well as for brand planning, media and marketing research. Mr. Patton has responsibility for promotions, packaging and entertainment marketing.

Mr. Host's appointment isn't expected to spark any immediate changes within Coca-Cola's marketing structure or with its long-time agency relationships.

He will report to Coca-Cola USA President Ira C. Herbert, who's regarded as the company's top authority on all advertising and marketing functions.

T. Host

Executives close to Coca-Cola said Mr. Herbert will continue to have final say on all major advertising and promotion decisions.

"With Ike in charge, the organization will stay the way [he] likes to deal with it," said one executive close to Coca-Cola. "I don't foresee any major shakeup or realignment."

Said another executive: "Coca-

(Continued on Page 84)

LAST MINUTE NEWS

Financial review afoot

NEW YORK—A financial services company here with ad spending of $60 million to $100 million has contacted several shops with international capabilities through the search consultant Advertising Agency Register, agency sources said. The register has indicated to some agencies that credit card business could pose a conflict. Speculation among agency new-business sources centered on MasterCard International, now at Lintas:New York. Other sources named Citicorp, whose agencies include N W Ayer and Lowe Marschalk, both here, and Chicago-based Foote, Cone & Belding. Both companies denied they're looking for a new agency.

ABC yanks bungee ad

NEW YORK—ABC said it won't air Reebok's revised bungee-jumping spot again. The commercial ran on the network for the first time April 19 *(see earlier story on Page 81)*. "We accepted the spot pending re-evaluation of consumer complaints. The viewers responded," an ABC spokeswoman said. "We don't discuss numbers, but it was a significant amount, enough to justify withdrawing the ad." CBS also ran a revised spot last week.

Campbell cuts near

CAMDEN, N.J.—Campbell Soup Co. will cut 100 to 500 people from its headquarters staff within the next few

(Continued on Page 8)

INSIDE

Mary Wells has left an indelible mark on advertising.
—Page 46

Big shift at Saatchi

Trio of top execs may move to operating units

By Laurel Wentz

LONDON—Saatchi & Saatchi Co. Chief Executive Robert Louis-Dreyfus is expected to announce next week new jobs for Jeremy Sinclair, Saatchi deputy chairman, and Roy Warman and Terry Bannister, joint ceos of the communications division.

The three men will be leaving their current jobs in the holding company to work at individual operating units, Saatchi sources said.

Saatchi won't reveal which executive will go where, but sources speculated that Mr. Sinclair is likely to go to Saatchi & Saatchi Advertising.

One of the other two men would go to Backer Spielvogel Bates Worldwide, and the other would look after the remaining Saatchi communications businesses, according to the speculation.

"The general feeling is there's a need to reduce central overhead costs and put the costs in the profit centers," said a source familiar with Saatchi.

Sources said Backer Chairman-CEO Carl Spielvogel is unlikely to welcome the addition of a top Saatchi executive to his company.

"Backer Spielvogel Bates and Saatchi & Saatchi Advertising are the only ones that can really afford more management," said a source familiar with Saatchi. "There are a lot of people to persuade. . . . It is contentious which ones they want [to work at] and which ones want them."

Sources estimated that Messrs. Warman and Bannister are each paid about $450,000 a year.

Messrs. Sinclair, Warman and Bannister were on vacation last week and couldn't be reached for comment.

All three are members of the Saatchi holding company's board, and it isn't clear whether reassignment would affect that. □

Jon Lafayette in New York and Andrew Rosenbaum in Paris contributed to this story.

How Nissan pays Chiat

By Jon Lafayette

Nissan Motor Corp. USA is paying Chiat/Day/Mojo on a sliding scale ranging from an average 10% for the first $150 million in billings to 6% and less on additional spending.

The compensation arrangement, part of Nissan's overall agreement with Chiat, was obtained by *Advertising Age* last week.

The document was sent in an envelope to AA's Los Angeles office with no return address or cover letter. *Ad Age* has determined independently that the agreement appears to be authentic.

The three-year agreement, dated last Oct. 1, calls for Chiat to get a 12% commission on the first $50 million in spending, 10% on the next $50 million, 8% on the next $50 million, 6% on the next $50 million and 5% for any additional spending.

The Venice, Calif.-based agency gets those commission rates on media spending plus out-of-pocket expenses incurred servicing the account, including production costs. Agencies usually take a 16.75% markup on production costs.

The contract covers Nissan's national account; there's a separate agreement covering Chiat's work for Nissan's major dealer associations.

It couldn't be determined whether the new contract pays more or less commission than the previous contract.

Because of their sheer size—many carmakers spend more than $100 million with their agencies—auto accounts are among the agency industry's most profitable pieces of business even though commissions are low.

Nissan's arrangement with Chiat isn't uncommon. General Motors Corp. recently completed a five-year program that gradually cut agency commissions to 9% from 15% during the 1990 model year. During the same period, GM's U.S. media spending rose 69% to $960 million, LNA/Arbitron Multi-Media Service figures showed.

Chiat should be able to do well with Nissan, several agency executives said in response to questions about the contract's details.

At $150 million in billings, Chiat would collect $15 million in revenue. Industry executives estimated the agency should be able to generate a $2 million profit before taxes on the account annually based on spending at the $150 million rate.

Compensation was a controversial issue when Nissan was searching for a new agency in 1987 to replace William Esty Co., New York, and Nissan reportedly sweetened its inital compensation before awarding the account to Chiat.

One finalist, Ogilvy & Mather, dropped out of the review claiming it couldn't afford to take the account at the compensation levels proposed by consultant Alvin Achenbaum.

An O&M executive said Nissan

(Continued on Page 82)

Viewer drop hits upfront

By Wayne Walley

NEW YORK—An unprecedented drop in the number of people watching TV during the first quarter of 1990 is about to turn the network upfront selling season upside down.

Industry sources expect the networks to initially ask for 8% to 12% increases this year, but many buyers say they will be hard-pressed to accept cost-per-thousand increases above 5%.

Last year, media buyers expected single-digit CPM increases in the upfront market and left paying hefty 10% to 17% increases over 1988 levels.

Nielsen Media Research figures show that the recently completed 1989-90 prime-time network TV season was the least watched in history. While fourth-quarter 1989 ratings were respectable, first quarter 1990 ratings plummeted.

"This impacts on projections for next year," said an agency source. "If the numbers hold true, buyers will balk at big network increases and will have to look at lower-price non-traditional media. You'll see a huge influx of money into the unwired networks, and some of the big guys might decide to shift money to the spot market."

"If the numbers hold true, buyers will balk at big network increases and will have to look at lower-price non-traditional media."

The Big 3 networks combined for an average 39.7 rating (percentage of U.S. households) and a 65 share (percentage of TVs in use) for the whole season, a 4% drop from last year, Nielsen said.

Should the data hold true, advertiser and agency executives say they will shift spending to other TV media unless the networks hold down price increases this year during the upcoming upfront negotiations, when advertisers buy network time as much as a year in advance.

Network officials attributed the ratings decline to depressed homes-using-television, or HUT, levels, which dropped to 60.1 from 61.5 last year, representing a loss of about 1.4 million TV households.

A HUT level is the percentage of the nation's 92.1 million TV households using television at a given time; ratings represent the percentage of U.S. TV households watching a specific program at the same time.

TV usage usually peaks during the first quarter, but this year HUT levels in prime time were off 2% while daytime dropped 7% and late-night 5%.

The February and March ratings decline was so severe that it forced the networks to provide advertisers with make-good units that have already chewed up tens of millions of dollars worth of inventory.

"This is causing people to tear

(Continued on Page 84)

IN THIS ISSUE

NEWS

- **Jann Wenner,** *Rolling Stone* founder, shops for men's magazine **24**
- **Colgate-Palmolive** and other package-goods marketers go for transit ads **28**
- **Ed McCabe's** return to advertising is being hailed as bringing a new creative focus to the '90s **34**
- **Nabisco** adds a rock 'n' roll twist to Oreo cookies with new Chubby Checkers campaign **74**
- **General Motors** confronts marketing decisions as electric car plans get charged up **79**
- **Convenience store chains** try to ward off growing oil company stores with image campaigns **80**

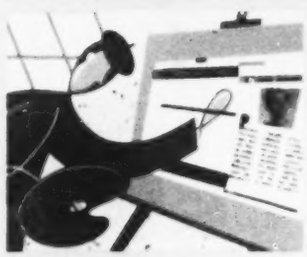
BOOK WATCH

- Excerpt from "Playing in Traffic on Madison Avenue" **48**

VIEWPOINT

- Sid Bernstein: A new book on advertising **50**
- Forum: Face up to pressure groups **52**
- James Brady: Plea for a Korean War memorial **56**
- Joe Winski: Agencies' acquired tastes **56**

Editorials ..... **50** Letters **54**
Brady's Bunch ..... **52** The Next Trend **56**



Magazine Redesign

- Five reasons to revamp book's look.
- What the experts think of redesigns.

MEDIAWORKS

- Magazines suffer slow first quarter **62**
- Consumer Linage **64**

PEOPLE

- Norman Vale abandons retirement for IAA post **66**
- People Moving **66, 68**
- Photo Review **70**

- Europeans nervous about ad restriction proposals **72**

- SkyTel's SkyPager commercials get sex appeal from highly charged and provocative communication.

U.S. NewsWatch ..... **10** Classified **77**
Corrections & Clarifications ..... **84** For the Record **81**
Index to Advertisers **86**

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What do moviegoers think of ads?

By Scott Hume and Marcy Magiera

Warner Bros. last week chimed in with Walt Disney Co.'s claim that commercials in movie theaters drive people goofy. But an *Advertising Age*/Gallup Organization poll shows most moviegoers are much less animated on the issue.

GALLUP SURVEY

A national survey conducted by Gallup found opposition to cinema ads, though milder than what was reported by Disney when it started its ban last month.

Also, that opposition drops significantly if the alternative to cinema ads is higher ticket prices, the *Ad Age*/Gallup poll found.

Gallup surveyed 1,000 persons by phone in March and asked whether they had seen a movie in a theater during the previous three months. The 435 persons who said they had were asked additional questions about ads shown before the feature.

Of that group of moviegoers, 21% said they strongly favor a ban on in-theater ads; 23% said they favor a ban; 31% oppose a ban on ads; 4% strongly oppose a ban; and 21% were undecided.

The Gallup survey, which has a margin of error of plus or minus 3.1%, found sentiment against cinema ads stronger among men (46% of whom favor or strongly favor a ban) than women (42%).

Also, 50% of moviegoers ages 55 or older favor such a ban, vs. 40% of those ages 18 to 34.

Those who said they favor or strongly favor a ban on cinema ads were asked whether they would continue to favor a ban if it meant a 50¢ increase in the price of a ticket. Under that scenario, half this group said they wouldn't oppose being shown ads.

If a ban would mean a $1 increase, only 26% of the ad-opposition group said it would continue to resist. If they were faced with a $2 price increase, opposition shrank to 15% of the group.

Earlier this month, Disney released a survey of moviegoers it commissioned that found 90% of those interviewed opposed to being shown paid advertising in theaters.

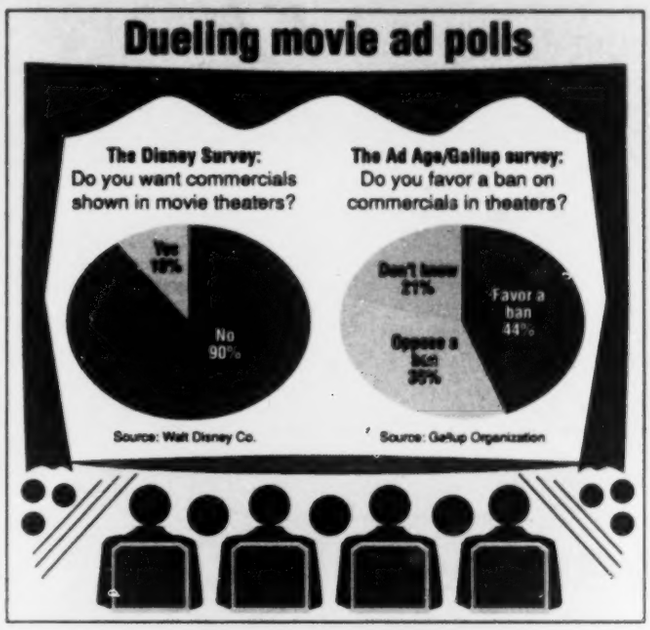
Disney said the survey backed its February edict that theaters not show ads before movies distributed under its Disney, Touchstone Pictures or Hollywood Pictures banners (AA, Feb. 12).

Disney's survey, which interviewed in-person 18,772 moviegoers in 10 cities on March 31, was conducted by National Research Group, a Saatchi & Saatchi Co. subsidiary.

It found 95% of respondents in favor of seeing promotional trailers for upcoming movies. For non-film products, the strongest support—at 11% in favor—was for soft-drink commercials, followed by automobiles, 10%; beer, 8%; and newspapers and credit cards, tied at 5%.

The *Ad Age*/Gallup survey asked which cinema advertiser moviegoers had seen that first came to mind, and the sample's top vote getter was Coca-Cola/Coke, followed by Pepsi-Cola, concession stands, popcorn, the *Los Angeles Times* (which was the top vote getter among respondents in the West), American Express, Diet Pepsi, soft drinks in general, anti-drug ads and anti-smoking ads.

Nearly 6 of 10 persons (58%) who said they had been to a movie theater in the past three months were unable to recall a commercial they had seen.


Dueling movie ad polls
The Disney Survey:
Do you want commercials shown in movie theaters?
Yes 10%
No 90%
Source: Walt Disney Co.
The Ad Age/Gallup survey:
Do you favor a ban on commercials in theaters?
Don't know 21%
Favor a ban 44%
Oppose a ban 35%
Source: Gallup Organization

Holly Seguine

Warner Bros., in becoming the second studio to prohibit movie theaters from showing on-screen commercials before its films, said its policy takes effect with the May 18 release of "Gremlins 2: The New Batch."

"We've never been in favor of [on-screen advertising]," said Barry Reardon, Warner Bros. president-domestic distribution. "Back in 1978, with the release of 'Superman,' we said we didn't wish it to be played" with ads but didn't really enforce the policy.

Disney declined to comment on the Warner Bros. policy. But in an interview last February, Richard Cook, president of Disney's Buena Vista Pictures Distribution unit, expressed hope that other studios would join with Disney and make the prohibition of on-screen ads an industry policy.

Exempted from both the Disney and Warner Bros. policies are theatrical trailers, slides projected during intermission and ads for approved charitable purposes.

Mr. Cook said "all [theater chains] across the country have now agreed" to honor Disney's policy.

United Artists Entertainment Co., which operates 2,600 of the approximately 17,500 first-run theater screens in the U.S., originally balked at Disney's dictum but acquiesced last month.

"We've said from the outset that, in terms of dollars, [on-screen ads] are not material," said John Neal, VP-corporate communications at UA.

The theater chain also will "comply with [the Warner Bros. policy] as far as we have to," Mr. Neal said.

The movie theaters may get a hand from the Federal Trade Commission. Hollywood sources say the FTC is looking into possible restraint of trade implications in the studios' ban on advertising before their films.

The U.S. Department of Justice also was considering an investigation of the matter, sources say, but in meetings between the two agencies it was determined FTC would handle it. □

Global ad buys in Ford's future

By Raymond Serafin

DETROIT—Global approaches to media buying and market research may be part of Ford Motor Co.'s future, said Edsel Ford II, executive director of Ford's marketing staff.

One possibility is that Ford will assign a single agency to negotiate worldwide media buys with companies that publish or broadcast internationally, Mr. Ford said last week during a meeting of the Automotive Press Association.

E. Ford

But "we're a long way away" from making a decision to go that route, he said.

The major international agencies for Ford are J. Walter Thompson Co., with responsibility for Ford advertising in 13 countries, including Ford Division in the U.S.; Young & Rubicam, with four Ford accounts in Europe and North America, including Lincoln-Mercury in the U.S.; and Ogilvy & Mather, with Ford assignments in 12 countries, including the Parts & Service Division in the U.S.

"There's going to be a day where maybe one advertising agency ... would be buying media globally," Mr. Ford said. "*Time* magazine publishes everywhere in the world, and Ford buys *Time* magazine everywhere in the world. Why don't we have one advertising agency go to *Time* in New York and say we want to make a global buy?" That, he said, is "one of the internal questions we're asking ourselves."

Although a global ad campaign isn't likely soon, Mr. Ford said a standardized approach to market research would help the automaker develop marketing strategies that cut across boundaries.

He's been urging the research companies that separately compile demographic and psychographic data on new-car buyers in the U.S. and Western Europe to standardize their approaches "so we can compare the tastes and wants of consumers."

Mr. Ford said a majority of auto sales growth during the next two decades will occur "in markets where most automakers have little or no presence today," including Eastern Europe, the Soviet Union and Asian countries such as India and Indonesia. Joint ventures between automakers to design, build and market vehicles in various countries will become even more commonplace, he said. □

Nike joins literacy fight

An Advertising Age roundup

Nike last week became the most recent recruit in the fight against illiteracy and for keeping kids in school, joining ranks with Adolph Coors Co., PepsiCo, Chrysler Corp. and first lady Barbara Bush.

The athletic shoe marketer will spend $5 million to create and air a pro-education campaign that will be tied to its basketball, cross-training and tennis shoe lines.

The move comes as Nike and other running shoe marketers are under attack for overglamorizing the product in ads and spurring inner-city crime.

"As part of each campaign, we'll do an extra spot as a public service execution," said Liz Dolan, Nike's director of public relations.

Nike's first stay-in-school spot could break as early as July. It will feature David Robinson of the San Antonio Spurs, who promotes Nike's Force line of basketball shoes and apparel.

Nike spends $60 million a year on advertising. Wieden & Kennedy, Portland, Ore., handles creative. SFM Media, New York, buys media.

For Nike and other marketers, media dollars spent on public service advertising can do double duty, increasing awareness of the company's products and providing a positive public relations push.

"Literacy is a major problem in the country, and we thought we might have an impact," said John Meadows, Coors' director of community relations. "It is a recognition that we care about an issue and have done something about it."

Coors will spend $40 million on advertising over the next five years to demonstrate its commitment to literacy.

A "Literacy—pass it on" campaign from the Coors Foundation for Family Literacy broke April 1 with radio, print and outdoor ads and a Hispanic campaign. The effort may expand later to include network and spot English-language TV.

GSD&M, Austin, Texas (agency for the Coors brand), is handling TV and Hispanic advertising; Coors corporate agency Evans/-Denver will do print advertising aimed at women, and UniWorld Group, New York, will do radio and outdoor advertising aimed at blacks.

Some of UniWorld's radio advertising will feature celebrities like Danny Glover, Jeffrey Osborne, Freda Payne and Vanessa Williams in 90-second "Moments

(Continued on Page 86)

WORLD NEWS ROUNDUP

■ **London—British Satellite Broadcasting** has postponed its $22 million ad campaign set to break this week introducing the four-channel satellite TV service. Bartle Bogle Hegarty handles.

■ **Sydney—Australian Consolidated Press,** owned by Kerry Packer, has folded *Harper's Bazaar,* which it acquired 18 months ago from Fairfax Magazines. ACP said the recent launch of *Elle* hindered *Harper's* efforts to get ad support.

■ **Paris—Publicis** and Foote, Cone & Belding Communications' Vicom in a joint venture have formed a new healthcare network. The new venture, to be called Publicis/Vicom, already has offices here and in Frankfurt and London. Vicom is among the top 10 U.S. healthcare agencies.

■ **Toronto—General Motors Canada** consolidated its national advertising, promotions and special events marketing with a joint

(Continued on Page 72)

SPECIAL REPORT

Magazine Redesign

Edited by Therese Kauchak

Nuts and bolts S-2
From *American Photo* to *Travel Holiday*, how magazines chose new looks.

No longer fashionable S-4
All dressed up and no place to go: The story of how *In Fashion* folded.

Picture perfect S-8
What magazines are pleasing the eyes of the art crowd.

Power of print S-20
Newspapers' critics sort through their stacks of magazines for some winners.

Introducing the new look of publishing in the '90s

Redesigns run rampant in the battle to hold the reader

John Pirman

By Scott Donaton

What's a *Harrowsmith*?
A) A tiny Canadian village known for its cheddar cheese.
B) A country lifestyle magazine.
C) A rock group.
D) A & B.

The correct answer is "D." But don't feel upset if you got it wrong—most people do.

"When you tell someone it's [a magazine] about country life," says *Harrowsmith* Associate Publisher Craig Neal, "it's like, 'oh, OK.' But a casual reader doesn't know what it means."

That is why the publication, launched in 1986 and named after a small, cheese-making village north of the U.S. border, will be renamed *Harrowsmith Country Life* with a redesigned May/June issue.

Harrowsmith is an example of just one type of magazine redesign. There are almost as many forms as there are magazines and reasons for tinkering with them *(see related story below)*.

"Redesigns are sometimes done for a change of editorial intent," says design consultant Milton Glaser, "or because a title is faltering or not reaching the audience it's trying to reach. Sometimes, they're done because there's a change in editors. Sometimes, [the editors] just get bored and decide it's time. Like getting a new spring wardrobe."

In today's crowded, volatile magazine market, overhauls have become commonplace as publications strive to rise above the clutter.

In this environment, magazine makeovers have made the leap from last-ditch measure to everyday occurrence.

"It's becoming routine. It's like there's a clock ticking in every magazine and when the alarm rings, they redesign," says design consultant Roger Black.

Still, he adds, "while there's a little more recklessness, many editors have a better

(Continued on Page S-2)

Methods to makeovers

Five primary theories drive the urge to revamp a magazine's looks.

Culled from interviews with editors and design consultants, here's the unofficial breakdown. The five range from the relatively simple "rechristening" through the drastic "repositioning" with "design-driven," "editorial-driven" and the somewhat whimsical-sounding "change for change's sake" in between. Examples of some magazines that have undergone such changes in recent years:

Rechristening. Magazines entering a crowded field will sometimes choose a quirky name in the hope of standing out from the pack. But that strategy often backfires when the title isn't an accurate reflection of the magazine's content.

Craig Neal, associate publisher of *Harrowsmith Country Life*, formerly *Harrowsmith*, believes the new name will attract new advertisers.

"It defines the magazine more clearly and opens up to us some of the categories now being enjoyed by *Country Living* or *Country Home*: more female-oriented and service-oriented," he says.

Hippocrates, now *In Health*, is another rechristening designed to increase circulation and ad pages.

The health magazine's shift to a more consumer-friendly title also paved the way for the January launch of a trade magazine for physicians called *Hippocrates*.

Other magazines that have recently changed to clarify their editorial positions include *New Choices for the Best Years*, formerly *50 Plus* and *Savvy Woman*, for-

BAROMETER

Take a number

Magazines' biggest spenders

($ in millions)

Company	1989	'88-89 % chg
CBS-TV network	$33.0	9.6%
ABC-TV network	26.6	2.2
NBC-TV network	24.2	0.9
Merit Kings	24.1	19.8
AT&T Long Lines	23.0	54.6
Capri Trim & Light 100s	21.4	233.9
Carlton	19.7	79.9
Franklin Mint Porcelain Collection	18.2	-16.4
Merit Ultra Light	17.9	118.8
AT&T Long Lines, overseas	17.4	15.8
Walt Disney World	16.8	107.0
Salem	16.7	92.2
Franklin Mint Collections	16.6	5.7
Alpine	15.2	NA
American Express credit cards	15.0	29.7
Infiniti	14.7	NA
Danbury Mint Commemorative	14.3	NA
De Beers	14.2	-26.9
Columbia (records, tapes & discs)	14.1	8.3
AT&T Long Lines, business	14.1	109.5

SOURCE: LNA/Arbitron Multi-Media Service

Magazines' biggest categories

($ in millions)

Company	1989	'88-89 % chg
Passenger cars & vehicles	$561.5	11.6%
Direct response	441.9	13.8
Cigarettes & tobacco	400.1	12.8
Cosmetics & beauty aids	318.5	17.1
Resorts & travel accomodations	229.0	22.2
Liquor	214.9	8.1
Ready to wear	205.6	16.6
Personal hygiene & health	189.8	23.9
Communications & public utilities	156.1	9.5
TV & cable TV	155.1	5.0
Trucks, vehicles & leasing	147.4	16.1
Computers & data processing equipment	141.7	11.4
Cooking products & seasonings	135.1	8.3
Financial	129.8	-17.2
Passenger travel	128.1	24.3
Retail stores	123.1	-28.2
Hair products	120.9	12.9
Medicine & proprietary remedies	96.6	-4.8
Office machines & equipment	95.0	8.0
Prepared & convenience foods	94.5	14.2

SOURCE: LNA/Arbitron Multi-Media Service

MEDIAWORKS

MARCH AD RESULTS

First-quarter quagmire slows most magazines

By Scott Donaton

Magazine publishers expected a weak first quarter, and that's exactly what they got.

Magazine ad pages fell 3.5% from a year earlier to 39,339.27, due mainly to softness in the automotive and tobacco categories, the Publishers Information Bureau reported.

Still, PIB said revenues were up 1.5% to $1.5 billion.

Spending in the top 10 categories—representing 73% of all magazine ad sales—was off 1.2% to just under $1.1 billion. Automotive revenues—the largest ad category—fell 7.4% to $200.5 million. Cigarette/tobacco revenues plummeted 25.3% to $74.7 million.

R.J. Reynolds Tobacco Co. cut magazine spending by an estimated 25% to $78 million this year, shifting the money to outdoor and local newspapers. At the same time, General Motors Corp. and other domestic automakers made significant cuts in their first-quarter budgets, citing slumping sales.

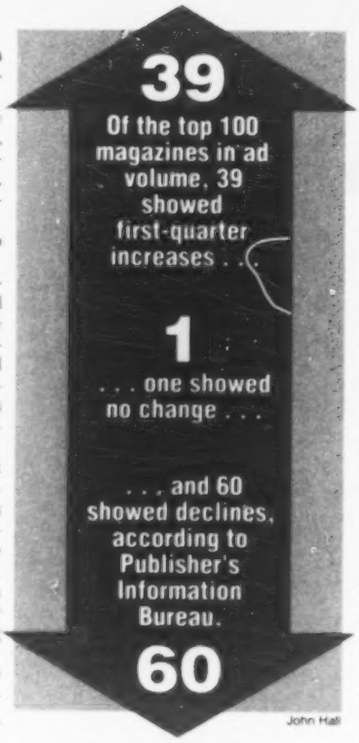
Of the top 100 magazines, 60 saw first-quarter ad page declines, 39 posted gains and one, Hearst Corp.'s *Esquire*, was flat.

TV Guide led all magazines with 802.69 ad pages, despite a 10.1% decline.

And the Murdoch Magazines title wasn't the only weekly that slumped. *Business Week*, 1989's ad page leader, saw pages fall 15.2% to 756.02. *People* carried 656.41 ad pages, down 18.4%. *Sports Illustrated*, with 578.68 ad pages, was off 17.8%; and *New York Magazine*'s pages fell 16.2% to 521.15 ad pages.

The New Yorker was one of a handful of weeklies with gains, carrying 489.37 ad pages, up 7.5%. *The Economist's* ad pages rose 16% to 603.59.

Among newsweeklies, *Time* carried 529.24 ad pages, a 12.4% drop; *Newsweek* carried 473.48 ad pages, down 13.5%; and *U.S. News & World Report's* ad pages fell 10.2% to 396.24 pages.


39
Of the top 100 magazines in ad volume, 39 showed first-quarter increases . . .
1
. . . one showed no change . . .
. . . and 60 showed declines, according to Publisher's Information Bureau.
60
John Hall

Among business titles, every-other-weekly *Forbes* watched pages climb 8% to 678.93. *Fortune* had 624.88 ad pages, a 0.4% increase. *Entrepreneur* led all business monthlies with 510.73 ad pages, up 9.1%. *Money* carried 286.85 ad pages, up 3%. *Financial World's* ad pages rose 41.1% to 245.07. *Inc.* was flat with 236.8 ad pages, up 0.2%. *Changing Times* carried 163.43 ad pages, up 3.1%. *Business Month* carried 108.27 ad pages, up 38.8%.

No. 4 *Vogue* led the fashion category with 710.67 ad pages, an 8.2% drop. *Elle* carried 443.96 ad pages, an 11.7% decline. *W's* ad pages fell 8.4% to 393.59. And *Harper's Bazaar*, with 350.18 ad pages, was up 10.2%.

Good Housekeeping led the women's service field with 368.32 ad pages, a 6.1% increase. Other Seven Sisters titles posting gains were *Ladies' Home Journal* (349.35 pages, up 2.7%) and *Redbook* (266.47 pages, up 5.1%).

Family Circle carried 352.9 ad pages, a 19.9% decline; *Woman's Day*, with 331.33 ad pages, was off 22.1%; *Better Homes & Gardens* was down 14.5% with 274.9 ad pages; and *McCall's* carried 233.12 ad pages, down 9.4%.

Among other women's magazines, *Cosmopolitan's* ad pages fell 12.5% to 442.88, *Glamour* fell 11.5% to 358.71 and *Mademoiselle* was down 9.8% to 312.95.

Self was flat with 292.23 ad pages, down 0.6%. *Working Woman* was up 2.2% with 250.7 ad pages, and *Working Mother* was up 4.5% with 176.52 pages. *New Woman* carried 209.57 ad pages, down 10.5%. *Savvy Woman*, with 105.75 ad pages, was off 24.3%.

Parents led all parenting publications with 303.69 ad pages, down 6.6%. *Parenting* carried 132.77 ad pages, up 25.8%. *Child* was right behind with 132.47 ad pages, a 7.7% decline.

In the men's field, *GQ* carried 448.25 ad pages, down 4.1%, while *Esquire* was flat with 281.95 ad pages. *Playboy's* pages fell 16.7% to 163.75, but the drop-off is largely attributable to the magazine's 35th anniversary celebration last year. *Penthouse* carried 154.13 ad pages, up 2.2%.

In the golf category, *Golf Magazine* maintained its lead despite a 12.1% drop in ad pages to 395.19. *Golf Digest* had 356.23 ad pages, a 4.7% increase. *Golf Illustrated* carried 116.75 pages, up 3.3%. □

Wayne Walley coordinates MediaWorks.

Magazine ad-page leaders

Publishers Information Bureau figures for January through March 1990.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	TV Guide	802.69	(10.1)	86,627,701	(1.8)
2	Dude's	790.66	7.2	14,078,204	18.0
3	Business Week	756.02	(15.2)	44,924,482	(10.0)
4	Vogue	710.67	(8.2)	25,849,607	15.7
5	Forbes	678.93	8.0	29,525,718	15.5
6	People	656.41	(18.4)	82,417,823	(10.7)
7	Modern Bride	631.45	3.2	10,169,710	6.5
8	Fortune	624.88	0.4	31,113,496	9.2
9	The Economist	603.59	16.0	5,114,142	29.2
10	Sports Illustrated	578.68	(17.8)	72,783,429	(7.8)
11	Time	529.24	(12.4)	74,152,364	(9.4)
12	New York Magazine	521.15	(16.2)	7,969,141	(14.0)
13	Entrepreneur	510.73	9.1	4,781,171	38.3
14	The New Yorker	489.37	7.5	12,897,278	22.4
15	Newsweek	473.48	(13.5)	52,320,403	(3.3)
16	Yachting	453.31	(1.5)	2,696,838	(2.1)
17	GQ	448.25	(4.1)	10,658,997	5.1
18	Elle	443.96	(11.7)	13,477,472	(2.2)
19	Cosmopolitan	442.88	(12.5)	26,158,214	(4.9)
20	American Way	407.59	0.2	5,387,781	18.1
21	U.S. News & World Report	396.24	(10.2)	31,673,911	(1.5)
22	Golf Magazine	395.19	(12.1)	11,133,473	(0.3)
23	Architectural Digest	394.38	(0.2)	10,615,486	10.2
24	W	393.59	(8.4)	9,071,164	7.0
25	Rolling Stone	386.56	(6.1)	13,412,606	(5.3)
26	Salt Water Sportsman	383.28	(21.4)	2,492,875	(21.7)
27	Good Housekeeping	368.32	6.1	34,924,117	24.8
28	Town & Country	359.20	4.1	8,578,311	19.8
29	Glamour	358.71	(11.5)	19,011,404	(3.7)
30	Golf Digest	356.23	4.7	16,640,344	(1.8)
31	Family Circle	352.90	(19.9)	28,662,606	(8.4)
32	Harper's Bazaar	350.18	10.2	9,163,095	20.7
33	Ladies' Home Journal	349.35	2.7	24,246,635	10.4
34	Travel & Leisure	335.61	(5.2)	13,346,314	17.0
35	Woman's Day	331.33	(22.1)	23,963,983	(17.6)
36	Sunset	325.95	(8.0)	9,773,875	2.5
37	Skin Diver	325.25	0.6	3,007,498	3.5
38	Texas Monthly	314.58	7.1	3,483,833	6.8
39	Mademoiselle	312.95	(9.8)	10,937,425	6.7
40	Southern Living	305.46	(8.6)	14,988,145	(1.1)
41	Parents	303.69	(6.6)	12,534,843	(0.7)
42	Muscle & Fitness	299.45	(28.5)	5,115,241	(10.8)
43	Seventeen	295.61	(0.5)	8,937,844	3.6
44	Vanity Fair	295.37	11.2	10,590,233	48.3
45	Popular Photography	292.71	28.5	6,988,078	48.9
46	Ebony	292.55	1.5	10,020,156	10.9
47	Self	292.23	(0.6)	10,816,402	15.1
48	Money	286.85	3.0	17,634,249	3.5
49	Mirabella	285.49	1,000.0	4,252,719	100.0
50	Esquire	281.95	0.0	8,274,589	4.6
51	Better Homes & Gardens	274.90	(14.5)	30,373,838	(9.8)
52	Gourmet	274.66	11.7	7,264,936	24.9
53	Metropolitan Home	273.86	8.8	8,075,437	2.8
54	Redbook	266.47	5.1	15,968,503	3.3
55	Car & Driver	266.15	(3.8)	10,242,084	(6.3)
56	Conde Nast Traveler	264.18	22.0	7,282,147	48.4
57	Reader's Digest	262.13	2.9	26,270,409	14.2
58	Bon Appetit	251.05	8.9	7,625,192	16.4
59	Working Woman	250.70	2.2	7,346,031	8.2
60	San Francisco Focus	248.82	(12.2)	1,569,005	(6.7)
61	Ski	247.81	(13.1)	5,120,471	(1.3)
62	Country Living	246.73	(8.8)	10,003,986	(2.4)
63	Financial World	245.07	41.1	5,691,842	72.7
64	Bassmaster	244.39	(18.6)	4,735,701	(7.9)
65	Inc.	236.80	0.2	9,777,121	6.8
66	House & Garden	234.07	16.5	5,753,556	23.0
67	McCall's	233.12	(9.4)	15,796,460	(4.4)
68	Jet	231.40	(14.8)	3,877,899	(5.3)
69	Black Enterprise	230.43	5.8	3,076,214	16.4
70	Smithsonian	230.32	(12.4)	9,650,505	(9.1)
71	Skiing	230.01	6.3	4,736,530	(0.6)
72	Field & Stream	224.84	(1.7)	9,136,046	2.0
73	Road & Track	224.19	(13.8)	6,723,554	(12.9)
74	Art & Antiques	222.79	13.3	1,262,021	17.8
75	Bicycling	214.07	(5.8)	2,936,552	10.0
76	Delta Sky	209.67	(6.5)	5,394,050	1.2
77	New Woman	209.57	(10.5)	5,205,022	(4.6)
78	Four Wheeler	206.98	(5.3)	1,528,066	1.8
79	Sports Afield	205.40	(9.5)	3,643,431	1.6
80	M	201.97	(6.4)	2,467,526	6.6
81	Essence	199.22	(14.3)	4,784,034	(3.8)
82	Outdoor Life	193.95	(22.1)	5,643,612	(12.7)
83	Motor Trend	191.10	(20.2)	6,936,302	(11.1)
84	Yankee	189.56	(5.8)	2,224,968	(0.1)
85	Popular Mechanics	180.69	(13.8)	5,716,963	(4.7)
86	Hot Rod	177.95	(22.8)	3,994,117	(22.5)
87	Working Mother	176.52	4.5	3,571,897	14.4
88	Home Office Computing	167.91	18.6	2,422,394	38.9
89	Lear's	167.03	(2.2)	2,679,719	8.2
90	California	165.94	1.4	2,256,951	7.8
91	Tennis	165.55	(0.8)	4,967,483	36.9
92	1,001 Home Ideas	165.54	(1.0)	4,910,472	20.2
93	True Story	165.40	3.3	2,312,420	(0.3)
94	Premiere	165.05	12.7	2,869,766	39.0
95	Omni	164.75	(10.2)	5,048,532	2.1
96	Connoisseur	163.88	(22.6)	2,871,220	(17.3)
97	Playboy	163.75	(16.7)	10,635,266	(9.3)
98	Changing Times	163.43	3.1	4,312,980	12.2
99	House Beautiful	161.24	(12.3)	5,721,334	(2.0)
100	Spectrum	158.36	(18.0)	1,396,846	(13.4)

Percent change compares January-March in 1990 with 1989. Source: Publishers Information Bureau.

LAUNCHING PAD

New publication launches

'Travel 50 & Beyond'

Vacation Publications introduced with an April issue *Travel 50 & Beyond*, a spinoff of *Vacations*. The leisure quarterly targets adults 50 and older. Rate base is 50,000. A b&w page is $1,350; a color page is $2,000. Alan Fox is publisher; Mary Lu Abbott is editor and Russell MacAusland is ad director. Offices are at 2411 Fountain View, Houston 77057. Phone: (713) 974-6903.

'Titles'

Larkspur Publishing introduced with a March/April issue *Titles*, a monthly targeting magazine and book retailers. Publisher-Editor Christine Z. Nordbye said *Titles* is designed to help retailers with marketing and merchandising. The inital rate base is 100,000. A b&w page is $8,600; a color page is $11,350. National sales directors are Ned Frey and Chris Frey. Offices are at 200 Gate Five Road, Sausalito, Calif. 94965. Phone: (415) 331-1211.

'Business Philadelphia'

A monthly targeting the Philadelphia business community, *Business Philadelphia* makes its debut in September. The magazine is affiliated with the Greater Philadelphia Chamber of Commerce. The initial rate base is 25,000, including distribution to chamber members. A b&w page is $2,480; a color page is $3,760. Maury Levy, senior VP at Goldberg, Strunk & Levy, a Philadelphia ad agency, is editor and publisher. Offices are in the Atlantic Building, 260 S. Broad St., Philadelphia 19102. Phone: (215) 790-9966.

'Nuvo'

Indianapolis Extra introduced with a March 14 issue *Nuvo*, an alternative weekly designed as "a kind of Sunday paper published in the middle of the week," said Ron Tierney, editor in chief. Paid circulation is projected to reach 30,000 to 40,000 in the first year. A b&w page is $1,800; a color page is $2,160. Bill Craig is senior editor; Brian Kelley is advertising director. Offices are at 333 N. Pennsylvania St., Indianapolis 46204. Phone: (317) 637-3900. □

CONSUMER MAGAZINE AD LINAGE

	March 1990	March 1989	Year-to-date 1990	Year-to-date 1989
■ Auto/cycle rec. vehicles				
AutoWeek (52X)	136.3	133.3	410.7	395.1
Car & Driver C	94.2	89.5	266.2	276.8
Car Collector & Car Classics	11.8	15.4	48.4	52.4
Car Craft	66.8	90.2	173.9	200.4
Circle Track	87.9	77.0	265.7	247.7
Cycle	36.7	52.1	90.4	120.7
Cycle World	46.3	61.0	116.5	125.3
Dirt Rider	42.8	28.4	107.4	90.1
Dune Buggies & Hot Rods	64.6	65.9	196.9	201.6
Family Motor Coaching	194.7	212.6	494.5	558.8
4 Wheel & Off-Road	70.2	75.5	197.9	207.3
Four Wheeler C	74.5	73.1	207.0	218.5
Hot Rod C	60.2	83.5	178.0	230.0
Motorcyclist	49.3	51.4	95.0	109.4
Motor Trend C	70.9	102.6	191.1	239.5
Motorhome	96.9	96.7	274.2	271.6
Rider	32.5	40.6	76.0	89.7
Road & Track C	88.7	87.2	224.2	260.1
Trailblazer	51.0	53.0	124.0	144.0
Trailer Life	101.6	105.7	264.8	285.5
Total Group	**1,477.9**	**1,594.8**	**4,002.7**	**4,324.5**
% change	**-7.3%**		**-7.4%**	
■ Boating & yachting				
Boating	138.3	170.7	479.0	561.0
Chesapeake Bay	43.8	52.0	115.2	141.8
Cruising World	179.8	129.2	319.7	329.1
Lakeland Boating (11X)	82.0	101.0	259.5	289.5
Motor Boating & Sailing	99.8	162.0	384.3	544.8
Sail	122.7	132.3	391.1	358.9
Trailer Boats (11X)	90.6	83.1	239.8	255.2
Western Boatman	31.7	50.8	95.7	101.8
Yachting C	133.1	130.3	453.3	460.3
Total Group	**861.8**	**1,011.3**	**2,737.5**	**3,042.3**
% change	**-14.8%**		**-10.0%**	
■ Civic fraternal				
Elk (10X)	19.7	14.4	50.2	51.7
Kiwanis	15.2	14.2	56.4	43.2
Lion (10X)	4.3	7.3	10.9	12.5
Rotarian	14.3	19.5	46.5	42.4
V F W (11X)	25.1	28.9	79.7	98.7
Total Group	**78.6**	**84.3**	**243.7**	**248.5**
% change	**-6.8%**		**-1.9%**	
■ General				
American Health (10X) C	75.3	95.1	150.5	166.3
American Heritage (8X) C	33.6	31.8	76.6	80.2
American Legion	36.7	57.7	117.1	159.5
American West (6X)	—	—	22.1	21.5
Art & Antiques (10X) C	195.5	94.4	222.8	196.7
ARTnews (10X)	131.5	122.3	346.3	306.3
The Atlantic A. C	49.9	35.7	137.1	147.1
Bon Appetit A. C	112.8	88.2	251.1	230.6
Cable Guide C	33.9	32.0	88.9	98.5
Changing Times C	59.2	60.9	163.4	158.5
Conde Nast Traveler C	115.9	96.1	264.2	216.6
Connoisseur C	60.3	104.5	163.9	211.9
Consumers Digest (6X) C	26.7	26.5	48.1	50.4
Cooking Light C	75.5	62.8	131.5	112.2
Ebony C	79.3	87.8	292.6	288.4
European Travel & Life C	52.8	59.1	99.8	94.5
Food & Wine C	60.4	59.5	148.3	161.2
Games (6X) C	13.8	14.2	34.1	27.0
Golden Years (6X)	40.6	39.3	74.0	92.6
Gourmet C	114.9	95.5	274.7	245.8
Harper's Magazine A. C	31.4	29.9	94.4	103.9
Harrowsmith (6X)	55.0	62.0	105.0	123.0
Islands (6X)	60.8	64.2	112.5	120.7
Let's Live	49.0	45.0	148.0	148.0
Life C	55.8	77.8	147.3	193.8
Modern Maturity (6X) C	—	—	41.8	41.8
Money C	102.2	103.5	286.9	278.5
Mother Earth News C	81.1	89.6	146.8	162.6
National Geographic C	19.6	27.0	70.7	64.3
National Geographic Traveler (6X) C	27.2	47.7	98.9	62.8
Natural History C	44.6	50.8	118.8	142.3
New Choices C	27.6	41.7	77.4	115.9
Prevention C	57.0	55.6	155.0	172.1
Psychology Today C	—	40.7	30.1	82.2
Reader's Digest A. C	111.0	96.8	262.1	254.8
Saturday Evening Post (9X) C	38.4	48.7	77.9	93.1
Smithsonian C	74.1	107.6	230.3	262.9
Town & Country C	143.9	160.9	359.2	345.0
Travel-Holiday C	54.9	58.8	112.7	122.3
Travel & Leisure C	147.7	150.6	335.6	354.2
Travelhost	1,287.0	1,252.0	3,692.0	3,615.0
Vanity Fair C	145.2	128.8	295.4	265.5
Yankee C	67.6	71.5	189.6	201.1
Total Group	**4,012.9**	**4,074.3**	**10,295.4**	**10,391.2**
% change	**-1.5%**		**-0.9%**	
■ Home				
Americana (6X)	12.1	24.3	21.6	45.9
Architectural Digest A. C	139.7	142.9	394.4	395.1
Better Homes & Gardens C	114.1	136.0	274.9	321.6
Colonial Homes (6X) C	—	—	46.8	55.8
Columbus Monthly Homes (4X)	—	—	26.7	29.8
Country Home (6X) C	—	—	31.3	44.1
Country Living C	100.4	107.8	246.7	270.4
Family Handyman (10X) A. C	36.4	42.3	95.4	124.7
Florida Home & Garden	71.3	86.8	219.4	288.1
Flower & Garden (6X) C	—	—	50.5	55.8
Home C	74.8	67.3	155.3	166.8
Home Mechanix C	39.3	62.7	101.4	132.8
Homeowner (10X) C	32.4	35.2	60.1	76.1
Horticulture	50.9	42.1	136.8	129.6
House Beautiful C	63.9	75.3	161.2	183.9
House & Garden C	116.9	100.4	234.1	280.9
Metropolis	49.0	66.8	110.8	136.6
Metropolitan Home C	86.6	84.7	273.9	251.7
Midwest Living C	—	—	41.0	52.3
1,001 Home Ideas C	72.9	66.8	165.5	167.2
Organic Gardening (10X) C	59.4	51.6	142.7	154.7
Phoenix Home/Garden	92.4	73.7	210.1	221.7
Practical Homeowner (9X) C	45.7	35.3	115.4	72.0
San Diego Home/Garden	55.8	60.1	190.3	190.1
Southern Accents (6X) C	74.3	127.1	134.5	198.7
Southern Living C	135.7	151.1	305.5	334.0
Sunset Magazine A. C	132.9	146.5	326.0	354.1
Workbench (6X)	—	—	31.3	39.7
Total Group	**1,655.1**	**1,786.7**	**4,294.6**	**4,894.0**
% change	**-7.4%**		**-8.5%**	
■ In-flight & other passenger				
Aboard Group(6X)	39.8	35.8	77.5	71.1
Alaska Airlines	75.2	56.3	193.8	174.9
America West Airlines	82.5	68.7	230.0	205.2
American Way (24X) C	150.6	152.4	407.6	406.9
East/West Network Continental Profiles	49.6	62.0	146.9	175.6
Eastern Review	32.5	77.3	95.2	203.1
Pan Am Clipper	47.1	46.8	129.1	129.3
Southwest Spirit	46.1	66.5	141.2	191.0
TWA Ambassador	41.2	66.0	114.5	158.1
Vis A Vis	76.6	91.8	195.4	257.8
Halsey Publication Delta Sky C	83.0	79.6	209.7	224.2
Pace Communications US Air Magazine	60.6	55.4	172.2	148.4
Spirit of Aloha	34.8	23.0	102.6	73.4
Total Group	**819.5**	**881.6**	**2,215.6**	**2,419.1**
% change	**-7.0%**		**-8.4%**	
■ Men's				
Esquire A. C	141.1	133.1	282.0	281.8
Firehouse Magazine	31.4	42.7	95.6	104.8
Gentlemen's Quarterly A. C	236.1	256.6	448.3	467.4
M Magazine C	92.0	104.8	202.0	215.8
Muscle & Fitness C	104.8	137.8	299.5	418.6
Penthouse A. C	59.5	47.7	154.1	150.9
Playboy A. C	63.2	50.9	163.8	196.6
Salute (10X)	45.5	29.3	90.0	56.3
Total Group	**773.6**	**802.8**	**1,735.1**	**1,892.2**
% change	**-3.6%**		**-8.3%**	
■ Metropolitan				
Aloha (6X)	42.3	30.2	87.8	56.8
Atlanta	68.4	51.7	182.9	162.2
Baltimore	52.7	72.0	161.8	195.0
Boston	104.7	126.3	286.6	386.3
California C	75.2	78.8	165.9	163.7
Chicago	108.1	122.8	264.5	317.1
Chicago's North Shore	109.6	120.7	261.1	288.6
Cincinnati	22.5	53.7	99.3	138.4
Cleveland	53.0	57.6	167.4	204.9
Columbus Monthly	46.3	100.9	150.5	198.6
Connecticut	90.1	107.8	263.9	281.9
D Magazine	61.5	76.0	153.9	200.0
Detroit Monthly	51.8	56.3	148.3	159.7
Grand Rapids	24.3	30.7	73.8	94.3
Honolulu	56.9	48.7	153.9	152.7
Houston Metropolitan Mag	115.9	117.3	129.0	129.5
Inside Chicago (8X)	34.9	40.2	51.9	78.7
Los Angeles	120.8	159.4	364.9	476.2
Louisiana Life (6X)	26.7	33.2	57.3	60.7
Madison	28.0	36.0	107.0	122.0
Memphis	51.0	61.0	157.1	184.8
Mid Atlantic Country	36.1	36.3	99.8	96.4
Milwaukee	61.3	62.3	151.7	136.5
Minneapolis/St. Paul	108.6	141.3	308.8	320.9
Minnesota Monthly Mag	57.9	39.4	175.0	126.6
Nashville	58.0	68.0	166.0	172.0
New England Monthly	30.5	48.8	114.4	144.2
New Jersey Monthly	70.3	97.8	185.1	241.5
New Mexico	19.5	21.2	130.2	139.5
Ohio	54.3	52.2	149.3	140.5
Orlando	99.7	96.7	286.7	267.7
Pacific Northwest	51.0	39.3	124.9	126.8
Palm Beach Life	99.1	101.6	283.5	314.3
Palm Springs Life	160.5	144.0	510.6	497.6
Philadelphia	110.3	146.5	346.5	387.9
Phoenix	30.2	51.2	124.7	167.8
Pittsburgh	77.8	69.0	180.8	166.0
Rhode Island Monthly	50.0	53.8	143.3	141.7
Sacramento Magazine	49.8	52.1	153.1	145.5
St. Louis	51.5	45.6	126.2	123.2
San Diego	133.5	128.8	364.4	349.0
San Francisco Focus C	102.2	113.1	248.8	283.4
Sarasota	131.0	125.0	330.0	312.0
South Florida Magazine	84.6	129.1	279.2	355.9
Texas Monthly C	135.6	130.6	314.6	293.7
Ultra	40.0	40.6	76.9	504.3
The Virginian (6X)	46.0	45.0	46.0	88.0
Washington (10X)	36.5	98.0	66.2	146.0
The Washingtonian	118.8	163.3	366.5	492.9
Total Group	**3,448.4**	**3,941.8**	**9,341.8**	**10,683.9**
% change	**-12.5%**		**-12.6%**	
■ Music entertainment				
Audio	71.9	74.6	252.6	284.2
Dance Magazine	68.6	59.3	198.3	177.8
Playbill	41.2	59.7	125.7	153.2
Video Magazine	60.3	57.3	201.8	184.7
Total Group	**240.0**	**250.9**	**778.4**	**799.9**
% change	**-4.4%**		**-2.7%**	
■ Outdoor & sport				
Alaska	44.0	46.9	122.2	94.2
The American Handgunner (6X)	59.0	51.0	113.0	105.0
American Hunter	18.8	17.7	56.9	53.6
American Rifleman	22.6	20.9	67.5	61.5
Backpacker (7X) C	—	26.0	23.6	49.2
Bassmaster (10X) A. C	86.5	127.4	244.4	300.1
Bicycling (9X) C	138.3	127.3	214.1	227.2
Ducks Unlimited (6X)	27.0	29.1	49.6	51.7
Field & Stream C	110.6	99.6	224.8	228.8
Fishing World (6X)	47.7	68.0	128.0	108.3
Florida Sportsman	148.2	160.2	459.2	466.8
Golf Digest C	105.8	127.7	356.2	340.3
Golf Illustrated C	74.0	76.5	116.8	113.0
Golf Magazine C	101.5	132.6	395.2	449.4
Gun Dog (6X)	33.9	48.2	72.2	88.2
Guns	44.0	39.0	126.0	107.0
Guns & Ammo	72.3	54.5	145.8	139.6
In-Fisherman (7X)	80.0	85.0	240.5	295.5
Outdoor Life C	79.7	99.9	194.0	249.0
Outside Magazine	71.4	66.5	156.3	147.7
Petersen's Hunting	29.0	41.8	98.6	121.6
Runner's World (12X) C	29.0	35.8	81.0	86.3
Salt Water Sportsman C	122.3	156.8	383.3	487.6
Shooting Times	33.2	35.0	95.8	97.1
Sierra (6X)	40.5	50.2	69.5	103.6
Ski (8X) A. C	50.5	70.7	247.8	285.3
Skiing (7X) A. C	85.1	74.5	230.0	216.4
Skin Diver C	121.5	104.3	325.3	323.3
Southern Outdoors (9X)	54.2	91.9	152.0	205.8
Southern Saltwater (8X)	45.3	64.6	140.1	183.5
Sport Magazine C	36.2	44.3	86.5	111.0
Sports Afield C	87.0	102.3	205.4	227.0
Surfing	66.3	77.5	207.0	218.6
Tennis C	77.0	77.9	165.6	166.9
Waterski (9X)	67.2	67.5	160.4	173.0
Western Outdoors (10X)	43.6	52.6	123.2	138.8
Wildfowl (6X)	17.8	15.8	41.8	39.8
WindRider (8X)	58.3	44.8	58.3	44.3
Wing & Shot (6X)	17.4	14.7	31.5	31.5
World Tennis C	29.3	56.2	92.5	118.9
Total Group	**2,478.2**	**2,783.1**	**6,501.5**	**7,056.6**
% change	**-11.0%**		**-7.9%**	
■ Photography				
American Photo (6X) C	46.1	22.3	86.7	80.9
Petersen's Photographic	20.6	20.0	61.1	70.2
Popular Photography C	95.0	67.6	292.7	227.8
Total Group	**161.7**	**110.0**	**440.5**	**378.9**
% change	**47.0%**		**16.3%**	
■ Science/electronic/mech				
Discover C	43.8	51.8	113.9	131.2
Home Office Computing C	53.5	41.8	167.9	141.6
Omni C	54.7	59.4	164.8	183.4
Personal Computing	127.0	170.0	418.0	536.0
Popular Mechanics C	63.4	82.8	180.7	209.6
Popular Science C	71.5	99.9	159.4	216.8
Scientific American C	30.3	49.7	102.7	110.4
Spectrum C	45.4	62.3	159.4	194.4
Total Group	**489.5**	**617.5**	**1,466.7**	**1,723.4**
% change	**-20.7%**		**-14.9%**	
■ Woman/fashion/service				
Beauty Magazine (10X)	11.8	—	30.5	15.2
Bride's Magazine (6X) A. C	—	—	790.7	737.3
Cosmopolitan A. C	165.9	194.1	442.9	506.1
Elle C	235.8	289.1	444.0	502.6
Essence C	81.1	73.4	199.2	232.4
Family Circle (17X) A. C	120.1	149.1	352.9	440.3
Glamour C	184.5	194.1	358.7	405.5
Good Housekeeping A. C	149.7	135.5	368.3	347.3
Harper's Bazaar C	175.9	170.2	350.2	317.8
Health C	38.4	25.0	104.2	91.0
Images	119.7	68.7	251.1	188.7
Ladies' Home Journal C	153.3	126.1	349.4	340.0
Lear's C	75.5	101.0	167.0	170.7
Mademoiselle C	144.6	162.8	313.0	346.9
McCall's C	86.9	91.3	233.1	257.4
Military Lifestyle (10X)	40.9	41.7	123.6	136.5
Modern Bride (6X) C	—	—	631.5	611.8
New Woman C	82.2	90.9	209.6	234.3
Parents Magazine A. C	121.7	136.1	303.7	325.2
Redbook C	127.3	94.9	266.5	253.5
Savvy C	34.6	51.2	105.8	139.7
Self C	136.7	128.7	292.2	293.8
Seventeen C	174.7	182.2	295.6	297.0
Shape C	59.5	66.0	144.9	177.8
Soap Opera Digest (26X) C	36.9	31.8	96.2	99.2
Soap Opera Update	11.3	5.0	26.0	23.0
Teen Magazine	69.1	48.3	128.8	101.1
True Story A. C	59.9	61.3	165.4	160.1
Vogue C	380.9	420.8	710.7	774.5
W Magazine C	168.4	170.3	393.6	429.6
Weight Watchers C	35.2	32.2	113.2	100.3
Woman (10X) C	28.5	41.3	71.3	84.9
Woman's Day (15X) A. C	166.0	217.8	331.3	425.4
Workbasket	17.2	27.9	61.34	79.3
Working Mother C	65.4	65.2	176.5	168.9
Working Woman C	88.4	97.1	250.7	245.3
Total Group	**3,647.9**	**3,791.1**	**9,653.5**	**10,060.4**
% change	**-3.8%**		**-4.0%**	
■ Youth				
Boys' Life C	16.6	18.0	58.6	57.8
Campus Life (10X)	63.2	65.2	140.5	153.0
Total Group	**79.8**	**83.2**	**199.2**	**210.8**
% change	**-4.1%**		**-5.5%**	
■ Business/national				
Barron's	145.6	142.8	410.6	402.0
Black Enterprise C	52.9	46.4	230.4	217.9
Business Month C	43.3	35.4	108.3	78.0
Business Week (52X) A. C	284.1	359.1	756.0	891.7
Entrepreneur C	139.6	139.1	510.7	468.3
Financial World (26X) C	101.3	65.9	245.1	173.7
Forbes (26X) C	212.2	230.6	678.9	628.4
Fortune (26X) C	227.0	203.6	624.9	622.4
Frequent Flyer	41.7	46.9	113.0	119.3
Futures	50.1	48.2	129.0	131.2
Inc. Magazine C	66.8	96.9	236.8	236.3
Income Opportunities	81.3	86.7	172.4	187.1
Industry Week (23X) A.	83.6	87.5	253.8	228.2
Nation's Business (12X) A. C	31.6	32.7	82.9	105.6
Total Group	**1,561.1**	**1,621.5**	**4,552.8**	**4,490.0**
% change	**-3.7%**		**1.4%**	
■ Business/regional				
Advantage-Nashville's Business Monthly	66.0	84.0	198.0	196.0
Arizona Bus. Gazette (52X)	60.0	71.0	149.0	163.0
Bus. First of Buffalo	80.7	56.1	175.1	196.8
Bus. Jrnl.-Milwaukee	136.3	179.9	434.1	464.1
Bus. Jrnl.-Sacramento	86.2	86.3	244.2	228.0
Bus. North Carolina	39.0	34.3	100.7	94.7
Capital District Bus Review (52X)	73.2	73.4	215.1	239.4
Caribbean Business	123.2	153.9	266.9	295.4
Corporate Rpt. Minnesota	41.7	52.2	132.6	167.3
Crain's Chicago Bus. (52X)	149.3	140.5	351.1	367.8
Crain's Cleveland Bus. (52X)	51.9	66.0	161.4	193.3
Crain's Detroit Bus. (52X)	94.3	71.6	244.0	210.9
Crain's New York Bus. (52X)	60.4	50.7	154.0	130.7
Florida Trend (13X)	36.0	47.9	109.3	146.0
Georgia Trend	55.5	54.3	118.1	141.3
Grand Rapids Bus. Jrnl.	57.7	41.0	156.6	135.2
Hawaii Business	62.7	47.8	141.0	127.8
Houston Bus. Jrnl. (52X)	66.0	65.0	199.0	187.0
Indianapolis Business Journal (52X)	138.0	139.9	384.6	418.4
Manhattan Inc. C	42.0	53.8	102.1	123.0
New England Bus. (12X) A	31.8	34.8	95.8	138.3
New Orleans City Bus	46.3	34.8	136.8	124.7
Pacific Bus. News (52X)	85.2	90.1	260.2	289.0
Philadelphia Business Journal	107.5	121.6	342.3	355.2
Pittsburgh Bus. Times (52X)	112.4	117.0	280.6	300.3
Providence Bus. News	68.3	78.8	195.3	221.3
Regardie's/Washington	107.0	111.0	390.0	442.0
St. Louis Bus. Jrnl. (52X)	111.5	93.2	302.3	311.7
Warfield's Monthly Baltimore	51.4	53.8	161.1	153.8
Total Group	**2,241.8**	**2,304.7**	**6,201.3**	**6,562.4**
% change	**-2.7%**		**-5.5%**	
■ National Sunday mags				
Parade (52X) C	44.9	66.2	142.0	168.4
USA Weekend (52X) C	51.9	56.3	154.6	151.7
Vista Magazine (52X)	18.6	18.8	42.8	57.1
Total Group	**115.5**	**141.2**	**339.4**	**377.3**
% change	**-18.2%**		**-10.0%**	
■ Newspaper Sunday magazine				
Boston Globe	208.0	243.7	515.7	588.9
Chicago Tribune	142.1	133.5	317.1	288.9
Cleveland Plain Dealer	61.6	77.4	136.0	158.4
The Dallas Morning News	49.2	64.0	133.4	181.4
Detroit Free Press	42.0	37.6	103.0	99.0
L.A. Times C	102.3	167.9	211.1	302.6
Louisville Courier-Jrnl	21.0	27.0	60.0	84.0
New York Times Mag. C	363.2	375.6	818.6	870.7
Philadelphia Inquirer	98.8	87.6	224.3	224.0
Seattle Times	71.0	61.0	191.0	175.0
St. Louis Post Dispatch	74.5	83.9	193.8	219.2
Toledo Blade Magazine	36.6	37.1	86.8	95.0
Washington Post	106.9	147.3	277.5	359.4
Total Group	**1,377.2**	**1,542.9**	**3,268.3**	**3,646.5**
% change	**-10.7%**		**-10.4%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	120.6	128.8	395.3	478.0
Army Times Military Group				
Air Force Times (52X)	132.0	143.9	418.8	441.8
Army Times (52X)	126.9	139.9	414.1	421.1
Navy Times (52X)	140.6	163.4	431.9	486.6
Capper's (26X)	24.9	29.2	100.0	123.4
Commonweal (22X)	16.3	15.9	32.1	31.3
Golf World (40X)	174.7	144.7	447.4	365.3
Grit (52X) A	37.2	32.8	109.5	113.0
National Journal (50X) C	57.0	58.0	128.5	143.9
National Review (25X)	20.1	23.2	67.0	67.5
New Republic (48X)	42.1	40.8	119.0	124.0
New York Magazine (50X) C	193.7	209.6	521.2	621.8
New Yorker C	159.7	168.4	489.4	455.2
Newsweek (52X) A. C	165.0	189.7	473.5	547.1
People (51X) C	246.7	332.3	656.4	804.1
Rolling Stone (25X) C	160.0	198.9	386.6	411.5
Sporting News (52X) C	41.5	43.8	117.6	130.2
Sports Illustrated (52X) A. C	184.0	239.6	578.7	704.2
Time (52X) A. C	180.4	210.1	529.2	604.2
TV Guide (52X) A. C	265.7	232.4	802.7	893.0
US Magazine (26X) C	59.3	61.2	144.7	145.5
U.S. News & World Report (50X) A. C	149.9	170.5	396.2	441.4
Total Group	**2,698.2**	**2,977.1**	**7,759.7**	**8,554.0**
% change	**-9.4%**		**-9.3%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

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Media recession? Not yet

LAST MINUTE NEWS

Saatchi stock tumbles

LONDON—Saatchi & Saatchi Co.'s share price fell by another 29% in the 10 days ended April 27, closing at 84 pence. Six months ago, Saatchi stock was trading at 334 pence. Stockbrokers attribute the latest decline to a generally falling stock market here, lack of interest in Saatchi stock and the suspension from trading in mid-April pending refinancing of U.K. sales promotion company FKB Group (AA, April 23).

Separately, FKB plans in the next few months to close its U.S. headquarters in Stamford, Conn., as part of the company's cost-cutting efforts, said CEO Duncan Bain, who will return to FKB in London. FKB's U.S. holdings include American Consulting Corp., New York; QLM Associates, Princeton, N.J.; and other shops.

Beatrice, Unilever talking?

CHICAGO—Strong rumors were circulating in food industry circles last week that Beatrice Co. was in negotiations to be bought by consumer products giant Unilever, *Crain's Chicago Business* reported. The two companies had been in serious negotiations 18 months ago but were unable to reach an agreement. Sources said Beatrice would sell for roughly $3 billion, including the assumption of debt.

Campbell, Backer cook

CAMDEN, N.J.—Campbell Soup Co. gave Backer Spielvogel Bates, New York, its microwave red-and-white soup account, previously handled by Chase Kettering, Cherry Hill, N.J. The soups are testing in the Midwest. Backer is Campbell's lead soup agency.

Ames stops ads

ROCKY HILL, Conn.—Ames Department Stores, which filed for reorganization of its debts under Chapter 11 last week, said it's canceling all broadcast plans for "the immediate future," at least for the second quarter. Ad plans for the third and fourth quarters are undetermined. J. Walter Thompson USA, Detroit, handles

(Continued on Page 8)

INSIDE

Who's Miles Drentell, and what will he do next on 'thirtysomething'? —Page 6

An Advertising Age roundup

Major consumer product marketers across the country believe reports of a media advertising recession are, to borrow from Mark Twain, "greatly exaggerated."

In an informal spot check last week by *Advertising Age*, marketers said they're diverting spending into new media, resisting exorbitant rate increases and monitoring spending quarter by quarter, but not cutting back on ad spending permanently.

While newspapers and magazines are taking the brunt of the damage so far, there's no sign the downturn is severe enough to be called a recession.

Worries about an ad recession grew last week as the Newspaper Advertising Bureau lowered its 1990 estimate for newspaper ad revenue growth to about 4% instead of 5.9% over last year's $32.4 billion.

That announcement came on the heels of the Publishers Information Bureau's report that first-quarter magazine ad pages dropped 3.5% from a year earlier.

Neilsen Media Research also reported the number of people watching prime-time TV during the 1989-1990 TV season declined by 1 million.

"We get concerned about the advertising situation as we see cost per thousand consumers—our real cost of advertising, not a

(Continued on Page 56)

■ **'St. Louis Sun' folds, leaving questions about future start-ups** ..... **P. 3**

■ **Legislators are running into each other to regulate advertising** ..... **P. 4**

■ **In the face of declining ad revenues, three major newspaper groups unite to target national advertisers** ..... **P. 56**

Comedian Jerry Seinfeld (2nd r.), master of ceremonies, congratulates Bernie Pitzel (l.), Kathy Dohse and Mike Rogers of Campbell-Mithun-Esty, whose ad for Midway Airlines won in the Best Newspaper Ad category.

Energizer tops TV winners at AA awards

More than 600 guests watched the awards flow at the fifth annual *Advertising Age* Awards Dinner, hosted by comedian Jerry Seinfeld, at the Downtown Marriott in Chicago April 26.

Twenty-six presentations were made, led by the Best TV Commercial of the Year award to Eveready Battery Co.'s Energizer commercial, "Bunny: Keeps Going." A full list of winners and finalists is in this issue, starting on Page 29.

Tom Burrell, chairman of Burrell Advertising; his wife, Joli (l.); and Debbie Harris of DDB Needham Worldwide were among the guests.

TV's Vanna White, one of the celebrity presenters, was the center of attention, especially for "Entertainment Tonight" reporters.

Bob Simon and Joan Black of Foote, Cone & Belding joined Keith Reinhard of DDB Needham Worldwide for pre-dinner conversation.

Stan Malaszewicz

TV sports sales grow cold

$6B rights gamble could backfire for Big 3 networks

By John McManus

Advertiser resistance is forcing the Big 3 networks to face up to the extravagant prices they've paid to carry big-ticket sporting events.

TV sports executives see hard times ahead, likening the market to the recessionary sports economy of 1985, when advertisers withdrew millions of dollars from network sports because prices had risen too high.

Having recently gambled nearly $6 billion on the power of sports to generate ad revenues in the next four years, the networks have risked calamitous losses, industry executives say.

"The way we see it, the next two years could make 1985 look pretty good," said a senior marketing executive with one of the networks. "The network sports divisions are going to get hit hard by the high prices they paid for sports rights. You'll see cutbacks on production costs and our overhead, but that might not be enough.

"The losses will be so great that you might not even recognize network sports divisions as they are now," said the network executive. "Somebody's going to take a fall."

In 1989, before the big new rights deals, the Big 3 networks paid a total of about $550 million for Major League Baseball, the National Basketball Association, the National Football League, the National Collegiate Athletic Association basketball tournament and major college football. That year, network sports ad revenue reached $1.7 billion.

The same rights fees for next year are more than $1 billion, an 85% increase. To reach a corresponding fee-to-advertising ratio, the networks must attract $3.3 billion in sports ad revenue.

Already, the networks have time available on weekend sports telecasts through the end of September.

Although CBS is witnessing customarily

(Continued on Page 56)

Perrier, other waters facing new scrutiny

By Patricia Winters

The entire bottled water industry may have to pay for Perrier's problems.

The Food & Drug Administration said last week it's scrutinizing the $2.1 billion industry's labeling claims and product quality as Perrier Group began returning its sparkling water to market in the U.S.

Perrier had pulled the product off shelves after traces of benzene, a carcinogen, were discovered in it.

The FDA has assigned field officers to gather information on domestic and imported bottled water, analyze samples for quality and "take a sharp look at labeling," said agency spokesman Emil Corwin.

State officials in New York said they too are investigating the industry. New York's Consumer Protection Board, Health Department and Senate Health Committee are looking at product quality and possible labeling issues.

"Perrier has agreed in principle to legislation to tighten up regulations for bottled water quality," said Jeff Buley, counsel to the health committee.

Company officials have said Perrier is cooperating with state and federal authorities, and welcomes high industry standards.

The industry already must comply with the U.S. Environmental Protection Agency's tap water standards and is regulated by the FDA as a food product.

"That's something we as an industry need to communicate. We've been at the forefront of regulations, and we have set tough standards for ourselves," said Ronald Davis, Perrier president-ceo and head of the International Bottled Water Association's government relations committee.

The association has said it too supports the concept of strict regulations to maintain the industry's integrity. However, more regulations could be costly and bring more negative publicity to an industry already sensitive about the Perrier issue.

The negative publicity continued last week with Perrier's reentry in New York, the first U.S. market to get the product since the global recall in February.

The state found unusually high levels of sodium in a Perrier sample and threatened to withhold its certificate of approval to sell the product, though Perrier was already in distribution to retailers.

Perrier produced other tests that proved the sample was flawed, and the relaunch began as scheduled April 26.

Weekly samples must be provided to state health officials for the next year.

The company agreed to run newspaper ads in New York state, alerting consumers to only buy Perrier packaged with the "nouveau" production label since pre-recall bottles have been spotted in some stores.

In exchange for the certificate, Perrier's Mr. Davis agreed to meet with state Sen. Michael J. Tully (R., Roslyn Heights), the Senate Health Committee's chairman, this week to discuss stricter bottled water controls.

Perrier Group is the U.S. importer of Perrier water, the nation's leading imported sparkling water.

On April 26, it held a Perrier Day promotion as planned and broke its first TV spot by Waring & LaRosa reinstating the "Earth's first soft drink" ad theme. The TV spot uses the R.O. Blechman cartoon caveman first introduced in Perrier ads in 1982.

Some grocers got caught in the certification dispute. Harold Berthold, director of grocery marketing for New York City's 27 Food Emporium supermarkets, said he had to pull Perrier from the shelves twice before getting a final OK from his Perrier distributor.

"If it doesn't come off the shelves again by Saturday, I think we're all right," he said. □

Sears tailors new ads

By Kate Fitzgerald

Sears, Roebuck & Co. is pinning its hopes of revitalizing sagging sales on a new pool of network and cable TV commercials.

The No. 1 retailer is also broadening its TV push to include more broadcast and cable options, and tailoring creative to fit specific programming and cable formats.

The No. 1 retailer's goal for the new spots—characterized as major creative departures from Sears' traditional TV advertising—is to lure people who don't normally shop at Sears, said Tom Morris, VP-marketing.

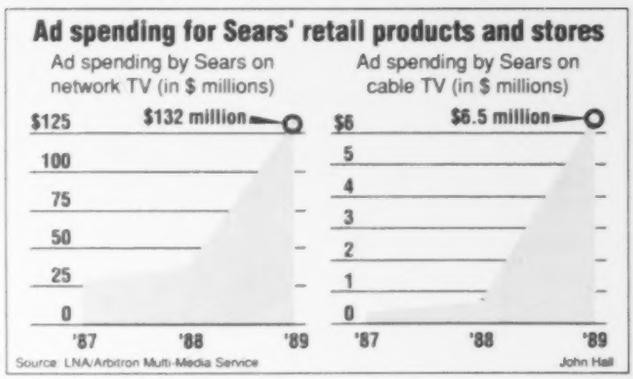
All the new spots are from Ogilvy & Mather, Chicago, several began airing in late March, and more will be cycled into the pool as they're completed, through June.

"In every new TV spot we want to surprise people—we want to show them that Sears has changed, and no matter what they thought of us before, we have what they want," Mr. Morris said.

Last year, Sears increased measured media spending 34% to $525 million as it began to overhaul its pricing format. That included increasing network TV spending in Sears Merchandise Group 244% to $132 million while increasing cable TV spending 829% to $6.5 million.

That propelled Sears to No. 4 from No. 12 among all U.S. advertisers.

Sears said it plans to maintain that level through 1990, increasing spending on certain cable TV networks.



The company has virtually abandoned image advertising in its latest TV efforts in favor of ads promoting specific brands and "power formats."

For the first time ever, Sears has designed spots to target viewers of specific prime-time network TV programs, such as ABC's "Doogie Howser, M.D.," and for individual cable networks, such as MTV: Music Television and ESPN.

"What we're doing now is matching the right creative with the right media to get the most effective outcome possible," Mr. Morris said.

Another tactic in the company's strategy is a series of 20 spots featuring one woman who systematically tackles various image problems with Sears' core female shoppers, ages 25 to 44, he said.

"My friends couldn't believe I got this at Sears," the woman confides to viewers in a recent TV spot, showing off a new dress.

The pressure for Sears to woo new, younger customers to its 847 department stores intensified sharply last week when the Sears Merchandise Group reported a loss for the first quarter.

For the quarter ended March 31, the merchandise group lost $37.4 million on 1% higher revenues of $6.8 billion, compared with net income of $33.8 million for the same period a year earlier.

Last year, Sears' first-quarter results included its heavily promoted switch to "everyday low pricing," when the company announced it would no longer hold traditional weekly sales on selected items.

When its earnings became flat in late 1989, Sears gradually returned to a revised strategy of of-

(Continued on Page 56)

IN THIS ISSUE

NEWS

- **Reebok** joins cause-related marketing movement by shooting Arnold Schwarzenegger in a commercial for the President's Council on Physical Fitness. **10**
- **Tobacco marketers** fight federal excise taxes on cigarettes with a massive direct mail campaign. **17**
- **Newsweeklies** poll shows there's hope for circulation growth. **20**
- **Anti-drug advertising** donations approach $1 million-per-day goal. **22**
- **Boston** advertising market's prolonged slump takes a toll on local agencies. **24**
- **Nike's** Air Jordan athletic shoe campaign scores in ad recall for March. **50**

VIEWPOINT

- Sid Bernstein: Chemical-industry image woes **32**
- Forum: Making anti-drug ads work harder **34**
- James Brady: When night fell on France **39**
- Joe Cappo: Enviromania is catching **39**

Editorials **32** Letters **38**
Brady's Bunch **34** The Next Trend **39**

SPECIAL SECTION

Starts after Page 40

Sales Promotion Agency Report

- Retailers are driving boom in local promotion.
- Lines blurring between direct marketing, promotion.
- Wending the way through Europe's regulation maze.

INTERNATIONAL NEWS

- World Cup gives marketers a kick **42**
- Global Gallery **43**

MEDIAWORKS

- Women pace prime-time viewing **44**

MARKETING TO HISPANICS

- The big push for better sales data **45**

PEOPLE

- Julian Clopet to tune up O&M in New York **46**
- People Moving **46**
- Photo Review **47**

AD REVIEW

- Procter & Gamble's safe approach to Safeguard deodorant soap results in a classically insipid commercial.

OTHER DEPARTMENTS

U.S. NewsWatch **12** Classified **48**
Corrections & Clarifications **38** For the Record **53**
Index to Advertisers **58**

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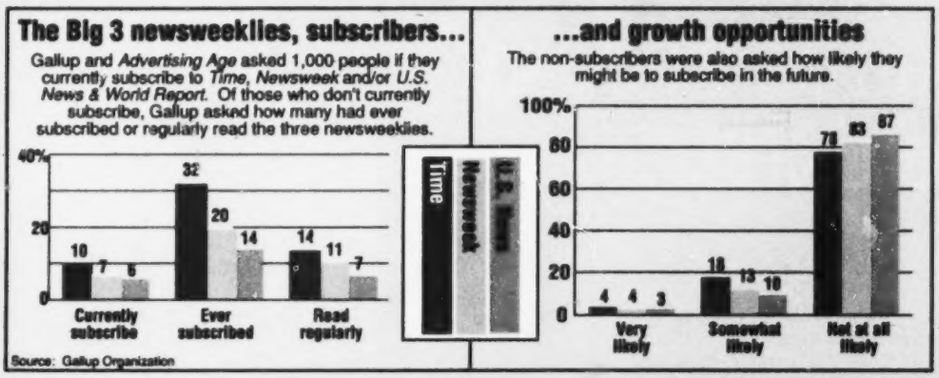
Newsweeklies eye 'likely' readers



JOHN SMITHER

By Scott Donaton

The circulation growth potential of the nation's Big 3 newsweeklies may be stronger than it appears.

A national survey conducted for *Advertising Age* by the Gallup Organization found 17.3% of those people who don't now subscribe to *Time, Newsweek* or *U.S News & World Report* are "very likely" or "somewhat likely" to subscribe in the future.

The findings were viewed as a positive sign by the newsweeklies, which have found circulation growth difficult to impossible in recent years as alternative news sources have proliferated.

The random, national phone survey of 1,000 adults was conducted in February. Margin of error is plus or minus 3.1%.

GALLUP SURVEY

When respondents were asked whether they subscribe to any of the three newsweeklies, 10% said they hold subscriptions to *Time*, 7% to *Newsweek* and 6% to *U.S. News & World Report*.

Subscribers were more likely than non-subscribers to have graduated from college and to be in professional-managerial jobs.

Thirty-two percent of those not subscribing to *Time* said they had done so in the past; for *Newsweek* and *U.S. News*, the rates were 20% and 14%, respectively.

The non-subscribers were then asked how likely they were to subscribe to that title in the future, and 4% indicated they were "very likely" to subscribe to *Time* or *Newsweek* compared with 3% for *U.S. News*.

On the surface, the figures seem to cast a dim light on the growth potential of the newsweeklies. But newsweekly executives dispute that.

Eighteen percent said they were "somewhat likely" to subscribe to *Time*, 13% to *Newsweek* and 10% to *U.S. News*.

Of all the current non-subscribers, a majority—82.6%—said they were "not at all likely" to subscribe to any of the magazines.

On the surface, the figures seem to cast a dim light on the growth potential of the newsweeklies. But newsweekly executives dispute that.

Although the newsweeklies are considered mass-market magazines, they're in some ways aimed at a specific audience. A large chunk of the magazines' circulation comes from college-educated adults with an interest in world events.

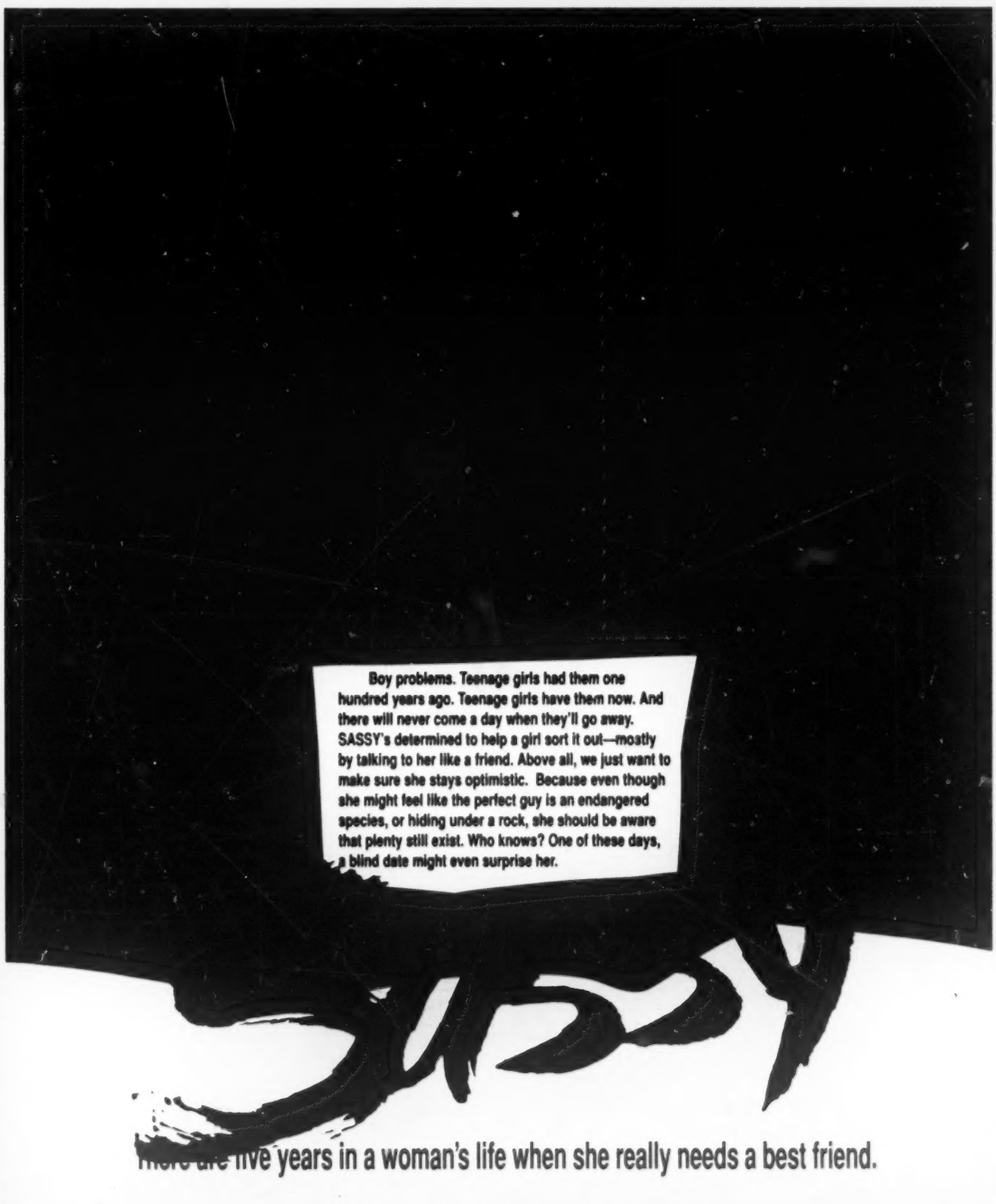
And, as a result, "the fact that 78% [of non-*Time* subscribers surveyed] have no interest in subscribing to *Time* doesn't surprise me," said Richard Heinemann, associate publisher-advertising sales director for *Time*.

In fact, he said, it's encouraging that 22% of those surveyed said they're somewhat or very likely to subscribe again in the future.

Time currently boasts 4 million subscribers, vs. *Newsweek's* 3 million and *U.S. News'* 2 million-plus.

"Far from being a negative picture for the newsweeklies, this is a good sign of the strength of the category," said Peter Eldredge, U.S. publisher of *Newsweek*. "Between those very likely and those somewhat likely to subscribe, there's a very good picture."

"That's a very large base of potential subscribers," said Jake Winebaum, senior VP-marketing at *U.S. News & World Report*. "It proves [newsweeklies] are not at all saturated. It's just a matter of reaching out to those people, and that's our challenge." □


Boy problems. Teenage girls had them one hundred years ago. Teenage girls have them now. And there will never come a day when they'll go away. SASSY's determined to help a girl sort it out—mostly by talking to her like a friend. Above all, we just want to make sure she stays optimistic. Because even though she might feel like the perfect guy is an endangered species, or hiding under a rock, she should be aware that plenty still exist. Who knows? One of these days, a blind date might even surprise her.
SASSY
There are five years in a woman's life when she really needs a best friend.
* This is an excerpt from one of the 451,944 letters SASSY received in 1989.

SALES PROMOTION AGENCY REPORT

Illustration by Ted Carr

Retailers force promotion growth

National programs cool in favor of local efforts as revenues race upward

By Kenneth Wylie

Promotion agencies, faced with a slumping national economy, homed in on local-market efforts to push gross revenues to $637 million in 1989, up 17.4% from the prior year, according to *Advertising Age*'s third annual Sales Promotion Agency Report.

The report, a survey of 90 top U.S. promotion agencies, found retailers at the core of the major trends reshaping the business—particularly local-market and account-specific programs.

Another major development is that marketers increasingly are signing promotion agencies on a fee basis for longer-term planning.

The industry's growth rate continued to outpace that of traditional media advertising. Advertising agencies, whose billings are dominated by media expenditures, grew only 6.9% in 1989, according to the *Ad Age* Agency Income Report in March.

Little wonder ad agencies are turning to sales promotion for growth.

Some 176 of the 500 leading ad agencies responding to the Agency Income Report claimed sales promotion gross revenues of $207 million, a 17% year-to-year increase. *(see chart on Page S-3)*

When added to revenues of the 90 sales promotion agencies monitored in this report, that brings total U.S. sales promotion activity to $844 million.

While this is the bulk of sales promotion work handled by major promotion agencies or ad agency units, considerable activity remains in the hands of in-house units of large advertisers.

Claiming the top spot among sales promotion agencies for the second year in a row was D.L. Blair Corp., Garden City, N.Y. Its gross revenues of $25.7 million, up 6.2%, outdistanced runner-up Alcone Promotion, Irvine, Calif., at $23.7 million, and No. 3 Frankel & Co., Chicago, at $23.2 million.

These agencies were ranked among 80 sales promotion agencies whose revenue streams came largely from staff-time fees related to strategic, creative and conceptual services.

Ten agencies in the report were identified as marketing services agencies because of their emphasis on a particular marketing service.

DCI Marketing, Milwaukee, headed the group with 1989 gross revenues of $54.7 million, down 0.2% from the prior year. Wallace Cos., Birmingham, Ala., finished a distant second at $22.8 million, up 30%.

Among ad agencies with sales promotion billings, BBDO Worldwide and DDB Needham Worldwide, both New York-based units of Omnicom Group, led with $217.3 million and $162.5 million in billings, re-

(Continued on Page S-7)

Sales promotion agencies by gross revenues

Rank 1989	Agency, headquarters	Gross sales promotion revenues 1989	Gross sales promotion revenues 1988	Staff-time fees as % of revenues 1989	Staff-time fees as % of revenues 1988	Commissions as % of revenues 1989	Commissions as % of revenues 1988	Leading service as % '89 gross revenues	Top executive, title	Telephone	Verified
1	**D.L. Blair Corp.**, Garden City, N.Y.	$25,700	$24,200	29.0%	24.4%	18.0%	16.0%	swps/24.5%	Thomas J. Conlon, ceo	(516) 746-3700	✓
2	**Alcone Promotion**, Irvine, Calif.	23,700	15,430	45.0%	50.0%	15.0%	25.0%	ff/15%	Matt Alcone, president	(714) 770-4400	✓
3	**Frankel & Co.**, Chicago	23,193	19,605	83.0%	84.0%	7.0%	10.0%	ff/4%	Bud Frankel, chmn-ceo	(312) 938-1900	
4	**Cato Johnson Worldwide**, New York	22,800	16,700	100.0%	100.0%	NA	NA	NA	W.A. Power, ceo worldwide	(212) 941-3700	✓
5	**Clarion Marketing & Communications**, Greenwich, Conn.	18,804	16,425	64.3%	73.7%	16.2%	26.3%	comp/14.5%	Raymond S. Rizzo, president-ceo	(203) 531-3600	✓
6	**Comart-KLP**, New York	18,200	13,700	69.7%	75.9%	12.0%	12.4%	cons/9%	Vincent Sottosanti, chmn-ceo	(212) 714-2550	✓
7	**Saugatuck FKB**, Westport, Conn.	15,765	7,523	31.0%	29.0%	30.0%	39.0%	trvl/20%	Gary W. Oakley, chmn	(203) 226-6042	
8	**Strottman Marketing**, Irvine, Calif.	14,800	10,500	35.0%	31.0%	61.0%	60.0%	lic/2%	Kenneth Strottmen, president	(714) 852-1166	✓
9	**U.S. Communications Corp.**, Minneapolis	14,000	13,000	100.0%	100.0%	NA	NA	NA	William A. Urseth, chmn	(612) 870-8910	
10	**American Consulting Corp.**, New York	13,900	11,500	25.0%	18.0%	51.0%	44.0%	ff/20%	Robert J. Neely, president, ceo	(212) 627-4100	✓
11	**Niven Marketing Group**, Scottsdale, Ariz.	13,428	13,676	78.0%	81.0%	10.0%	9.0%	swps/9%	Ronald A. Niven, president	(602) 949-0997	
12	**Flair Communications Agency**, Chicago	12,884	12,700	45.0%	50.0%	10.0%	NA	comp, swps/10%	Lee F. Flaherty, ceo	(312) 943-5959	
13	**Impact**, Chicago	11,500	12,150	90.0%	85.0%	10.0%	15.0%	NA	Joseph P. Flanagan, president	(312) 751-3500	✓
14	**Sims Freeman O'Brien**, Elmsford, N.Y.	11,234	8,368	70.0%	75.0%	10.0%	10.0%	swps/10%	Jack Sims, ceo	(914) 347-2600	
15	**Siebel/Mohr**, New York	10,724	12,071	75.0%	72.0%	19.0%	22.0%	swps/6%	Frederick Siebel, chairman	(212) 593-0500	
16	**Communications Diversified**, New York	9,100	6,400	40.0%	35.0%	60.0%	65.0%	NA	William H. Henneberry, chmn	(212) 213-3300	
17	**Richman Sales Promotion**, Bala Cynwyd, Pa.	9,000	8,500	80.0%	70.0%	20.0%	30.0%	NA	Brian McAdams, chmn	(215) 667-8900	
18	**QLM**, Princeton, N.J.	8,800	7,000	41.0%	35.0%	42.0%	38.0%	NA	Lawrence A. Quintman, president	(609) 683-1177	✓
19	**KSJ Promotions**, St. Louis	8,700	NA	80.0%	NA	10.0%	NA	comp/10%	Kenneth Foushee, president	(314) 241-6111	
20	**Columbian Advertising**, Chicago	8,550	7,595	80.0%	75.0%	20.0%	25.0%	NA	Bernard J. Miller, Jr., chmn	(312) 943-7600	✓
21	**Merchandising Workshop**, New York	8,500	8,000	100.0%	100.0%	NA	NA	NA	Norman Alshooler, president	(212) 239-4646	
22	**Pacific Marketing Group**, San Francisco	7,600	2,300	25.0%	30.0%	40.0%	50.0%	ff/20%	Andrea Metzler, partner	(415) 788-8764	✓
23	**Guild Group**, Pleasantville, N.Y.	7,600	6,000	100.0%	100.0%	NA	NA	NA	Victor Ayala, president	(914) 747-1331	✓
24	**Block Everett Nardizzi**, Stamford, Conn.	6,900	5,640	75.0%	72.0%	11.0%	15.0%	ff/9%	Chuck Nardizzi, ceo	(203) 969-1311	
25	**Don Jagoda Associates**, Syosset, N.Y.	6,300	4,275	39.7%	NA	NA	NA	swps/22%	Don Jagoda, president	(516) 496-7300	✓
26	**Lee Hill Inc.**, Chicago	6,100	5,142	90.0%	90.0%	NA	NA	lic/10%	Paul Rogalla, president	(312) 245-9300	
27	**William A. Robinson**, Chicago	5,700	5,600	87.0%	84.0%	5.0%	6.0%	swps/3%	Bill Robinson, ceo	(312) 372-9333	
28	**Amrein Marketing**, Westport, Conn.	5,676	5,361	69.0%	65.0%	2.0%	3.0%	swps/24%	James R. Amrein, president	(203) 454-3500	✓
29	**Promotional Campaigns**, New York	5,500	4,200	80.0%	80.0%	20.0%	20.0%	NA	Thomas B. Owen, president	(212) 481-8000	✓
30	**Keller-Crescent Co.**, Evansville, Ind.	5,100	4,300	38.0%	31.0%	7.0%	6.0%	prntg/44%	Thomas M. Smythe, president-ceo	(812) 464-2461	
31	**Bell & Partners**, South Norwalk, Conn.	5,000	4,200	90.0%	28.0%	10.0%	NA	NA	Martin J. Bell, president	(203) 866-2877	✓
32	**Diamond Promotion Group**, New York	4,500	3,900	80.0%	85.0%	NA	NA	ff, swps/10% ea	Andrew Cohen, president	(212) 685-6622	✓
33	**Strategic Promotions**, Dallas	4,392	2,312	61.0%	40.0%	39.0%	60.0%	NA	Grahame R. Hopkins, president-c.d.	(214) 871-1016	✓
34	**Wolf Blumberg Krody**, Cincinnati	4,200	3,900	80.1%	85.6%	10.4%	9.4%	ff/5%	Dale Wolf, president-ceo	(513) 751-0258	✓
35	**Smiley Promotion**, New York	4,195	3,975	32.0%	29.0%	12.0%	12.0%	swps/56%	Ronald Smiley, president-ceo	(212) 727-0770	✓
36	**Marcon Marketing Services**, New York	3,748	3,259	72.0%	78.0%	23.0%	19.0%	swps/3%	Stephen Field, president	(212) 683-3332	✓
37	**McCracken Brooks Communications**, Minneapolis	3,744	2,502	61.8%	22.0%	12.7%	NA	ff, swps/11% ea	Keith McCracken, president-ceo	(612) 921-8400	
38	**Lee Krost Associates**, Stamford, Conn.	3,643	3,210	60.0%	10.0%	10.0%	70.0%	swps/30%	Lee Krost, president	(203) 358-8890	✓
39	**PriceWeber Marketing Communications**, Louisville	3,600	4,800	100.0%	100.0%	NA	NA	NA	Shanna Columbus, president-ceo	(502) 499-9220	✓
40	**ICE Communications**, Rochester, N.Y.	3,400	3,800	90.0%	90.0%	10.0%	10.0%	NA	Fran Cosentino, president-ceo	(716) 244-5400	
41	**Promotion Group**, New York	3,300	2,800	65.0%	65.0%	15.0%	10.0%	ff/10%	Daniel J. Gorman, ceo	(212) 490-5656	
42	**Promotional Innovations**, Stamford, Conn.	3,100	1,800	85.0%	70.0%	5.0%	5.0%	ff, swps/5% ea	John T. Henderson, president	(203) 325-3448	
42	**Coddington, Chadwick & Meyerson**, New York	3,100	2,430	70.0%	70.0%	15.0%	15.0%	swps/10%	Steven Polachi, partner	(212) 689-8225	
44	**Goss & Topp**, Exton, Pa.	3,098	1,578	96.0%	100.0%	NA	NA	swps/4%	Alexandra Goss, president	(215) 524-9933	✓
45	**Dugan, Valva Associates**, Fairfield, N.J.	3,007	2,237	40.0%	40.0%	40.0%	40.0%	coup, swps/10% ea	Peter Dugan, chmn	(201) 227-7396	
46	**Henschel-Steinau Marketing Services**, Englewood, N.J.	3,000	2,400	60.0%	35.0%	5.0%	NA	swps/10%	Mel Klein, exec vp	(201) 567-5131	
46	**Alley Marketing**, New York	3,000	2,300	60.0%	60.0%	20.0%	20.0%	ff/10%	Frank Ombres, president	(212) 545-8500	✓
48	**Highland Group**, Southport, Conn.	2,631	2,418	56.0%	55.0%	42.0%	45.0%	ff/1%	Frederick Tscheulin, president	(203) 254-3505	✓
49	**BSB Promotion Marketing Group**, New York	2,500	1,500	90.0%	NA	10.0%	NA	NA	Ron Kraut, dir-promo mktg grp	(212) 297-8551	
50	**PGM**, Chicago	2,371	2,108	100.0%	100.0%	NA	NA	NA	W.I. Goldman, S.D. Miller, partners	(312) 337-7676	✓
51	**Louis London**, St. Louis	2,200	1,800	75.0%	75.0%	25.0%	25.0%	NA	Mark Shapiro, president	(314) 367-4100	✓
51	**Davidson Marketing**, Chicago	2,200	1,900	95.0%	95.0%	5.0%	5.0%	NA	William Davidson, president	(312) 527-3900	✓
53	**August, Bishop & Meier**, Chicago	2,044	2,073	77.0%	78.0%	27.0%	22.0%	NA	Norman August, president	(312) 988-9200	
54	**J.P. Hogan & Co.**, Knoxville, Tenn.	1,942	1,366	100.0%	100.0%	NA	NA	NA	Joseph P. Hogan, chmn-ceo	(615) 546-7661	
55	**PROMOT**, Los Angeles	1,802	1,609	39.0%	36.0%	20.0%	20.0%	swps/15%	K.J. Laessig, president	(213) 466-0990	
56	**Promotion Development Corp.**, Westport, Conn.	1,800	2,000	50.0%	50.0%	50.0%	50.0%	NA	Nicholas G. Ceppi, chmn	(203) 259-7911	
56	**Motivational Incentives Group**, Los Angeles	1,800	1,300	20.0%	20.0%	40.0%	40.0%	ff, swps/10% ea	Robert T. Moss, mng dir	(213) 854-4748	✓
58	**Delfino Marketing Communications**, Valhalla, N.Y.	1,766	1,650	75.0%	70.8%	25.0%	30.0%	NA	Geno B. Delfino, president	(914) 747-1400	✓
59	**Langworth Taylor Co.**, White Plains, N.Y.	1,665	1,355	70.0%	70.0%	15.0%	12.0%	ff, swps, prem/5% ea	Frank C. Langworth, president	(914) 946-7333	✓
60	**Wayton Co.**, St. Louis	1,600	1,200	85.0%	75.0%	NA	NA	swps/10%	James E. SanFilippo, president	(314) 231-6500	
61	**Waldbillig & Besteman**, Madison, Wis.	1,513	1,773	78.0%	74.0%	19.0%	22.0%	swps/3%	William J. Waldbillig, president	(608) 238-4767	
62	**Coup d'Etat**, Parsippany, N.J.	1,500	800	90.0%	90.0%	10.0%	10.0%	NA	Nicholas J. Glenn, president	(201) 538-1185	
63	**Mitchell & Comer**, Toledo, Ohio	1,482	1,739	90.0%	90.0%	5.0%	10.0%	swps/5%	Marck Mitchell, president	(419) 243-7600	✓
64	**National Promotion Services**, Atlanta	1,425	870	45.0%	75.0%	25.0%	NA	swps/17.5%	Daniel A. Dodson, president	(404) 266-9258	
65	**Deare Marketing**, New York	1,216	NA	99.8%	NA	NA	NA	NA	Jennifer Deare, president	(212) 779-1313	✓
66	**Promotion Group Central**, Evanston, Ill.	1,100	1,000	65.0%	60.0%	5.0%	5.0%	swps/25%	Edward J. Drumm, president	(708) 866-0100	
67	**Daymark**, Cincinnati	1,076	1,783	65.0%	55.0%	5.0%	5.0%	ff, swps/5% ea	Kerry B. Dibday, president	(513) 751-1730	✓
68	**Grant Promotion**, Lafayette Hill, Pa.	1,075	840	60.0%	60.0%	20.0%	20.0%	ff, swps/5% ea	Howard C. Grant, chmn-ceo	(215) 834-0550	✓
69	**R.P. Klein Associates**, New York	1,000	1,200	100.0%	100.0%	NA	NA	NA	Richard Klein, president	(212) 557-1450	✓
70	**DVI Marketing Services**, Costa Mesa, Calif.	991	569	36.0%	36.0%	19.0%	22.0%	events/16%	Donald L. Carr, president	(714) 549-9900	✓
71	**McAdams Associates**, Chicago	918	728	83.0%	73.0%	17.0%	27.0%	NA	Edward J. McAdams, president	(312) 664-5560	✓
72	**Saxton Communications Group**, New York	820	730	100.0%	100.0%	NA	NA	NA	Michael J. Enzer, president	(212) 867-2210	✓
73	**Promotion Solutions**, New York	779	517	70.0%	70.0%	20.0%	25.0%	swps/10%	Ralph Casado, president	(212) 633-2400	✓
74	**PPI Marketing Group**, Rochester, N.Y.	717	806	100.0%	NA	NA	NA	NA	Richard S. Mainzer	(716) 473-6770	✓
75	**Vista Marketing**, Chicago	650	NA	100.0%	NA	NA	NA	NA	Thomas W. Smith, president	(312) 649-4853	
76	**Brandon Communications**, Marietta, Ga.	500	300	80.0%	70.0%	20.0%	30.0%	NA	Robert D. Brandon, president	(404) 953-6984	
77	**Woolf, Reitmann Associates**, Chicago	420	510	100.0%	100.0%	NA	NA	NA	Irving W. Woolf, president, chmn	(312) 751-0033	
78	**DD&A**, Chicago	341	285	70.0%	40.0%	30.0%	60.0%	NA	E. Dean Daigler, president	(312) 372-4722	✓
79	**Sales Development Associates**, St. Louis	327	NA	60.0%	NA	10.0%	NA	coll/13%	Ken Hieronymus, chmn	(314) 862-8828	
80	**Dovetail Partner Promotions**, Overland Park, Kan.	266	275	100.0%	100.0%	NA	NA	NA	Richard G. Hopkins, chmn	(913) 642-8334	

Marketing services agencies

1	**DCI Marketing**, Milwaukee	54,706	54,778	25.0%	25.0%	NA	NA	p.o.p./49%	Ronald C. Chimenti, president	(414) 228-7000	✓
2	**Wallace Companies**, Birmingham, Ala.	22,800	16,828	3.5%	3.5%	NA	NA	in-store/76.2%	Dan Wallace, ceo	(205) 942-7808	✓
3	**Mardon-Kane**, Lake Success, N.Y.	14,000	14,000	NA	NA	NA	NA	swps/85%	Robert A. Bell, president	(516) 326-3666	✓
4	**Stratmar Systems**, Port Chester, N.Y.	11,900	10,000	NA	NA	NA	NA	mdse/48%	Dan Ailloni-Charas, president	(914) 937-7171	
5	**DelWilber & Associates**, McLean, Va.	8,000	7,000	34.0%	36.0%	66.0%	64.0%	NA	Del Wilber, president-ceo	(703) 749-9300	
6	**Beaumont-Bennett Group**, New York	7,827	7,345	NA	NA	NA	NA	NA	Mike Zisser, chmn-ceo	(212) 886-3300	✓
7	**Intergroup Marketing & Promotions**, Bloomfield Hills, Mich.	5,922	6,594	14.7%	12.1%	74.3%	76.8%	comp/11%	Count Darling, mng dir-ceo	(313) 433-5200	✓
8	**Arocom Group**, Fairlawn, Ohio	4,214	3,742	NA	NA	NA	NA	NA	Leo J. LeFort, chmn & president	(216) 666-3727	✓
9	**R.G. Meadows**, Great Neck, N.Y.	3,840	2,675	NA	NA	NA	NA	NA	Guy F. Allen, president-ceo	(516) 829-4404	✓
10	**Ventura Associates International**, New York	2,300	1,900	15.0%	8.0%	10.0%	5.0%	swps/70%	Ken Feshkens, president-ceo	(212) 586-9720	

Notes: Dollars are in thousands. Rankings for sales promotion and marketing services agencies are based on agency gross revenues, defined as billings to clients less outside costs. Outside costs include printed material, original or photographic art, or mechanical and reproductive art, consultants and free-lancers fees. Gross revenues don't include pass-through dollars. Abbreviations used in leading service column: coll-collateral, com-computers, cons-consulting, coup-coupon, ff-field services & fulfillment, lic-licensing, mdse-merchandise, p.o.p.-point of purchase, prntg-printing, prem-premiums, swps-sweepstaks & games, trvl-travel programs.
✓ indicates that the agency received signature of an independent accountant verifying figures supplied to AA.
Source: Advertising Age survey.

AA chart: Kenneth Wylie, R. Craig Endicott, Kevin Brown

U.S.-based ad agencies by domestic sales promotion billings

Rank 1989	Agency, headquarters	Sales promotion billings 1989	1988	% chg	Total '89 billings
1	**BBDO Worldwide**, New York	$217,335.0	NA	NA	$2,656,034.0
2	**DDB Needham Worldwide**, New York	162.508.0	NA	NA	2,386,276.0
3	**Lintas:Worldwide**, New York	140,314.0	122,200.0	14.8	1,499,929.0
4	**Ross Roy Group**, Bloomfield Hills, Mich.	136,442.0	130,905.0	4.2	651,073.0
5	**Grey Advertising**, New York	52,200.0	49,000.0	6.5	1,605,327.0
NR	**Lavey/Wolff/Swift**, New York (**BBDO**)	40,960.0	34,400.0	19.1	107,660.0
6	**Ketchum Communications**, Pittsburgh	36,469.0	31,893.0	14.3	854,855.0
7	**Saatchi & Saatchi Advertising Worldwide**, New York	24,150.0	9,628.0	150.8	2,778,868.0
NR	**Frank J. Corbett**, Chicago (**BBDO**)	24,068.0	12,903.0	86.5	65,768.0
8	**Long, Haymes & Carr**, Winston-Salem, N.C.	21,907.0	17,760.0	23.4	103,500.0
9	**Hesselbart & Mitten Advertising**, Fairlawn, Ohio	19,995.8	17,276.5	15.7	60,251.9
10	**Silverstone, Adkins & Breit**, Stratford, Conn.	18,900.0	17,200.0	9.9	20,242.8
11	**Sutton Healthcare Group**, New York	18,700.0	10,200.0	83.3	52,300.0
12	**Laurence, Charles, Free & Lawson**, New York	17,285.6	8,085.0	113.8	275,187.0
13	**Grant/Jacoby**, Chicago	16,500.0	11,000.0	50.0	66,022.0
14	**Medicus Intercon International**, New York	16,092.6	13,417.2	19.9	133,489.6
15	**Gross Townsend Frank Hoffman**, New York	16,000.0	15,750.0	1.6	78,374.9
16	**Earle Palmer Brown**, Bethesda, Md.	15,500.0	10,600.0	46.2	310,500.0
17	**Creswell, Munsell, Fultz & Zirbel**, Cedar Rapids	15,391.4	10,250.9	50.1	90,537.6
18	**Shelly Berman Communicators**, Westerville, Ohio	14,193.7	12,086.0	17.4	26,356.6
19	**Leo Burnett Co.**, Chicago	11,117.0	13,038.0	(14.7)	1,945,282.0
20	**Girgenti, Hughes, Butler & McDowell**, New York	10,290.0	5,000.0	105.8	30,100.0
21	**Penny/Ohlmann/Neiman**, Dayton, Ohio	10,267.6	11,144.5	(7.9)	23,517.0
22	**Arian, Lowe & Travis Advertising**, Chicago	9,709.0	9,127.3	6.4	20,072.7
NR	**Rapp Collins Marcos**, Chicago (**BBDO,DDBN**)	9,400.0	9,300.0	1.1	226,000.0
23	**Salthouse-Torre-Norton**, Rutherford, N.J.	9,000.0	9,900.0	(9.1)	41,175.0
24	**Grant Marketing Communications**, Lafayette Hill, Pa.	8,720.0	7,103.0	22.8	9,670.3
25	**Campbell-Mithun-Esty**, Minneapolis	7,738.2	6,928.0	11.7	859,800.0
NR	**Ramrill-Hoyt**, Rochester, N.Y. (**S&SAW**)	7,150.0	5,523.0	27.2	86,617.0
26	**Sudler & Hennessey**, New York	6,900.0	7,000.0	(1.4)	164,016.7
27	**Barnum & Souza**, New York	6,568.9	5,839.0	12.5	27,370.5
28	**William Douglas McAdams Inc.**, New York	6,500.0	4,500.0	44.4	107,000.0
29	**Eisner & Associates**, Baltimore	6,490.0	4,860.0	33.5	52,196.7
30	**Northlich Stolley LaWarre**, Cincinnati	6,162.0	4,635.0	32.9	39,514.0
31	**Marketing Resources**, Overland Park, Kan.	5,900.0	11,200.0	(47.3)	56,900.0
32	**Henderson Advertising**, Greenville, S.C.	5,815.0	5,124.0	13.5	80,669.0
33	**Robert A. Becker EWDB**, New York	5,500.0	3,818.0	44.1	50,000.0
34	**Paolin & Sweeney Advertising**, Cherry Hill, N.J.	5,300.0	3,200.0	65.6	33,700.0
35	**Towne, Silverstein, Rotter**, New York	5,000.0	3,000.0	66.7	83,000.0
36	**Marketing Support**, Chicago	4,692.8	9,162.2	(48.8)	37,348.0
37	**Kaufman & Maraffi Advertising**, New York	4,200.0	1,600.0	162.5	22,547.4
37	**TBWA Advertising**, New York	4,200.0	3,500.0	20.0	221,600.0
39	**Noble Communications**, Springfield, Mo.	4,150.4	8,378.5	(50.5)	80,093.9
40	**Malone Advertising**, Akron, Ohio	3,950.0	2,300.0	71.7	76,355.5
41	**Mendoza, Dillon & Asociados**, Newport Beach, Calif.	3,423.0	2,624.0	30.4	63,389.9
42	**Asher Gould Advertising**, Los Angeles	3,000.0	4,000.0	(25.0)	93,004.0
42	**Daniel Glassman Advertising**, Fairfield, N.J.	3,000.0	2,889.0	3.8	6,622.0
44	**Abelson-Taylor**, Chicago	2,818.0	4,352.0	(35.2)	44,669.0
45	**Frankenberry, Laughlin & Constable**, Milwaukee	2,508.0	775.0	223.6	45,200.0
46	**Jack Levy & Associates**, Chicago	2,500.0	1,100.0	127.3	56,500.6
47	**Admarketing Inc.**, Los Angeles	2,400.0	2,700.0	(11.1)	252,000.0
48	**Umphenour Martin Lonsdorf**, Atlanta	2,377.7	1,643.5	44.7	19,266.2
49	**Rubin Postaer & Associates**, Los Angeles	2,262.0	2,659.5	(14.9)	143,059.0
50	**Weightman Group**, Philadelphia	2,237.0	1,941.6	15.2	110,000.0
51	**Hallmark Advertising**, Pittsburgh	2,145.0	2,004.0	7.0	17,880.0
52	**John Risdall Advertising**, New Brighton, Minn.	2,063.0	2,028.0	1.7	13,210.0
53	**Kobs & Draft Advertising**, Chicago	2,000.0	1,000.0	100.0	116,900.0
54	**Harold Warner Advertising**, Buffalo, N.Y.	1,950.0	1,912.0	2.0	6,800.4
55	**Jayme Organization**, Cleveland	1,900.8	2,443.0	(22.2)	45,428.8
56	**Solin Associates**, New York	1,875.0	1,750.0	7.1	23,100.0
57	**Dudnyk Co.**, Horsham, Pa.	1,850.0	1,820.0	1.6	23,700.0
58	**Ruhr/Paragon**, Minneapolis	1,828.8	1,524.0	20.0	55,500.0
59	**Fogarty & Klein**, Houston	1,737.0	377.0	360.7	51,812.0
60	**Keyes Martin & Co.**, Springfield, N.J.	1,600.0	1,660.0	(3.6)	58,000.0
61	**Dorland Sweeney Jones**, Philadelphia	1,500.0	1,135.0	32.2	31,944.5
62	**Keroff & Rosenberg Advertising**, Chicago	1,500.0	1,275.0	17.6	35,133.4
63	**McKee Advertising**, Elk Grove Village, Ill.	1,290.9	1,169.8	10.4	9,469.3
64	**Trahan, Burden & Charles**, Baltimore	1,230.0	1,000.0	23.0	47,400.0
65	**Carrafiello-Diehl & Associates**, Irvington-on-Hudson, N.Y.	1,221.7	500.0	144.3	69,413.0
66	**Al Paul Lefton Co.**, New York	1,200.0	NA	NA	70,000.0
67	**Qually & Co.**, Chicago	1,100.0	425.0	158.8	8,000.0
68	**Goldfarb Heff & Co.**, Southfield, Mich.	1,080.0	965.0	11.9	24,255.8
69	**Stone & Simons Advertising**, Southfield, Mich.	1,057.8	958.7	10.3	32,048.3
70	**Pedone & Partners**, New York	1,000.0	1,210.0	(17.4)	30,361.2
70	**Thompson Recruitment**, Los Angeles	1,000.0	1,000.0	0.0	144,000.0
72	**J. Malek Inc.**, New York	950.0	595.0	59.7	1,936.8
73	**MARC Advertising**, Pittsburgh	928.3	1,000.0	(7.2)	50,306.0
74	**Gumpertz Bentley Fried**, Los Angeles	926.0	605.0	53.1	23,117.3
75	**Laven Fuller & Perkins Advertising**, Chicago	919.6	1,020.1	(9.9)	6,490.0
76	**Creative Alliance**, Louisville	900.0	NA	NA	17,584.8
76	**HutchesonShutze**, Atlanta	900.0	1,200.0	(25.0)	44,717.0
78	**Carmichael Lynch**, Minneapolis	897.0	585.0	53.3	87,893.0
79	**Maricom Inc.**, Columbus, Ohio	847.0	NA	NA	13,882.9
80	**Sisti, Zinberg & Howard**, Paramus, N.J.	838.6	NA	NA	4,615.9
81	**Marcus Advertising**, Cleveland	823.7	NA	NA	24,869.1
82	**Kolon, Bittker & Desmond**, Troy, Mich.	800.0	650.0	23.1	31,941.0
83	**Don Wise & Co.**, New York	750.0	500.0	50.0	4,500.0
84	**Tri-State Advertising Co.**, Warsaw, Ind.	711.9	790.9	(10.0)	6,441.3
85	**Christopher Thomas/Muller Jordan Weiss**, New York	696.8	100.0	596.8	50,444.5
86	**Geoghegan/Griffiths**, Cincinnati	684.0	477.0	43.4	3,769.0
87	**Goldberg Fossa Seid Advertising**, New York	650.0	NA	NA	7,750.0
87	**Gray Kirk & Evans**, Baltimore	650.0	NA	NA	40,300.0
89	**Lardis, McCurdy & Co.**, Meriden, Conn.	615.0	795.0	(22.6)	4,753.0
90	**Kocs, Wesson & Associates**, Brookfield, Wis.	610.0	640.0	(4.7)	4,600.0
91	**Chester Gore Co.**, New York	605.0	415.0	45.8	15,442.0
92	**Hill, Holliday, Connors, Cosmopulos**, Boston	601.6	NA	NA	293,133.8
93	**Metro Marketing Group**, Indianapolis	570.5	288.3	97.9	2,953.9
94	**Sheldon Fredericks Advertising**, New York	551.6	623.2	(11.5)	4,988.0
95	**Mintz & Hoke**, Avon, Conn.	550.0	623.0	(11.7)	47,750.0
96	**Davidoff White Good**, Westport, Conn.	538.0	217.0	147.9	25,337.0
97	**Partners & Shevack**, New York	$532.0	$832.0	(36.1)	$144,500.0
98	**Advertising Communications**, Davenport, Iowa	500.0	400.0	25.0	22,770.0
98	**Homeroff/Miloslhal/Spence**, Columbus, Ohio	500.0	560.8	(10.8)	41,974.3
100	**Newmark Posner & Mitchell**, New York	405.0	524.0	(22.7)	30,093.4
101	**Sullivan & Brownell**, Randolph, Vt.	401.7	336.3	19.5	10,042.7
102	**Ally & Gargano**, New York	400.0	200.0	100.0	316,000.0
102	**Lewis, Gilman & Kynett**, Philadelphia	400.0	400.0	0.0	106,000.0
104	**Scharfberg & Associates**, Jenkintown, Pa.	360.9	362.0	(2.2)	13,363.3
105	**Deutsch Inc.**, New York	355.0	259.9	36.6	75,108.9
106	**Simons Michelson Zieve**, Troy, Mich.	350.8	450.8	(22.2)	32,800.0
107	**Gearon Hoffman Conlon & Nye**, Boston	350.0	200.0	75.0	40,678.0
108	**Blake, Wells & Associates**, Los Angeles	345.0	272.8	26.5	4,900.5
109	**Advertising, Boelter & Lincoln**, Madison, Wis.	309.6	211.4	46.5	10,872.6
110	**Thomas G. Ferguson Associates**, Parsippany, N.J.	300.0	150.0	100.0	120,697.8
110	**Hodden Advertising**, Chicago	300.0	600.0	(50.0)	43,347.5
110	**Martin-Williams**, Minneapolis	300.0	NA	NA	100,000.0
110	**Rubin Reid Nolo & Ehrenthal**, New York	300.0	300.0	0.0	33,470.0
114	**Stephan & Brady**, Madison, Wis.	286.8	295.7	(3.0)	23,398.3
115	**Lehmeyer Simpson Communications**, Morristown, N.J.	250.0	325.0	(23.1)	28,000.0
115	**Mills Marketing**, Los Angeles	250.0	250.0	0.0	860.1
117	**Jordan Tamraz Caruso Advertising**, Chicago	235.5	240.0	(1.9)	37,360.0
118	**Salvati Montgomery Sakoda**, Costa Mesa, Calif.	230.7	294.5	(21.6)	22,717.1
119	**Nemer, Fieger & Associates**, Minneapolis	220.0	150.0	46.7	8,062.0
120	**McFarland Group**, Elm Grove, Wis.	215.0	230.0	(6.5)	10,877.1
121	**Adelante Advertising**, New York	205.0	205.0	0.0	6,034.0
122	**Babbit & Reiman Advertising**, Atlanta	200.0	200.0	0.0	53,901.0
123	**Marcantate & Co.**, Auburn Hills, Mich.	183.0	220.0	(16.8)	10,868.1
124	**Dugan/Farley Communications**, Upper Saddle River, N.J.	175.0	NA	NA	52,576.9
125	**Pierson & Flynn**, Chicago	165.0	600.0	(72.5)	8,126.4
126	**Bailey Lewis & Associates**, Lincoln, Neb.	150.0	140.0	7.1	13,108.1
126	**Great Scott Advertising**, New York	150.0	100.0	50.0	35,449.0
128	**Cross Keys Advertising**, Doylestown, Pa.	143.0	NA	NA	3,269.3
129	**Lord, Sullivan & Yoder**, Columbus, Ohio	142.8	380.0	(62.4)	45,349.4
130	**Phillips Marketing**, San Diego	136.0	NA	NA	813.7
131	**Keating Magee Long**, New Orleans	133.2	155.4	(14.3)	4,280.9
132	**DK Group**, Hillsdale, N.J.	129.2	NA	NA	2,128.5
133	**Saunders & Lyons Advertising**, Buffalo, N.Y.	120.7	NA	NA	10,277.1
134	**Ingalls, Quinn & Johnson**, Boston	120.0	390.6	(69.3)	137,079.0
134	**Wolkcas Advertising**, Albany, N.Y.	120.0	148.0	(18.9)	8,304.4
136	**TCI Advertising**, Stamford, Conn.	115.0	125.0	(8.0)	7,430.4
137	**Lyons Inc.**, Wilmington, Del.	100.0	250.0	(60.0)	25,108.3
137	**North Castle Partners**, Stamford, Conn.	100.0	NA	NA	62,110.0
137	**Stone, August, Baker Communications Cos.**, Troy, Mich.	100.0	NA	NA	30,878.1
140	**J. Richard Smith Ltd.**, Old Bethpage, N.Y.	95.0	805.0	(88.2)	41,257.1
141	**AIM Inc.**, Foster City, Calif.	92.4	63.6	45.3	3,900.1
142	**Semel/Kaye & Co.**, Northbrook, Ill.	90.0	NA	NA	10,628.5
143	**Barney & Patrick Advertising**, Mobile, Ala.	85.0	NA	NA	12,640.0
144	**Killian & Co.**, Chicago	77.1	NA	NA	1,748.3
145	**Stiegler, Wells & Brunswick**, Bethlehem, Pa.	75.1	64.9	15.8	14,667.3
146	**McAndrew Advertising Co.**, Bronx, N.Y.	75.0	78.0	(3.8)	242.0
147	**FKQ Advertising**, Clearwater, Fla.	73.0	NA	NA	10,181.2
148	**Patterson Advertising Agency**, Topeka, Kan.	71.3	197.4	(63.9)	3,661.2
149	**Smith & Yohle**, Kansas City, Mo.	67.4	66.8	1.0	6,743.7
150	**Bradford Advertising & PR**, Old Saybrook, Conn.	67.3	420.4	(84.0)	3,093.2
151	**Jiloty Communications**, Holly Hill, Fla.	65.0	77.8	(16.4)	3,370.3
152	**Levy, King & White**, Buffalo	64.2	1,162.7	(94.5)	47,260.0
153	**Tepe, Hoesler & Westertamp**, Cincinnati	58.5	81.3	(28.0)	8,684.0
154	**DPL Advertising**, Battle Creek, Mich.	50.0	45.0	11.1	5,639.1
154	**Kopf Zimmermann Schultheis**, Melville, N.Y.	50.0	NA	NA	6,185.2
154	**NPC & Associates**, Landover, Md.	50.0	NA	NA	2,457.5
157	**Larkin, Meeder & Schweidel**, Dallas	48.0	NA	NA	28,040.4
158	**Beckman Associates Advertising**, Albany, N.Y.	47.6	322.7	(85.2)	10,898.0
159	**Meyer Jobs & Wallis**, Milwaukee	45.0	30.0	50.0	14,593.0
160	**Sturm Communications Group**, Chicago	40.0	NA	NA	12,547.6
161	**FitzSimons Advertising & Public Relations**, Cleveland	38.4	32.7	17.2	5,199.5
162	**Harrison Advertising**, Warrenville, Ill.	38.0	NA	NA	966.8
163	**Crawford Johnson Robinson Woods**, Little Rock, Ark.	29.1	9.8	196.6	26,197.4
164	**Opus Group**, Ridgewood, N.J.	29.0	NA	NA	2,690.5
165	**MacDonald Boyd White**, Boston	28.2	NA	NA	5,846.9
166	**Capenor Co.**, San Diego	26.0	10.0	160.0	10,170.0
167	**Fleishein & Partners**, Minneapolis	25.0	NA	NA	5,434.4
167	**KK&M Advertising**, Boston	25.0	100.0	(75.0)	26,500.0
169	**Estey-Hoover**, Newport Beach, Calif.	13.5	22.4	(39.7)	8,243.6
170	**Smith Advertising & Associates**, Fayetteville, N.C.	12.5	NA	NA	4,852.6
171	**Hal Langerman Co.**, Blue Bell, Pa.	10.0	NA	NA	12,656.0
172	**Creel Associates**, Oak Brook, Ill.	7.0	82.5	(91.5)	2,328.6
173	**Hinton & Steel**, Seattle	5.5	38.7	(85.9)	2,622.9
174	**James & Thomas**, Chicago	5.0	5.0	0.0	3,263.2
175	**MarketAide Inc.**, Salina, Kan.	4.2	NA	NA	3,803.7
176	**Richards Group**, Dallas	0.1	0.1	0.0	125,100.0

Notes: Dollars are billings in thousands. NR indicates agency not ranked. Initials in parentheses indicate the parent company in which the subsidiaries' figures are included.

Chart methodology

The leading advertising agencies generated more than $1.38 billion in sales promotion billings in 1989, up an estimated 15% over the prior year, according to an Advertising Age survey.

Growth from the 176 agencies in the study is attributed to stepped-up activity from existing sales promotion units, because agencies reporting sales promotion totals for both years had growth of 14%. There were 31 agencies on the list that formed startup operations in sales promotion in 1989.

Billings for this chart were supplied by ad agencies reporting their billings breakdown by media for the Advertising Age Agency Income Report, published March 26. Sales promotion billings for these agencies represent an aggregate of their point-of-sale, free standing inserts, sales promotion programs and special events expenditures.

The agency billings volume—equivalent to about $297 million in gross revenues—boosted total sales promotion activity reported in this issue to $844 million gross revenue. Most of the total—$837 million—came from sales promotion and marketing services agencies surveyed separately (see Page S-2).

While this chart shows ad agencies controlling about one fourth of the sales promotion dollars, they actually account for about one-third, because many of the highest ranked sales promotion agencies are subsidiaries of advertising agencies.

Subsidiaries that generated most of their revenues from sales promotion are ranked on the sales promotion agency chart. Their totals were omitted from the agency parent in this chart.

Only parent agencies are ranked. Subsidiary agencies which aren't sales promotion agencies but have sales promotion billings aren't ranked because their totals are included in the parent.

Their listing contains an "NR" in the ranked column. The parents of those subsidiaries are identified in parentheses after their headquarter city.

However, if an ad agency's sales promotion subsidiary appears on another chart in this report and its gross revenue totals are virtually 100% of the parent's sales promotion totals, the parent does not appear on this chart. This is to avoid duplicating sales promotion revenues.

Virtually all of D'Arcy Masius Benton & Bowles' sales promotion totals, for example, are from its two subsidiaries, Clarion Marketing & Communications and Intergroup Marketing & Promotions. Because both are ranked among the sales promotion and marketing services agencies, DMB&B is not present on this chart.

Ad chart: Kevin Brown, R. Craig Endicott

How data were compiled

The diversity of sales promotion agencies makes ranking the industry seem almost arbitrary.

Some are full service in the traditional ad agency sense, offering strategic planning and concept development with a panoply of creative services. Others are "suppliers"—heavy on a particular sales promotion technique but light on client planning. A good many occupy the middle ground.

Advertising Age's solution to the tiering in the industry was to divide the industry into three groups: sales promotion agencies, marketing services agencies and ad agencies with sales promotion billings.

Agencies qualify for the sales promotion ranking if they draw at least 40% of their revenues in staff-time fees from strategic planning and concept development and art physical production. They can draw a smaller percentage from such fees, but services must be numerous and balanced.

The lead agency in this group, D.L. Blair Corp., earns 29% of its revenues from staff-time fees, but its sales promotion disciplines are broadly based—24.5% of revenues from sweepstakes and games, 4.5% from field services, 17% from direct marketing, 7% from research and incentive programs, 18% from commissions and markups.

Marketing services companies are agencies with a bias in one or two sales promotion specialties. A number of these agencies are suppliers to other sales promotion agencies. Heading this list is DCI Marketing, Milwaukee, which gleans 25% of its revenues from staff-time fees, but 49% of its total business is point of sale—merchandising, some for other sales promotion agencies.

Information on ad agencies ranked by their sales promotion billings on Page S-3 was obtained from questionnaires used in compiling the *Advertising Age Agency Income Report*, published March 26. *(See Page S-3 for methodology.)*

Ad agency sales promotion billings divided by 6.67 equals fee income, which is equivalent to gross revenues reported by sales promotion agencies. Ad agencies in general are paid in fees for sales promotion activity. Because billings are an agency size barometer, ad agencies convert fees to billings by multiplying fees by 6.67. This treats fees as the 15% media commission and billings as the media volume bought.

Sales promotion and marketing services agencies surveyed in this report responded to an *Ad Age* questionnaire. In many cases, agencies were contacted for further data or clarification. Some 54% of the forms contained a signature of an independent accountant confirming the numbers reported.

Results from Advertising Age 1990 sales promotion agency report

Category/technique	Increase Responses	Increase Percent	Same Responses	Same Percent	Decrease Responses	Decrease Percent	No answer Responses	No answer Percent
Of your clients' marketing budgets in 1990, what is the movement in the dollar percentage allocated the following?								
Slotting allowances	21	24.1%	44	50.6%	9	10.3%	13	14.9%
Trade-oriented promos	50	57.5%	23	26.4%	4	4.6%	10	11.5%
Consumer promos	52	59.8%	21	24.1%	5	5.7%	9	10.3%
Brand advertising	15	17.2%	32	36.8%	28	32.2%	12	13.8%
Of your 1989 activity, did you use more/less of the following basic sales promotion techniques compared to 1988?								
Price off	12	13.8%	44	50.6%	17	19.5%	14	16.1%
Refunds	21	24.1%	30	34.5%	27	31.0%	9	10.3%
Coupons	16	18.4%	49	56.3%	13	14.9%	9	10.3%
Games	31	35.6%	25	28.7%	23	26.4%	8	9.2%
On-pack premiums	28	32.2%	30	34.5%	16	18.4%	13	14.9%
Free premiums	35	40.2%	32	36.8%	11	12.6%	9	10.3%
Near-pack premiums	11	12.6%	37	42.5%	25	28.7%	14	16.1%
Of your 1989 activity, did you use more/less of the following overlay sales promotion techniques compared to 1988?								
Sweepstakes	32	36.8%	31	35.6%	18	20.7%	6	6.9%
Self-liquidating premium	26	29.9%	32	36.8%	22	25.3%	7	8.0%
Thematic events	56	64.4%	19	21.8%	2	2.3%	10	11.5%
Altruistic promotions	28	32.2%	34	39.1%	14	16.1%	11	12.6%
Contests	16	18.4%	37	42.5%	24	27.6%	10	11.5%

Source: Advertising Age survey of 90 sales promotion and marketing services agencies. Data do not apply to agencies listed in ranking on Page S-3.

AA chart: Kevin Brown

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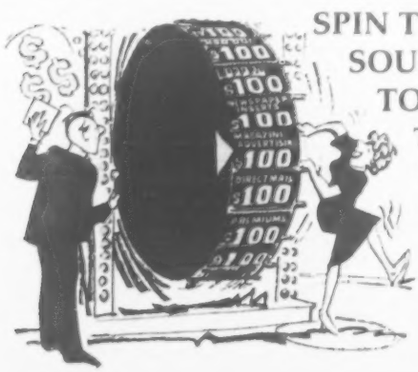
Here are some great ideas that have already proven successful. And you're going to think of more!

◆ **KENTUCKY FRIED CHICKEN**, featuring Walter Payton: During the "Good Sound Meal Deal," consumers all over Chicagoland were offered a free-with-purchase Walter Payton Soundsheet from their local Kentucky Fried Chicken restaurant. NW Ayer produced this point-of-purchase premium for the Chicagoland Association of Kentucky Fried Chicken Restaurants. The Soundsheet was packaged in a full-color sleeve printed by Eva-Tone.

◆ **TRUMP CASTLE CASINO RESORT**, featuring Dolly Parton: A direct mail Soundsheet pocket folder was the medium chosen by this Atlantic City, New Jersey, casino to promote Dolly Parton's special guest appearance. Creative Director Jack Breslin, Art Director Dave Drotleff and Executive Director Jeanine Repa conceived and created this complete package. Eva-Tone manufactured, printed and mailed – all from one location.



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Local touch

(Continued from Page S-1)

spectively. Those totals are largely equivalent to $32.6 million and $24.3 million in gross revenues, respectively.

Retailers increasingly have become the dominant outlet for sales promotion programs.

Among five major promotion categories contributing to agency revenues—sweepstakes and games, field services and fulfillment, coupon processing, computer processing and data-base services, and in-store sampling—the latter represented the largest increase in revenues among the 90 agencies—up 26.4% to $9.3 million.

More than half of the agencies predicted trade-oriented programs would increase as a percentage of their clients' budgets in 1990. A quarter expected so-called slotting allowances to do the same, although half believed such fees marketers pay retailers for shelf space would remain constant *(see chart on Page S-4)*.

Revenues earned from local-market activity by the 90 agencies were up 51%, rising to $96.9 million in 1989. Account-specific revenues rose 17.3% for the same period, reaching $321.1 million.

Both activities cut into national sales promotion programs—the orientation of promotion agencies for many years. And they have become increasingly expensive to administer.

"Local is up, and there will be more and more of it than traditional media advertising," says Geno B. Delfino, president of Delfino Marketing & Communications, Valhalla, N.Y. "They [clients] see *quick* action, which they can't see from media exposure," he adds.

"The retailers are demanding it [local marketing]," says Richard Klein, president of R.P. Klein Associates, New York, an agency whose local-market promotion contributed 30% of its revenues in 1989, up from 20% the year before.

Mr. Klein also feels the impact of demands by retailers for account-specific programs, those geared to an individual chain or a local section of a chain.

"We worked, for example, with Lever Bros. on the Wisk [detergent] fireworks program in which Grucci Fireworks Co. would put on professional fireworks shows in local communities," he says. "The program was conducted nationally without success. But now it's regionalized with grocery chain partners, such as Winn-Dixie, and it's working well."

The *Ad Age* report found a renewed interest in local-level special events of all kinds, including parades, music and sports.

Greater localization of the business is funneling more business to the promotion agency nemesis—the ad agencies that, unlike the more nationally-oriented promotion shops, already are in the markets or have the financial resources to be there.

Ad agencies and marketing services companies have moved deeply into the heart of the promotion industry via acquisitions. Now owned by ad agency giants: No. 4 Cato Johnson, a subsidiary of Young & Rubicam; No. 5 Clarion Marketing & Communications and No. 7 marketing services agency Intergroup Marketing & Promotions, both owned by D'Arcy Masius Benton & Bowles; No. 6 in marketing services Beaumont-Bennett, owned by Grey Advertising; and No. 13 Impact, a part of Foote, Cone & Belding Communications.

FKB International, London, a marketing services company, expanded its sales promotion holdings in the U.S. to include No. 7 Saugatuck/FKB, No. 10 American Consulting Corp., No. 18 QLM Associates and No. 51 Louis London.

This past year, London-based Doctus acquired No. 41 Promotion Group and Wallace Cos.; WPP Group picked up No. 29 Promotional Campaigns through the acquisition of Ogilvy Group; Ketchum Communications, Pittsburgh, purchased No. 27 William A. Robinson Inc., Chicago; and RSCG Group, Paris, bought KLP and its sales promotion unit, No. 6 Comart-KLP.

Ad agencies treading on the sales promotion domain are viewed as a threat by Grahame R. Hopkins, president-creative director of No. 33 Strategic Promotions, Dallas.

"Advertising agencies are selling themselves as sales promotion specialists. This will lead to their failure and give the industry a black eye," he says.

"As agencies push to get business, they will do more and more free spec to get the account," laments Frederick Siebel, chairman of No. 15 Siebel/Mohr, New York.

Method of payment was perhaps on the minds of most respondents in this *Ad Age* report, most of whom want broader planning and longer-term, retainer-based relationships with their clients.

Evidence of a change in that direction is appearing.

The percentage of revenue coming from strategic, creative and conceptual planning and execution in 1989 grew 28.3% to $218.6 million, or 34.3% of the total promotion revenues of the 90 sales promotion/-marketing services companies.

In the same vein, commissions—compensation based on individual services and projects—fell as a percentage of total agency revenues, to 14.1% from 14.6% a year earlier. In volume terms, commissions grew 13.2% in 1989 to $120.6 million.

It may not come as a surprise to those laboring in the promotion vineyards that fewer people did more work in 1989 than in '88.

Total offices among the 90 agencies jumped to 334 from 146—probably in response to more localized marketing—but the number of employees advanced only 0.87% to 4,734.

And what about future growth?

These industry leaders predict a 20% growth in revenue, on average, for this year. □

Kenneth Wylie is a free-lance writer in Evanston, Ill.

◆ ABSOLUT VODKA, featuring Antonio Carlos Jobim: Subscribers to Rolling Stone magazine were treated to an original full-length composition by this famous Brazilian composer-arranger-performer. This Soundcard insert was produced for Carillon Importers, exclusive importer of Absolut Vodka, by TBWA Advertising. Eva-Tone printed and manufactured.

◆ RALSTON PURINA COMPANY CEREALS, featuring "Meet A Real Ghostbuster": Flexible vinyl Soundsheets were included in boxes of Ghostbusters™, Cookie Crisp® and Dinersaurs™ brand cereals. Millions of youngsters had the chance to enter a Movie Mystery Sweepstakes by answering questions they heard on the Eva-Tone Soundsheet. Grand Prize was a trip to Hollywood to meet a real Ghostbuster. Ralston Purina conceived and created the promotion, and Simon Marketing, Inc., Los Angeles, coordinated with Eva-Tone.

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The lines are blurring

As promotion and direct response mix, big shops see opening

By Scott Hume

QLM Associates' "Succeed in the banking jungle" promotion for Citibank Arizona starts with a mailing of game cards to bank customers. Flair Communications kicks off its promotion for G. Heileman Brewing's title sponsorship of the Old Style Marathon/Chicago with a mailing to 60,000 potential runners.

With "targeting" and "efficiency" at the center of every advertising and marketing program, promotion agencies increasingly are using direct marketing in consumer promotion programs.

And that's stirring a conflict that must be resolved in the 1990s.

Where is the dividing line that defines sales promotion agencies and direct-marketing agencies? Will both survive as distinct disciplines through the decade? Will either be forced to add the discipline of the other to remain competitive?

Answers will likely come sooner than later as the multidisciplined ad agency continues to stalk clients of independent promotion and direct-marketing agencies.

Some advertisers already are turning to mega-agencies for sales promotion and direct marketing because of the efficiency and convenience of one-stop shopping.

Most executives on both sides of the dividing line foresee a peaceful coexistence—a scenario that serves each industry's best interests. But most also concede the line is breaking up—that the area of overlap is expanding.

"Certainly it's true that direct marketing—or at least direct mail—is a more common and more important part of promotional strategies than was true just a few years ago," says Greg Hawn, ceo of Cato Johnson Promotion Marketing's Chicago and Los Angeles offices, as well as its Cato Johnson Entertainment Marketing unit.

"But I think there's a difference between promotion firms using direct marketing as a tactic and being fully in the direct-marketing business," he says. "I think the feeling in the U.K. is that a merging of the disciplines is coming. But in the U.S., I think there are differences."

Primary among those differences is the situation Cato Johnson faces by being part of Young & Rubicam's extended family of companies, which also includes direct-marketing giant Wunderman Worldwide.

Y&R, like Foote, Cone & Belding, Ogilvy & Mather, Ketchum Communications and most other major ad agencies, has acquired distinct promotional-marketing and direct-marketing agencies. Those units are finding the line between learning from each other's specialties and cannibalizing business from an affiliate.

"In the U.S., the path is integration rather than melding—and it works," Mr. Hawn says. "Cato Johnson, Burson-Marsteller [Y&R's PR agency] and Wunderman are each separate. We don't intend to supplant Wunderman, but that doesn't keep us from tactically using direct marketing."

Joe Flanagan faces a similar situation as president of Impact, which operates alongside sister company FCB/Direct within parent Foote, Cone & Belding Communications. But he anticipates more of a European-style merger of the promotion and direct-marketing fields.

"There's still a gap between them, but by the mid-1990s I think they will be one and the same," he says. "One reason is integration. The disparity between sales promotion and direct marketing in ad agencies is gone. Promotion, direct marketing and advertising all have so much in common, and will have more, that the area of overlap is great."

Mr. Flanagan says, "the next three to four years are going to be crucial," because all three disciplines are being reshaped. How distinct each of the three legs on the marketing stool remains may be decided in that time.

If one key area of agreed-upon difference between promotion agencies and direct marketers remains, it's in data-base marketing, which uses the names generated by direct response or promotions to build continuing, long-term marketing programs.

"Data-base marketing is still [that of the direct marketers]," Mr. Flanagan says. "From a creative standpoint, the two disciplines have a great deal in common. We can design mailings; they can [incorporate promotion tactics]. But building and using data bases is where direct marketers have begun specializing, and sales promotion is still in the Dark Ages there."

Sid Liebenson, exec VP at Kobs & Draft Advertising, Chicago, a direct-marketing unit of Saatchi & Saatchi Co.'s Backer Spielvogel Bates ad agency, agrees data-base expertise will keep direct marketing a distinct discipline.

"There's no question that we're seeing direct marketers doing programs that seem to be traditional sales promotions, and vice versa," he says. "But direct response long has been a part of sales promotion's bag of tricks."

Mr. Liebenson foresees a melding of the two disciplines, but as a partnership rather than a merger.

"I think you'll see more programs that begin as a promotion and then turn into direct marketing," he says. Sales promotion will generate names, which are handed like a relay baton to the direct-marketing partner.

"Three years ago, I think everyone expected a shotgun wedding between promotion and direct marketing. People said, 'Oh, you won't be able to tell them apart,' " says William Robinson, chairman of William A. Robinson Inc., now a promotional marketing unit of Ketchum Communications. "But I don't think we've seen that wedding happen as predicted. Both have settled into their own places.

"Clearly, you see promotion using more direct marketing and vice versa, so there's that area of overlap. But not to the extent I think we both anticipated," he

(Continued on Page S-14)

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The European scramble is on

By Alison Fahey and Elena Bowes

U.S. sales promotion agencies are scrambling to enter Europe, much for the same reasons U.S. advertising agencies invaded the Continent three decades ago.

They need to keep pace with domestic clients expanding internationally, remain competitive, particularly with the sales promotion units of multinational ad agencies, and hit the market while the going's good.

Europe of the '90s carries much promise. It's on the verge of becoming a more cohesive market, albeit one likely to remain heterogeneous, as trade barriers tumble within the European Community. Sales promotion agencies agree there's nothing magical about 1992, the EC's symbolic year for open trading. But agencies see a need to move quickly into the rapidly growing market. Citicorp Investment Bank estimates EC sales promotion activity is $32.4 billion—basically the same as advertising expenditures in the EC.

"Let's face it, no one really knows what we're going to find when we get there," says one agency executive. "But most of us are scrambling to get a piece of it."

Part of the reason for the race is the scarcity of entry points.

"Only one sales promotion agency of any size and value is still independent in Italy," says Roger Swann, exec VP of KLP International, London. "The same is true of Spain, Europe's hottest market."

Admission today will more likely be through joint venture or consortium for independent sales promotion shops. Acquisitions and startups will be left to the multinational ad agencies.

Advertisers, already marketing products in Europe or gearing up to tap the 320 million-plus consumer base, are driving much of the activity, much as expanding U.S. marketers spurred their ad agencies to venture abroad in the 1950s and early 1960s.

"Sales promotion agencies are saying, 'We've got to be able to tell our clients we can help them in Europe, at least by referring them to an affiliate,'" says Vincent Sottosanti, president of Council of Sales Promotion Agencies and chairman-CEO of Comart-KLP, New York.

The European connection also can benefit the U.S. agency at home. One sales promotion agency, Einson Freeman, Paramus, N.J., got clients Philip Morris Cos. and PepsiCo as a result of its link-up in the mid-1980s with London-based KLP, an international marketing services network.

"If not for that affiliate structure, we would not have qualified for that business," says Jeffrey McElnea, president of Einson, now part of WPP Group, London.

Another example is the case of Modular Marketing. Harry Kraus, president-ceo, says, "We had serious needs in helping our clients get off the ground over there."

One such client, CMP Direct, a unit of CMP Publishers, has been directed to an agency in the European consortium that New York-based Modular is forming with agencies in Paris, London and Frankfurt.

Consortium members will remain independent; members will swap business and pay each other referral fees.

Tom McCann, president of Siebel/Mohr, New York, wants to be able to say to his clients: "We can do that for you in Europe through so-and-so company." So it's seeking an affiliation arrangement.

Siebel/Mohr says a European presence would help the agency get business. For example, its biggest client, Jos. E. Seagram & Co., currently uses various promotion agencies throughout Europe.

"We, too, are exploring every avenue," said Jim Mack, president of Chicago-based Frankel & Co., a leading independent U.S. shop. Explorations include linking with independent agencies and/or mega marketing communications groups in Europe, he says.

Promotional Campaigns, a London-based sales promotion shop purchased in 1986 by Ogilvy & Mather, is looking to open new agencies in Europe by hiring nationals and then import its people "to show them our system," says Keith Bantick, founder of PC and chairman of O&M's sales promotion unit worldwide.

Since the acquisition, Promotional Campaigns has expanded into France, Holland, Germany and Spain.

On the flipside, European-based marketing-service companies have dipped into the U.S. to buy promotion agencies to tap the large U.S. market and to provide an easy conduit for U.S.-based clients served by its new U.S. affiliates to ease into the European market.

KLP, now part of RSCG Group, the French agency/marketing services combine, holds Comart-KLP, while WPP Group owns Einson Freeman. Saatchi & Saatchi Co. has Howard Marlboro Group and FKB Group owns American Consulting Corp., QLM Associates and Louis London, three agencies FKB is expected to fold under one name—Francis Killingbeck Bain, New York.

Expansion into Europe won't be for the meek, because even European agencies with strong roots have expanded slowly and with care. "It took KLP five years to build a network of agencies in France, Holland, Spain, Ireland and Scandinavia. It's a major effort for companies like Coke to send people around the world, let alone a promotion agency," says Mr. Swann. □

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Targeting the Continent?

Here's a roadmap to deal with bureaucracy, regulations

By Elena Bowes

Europe is a regulatory jungle. Use professionals for advice. Let nationals make the decisions. Don't enter Europe through Germany. Such are the tips from European promotion executives for U.S. agencies looking to expand across the Atlantic.

But helpful hints aside, some wonder why the Yanks even bother. "The idea [of promotion agencies opening shops in Europe] is 20 years out of date. The market is flooded. There's no room in France, the U.K. or Spain," claims John Hooper, group chairman of Clarke Hooper Consultancies. His U.K. sales promotion agency has established alliances with leading agencies in Germany, Spain and France. The five leading promotion agencies in the U.K. have similar pacts.

"U.S. sales promotion shops would be crazy to come 3,000 miles to Europe when they have such a huge potential in their own marketplace," he says.

Perhaps. Others disagree.

"It is wrong and presumptuous to think Americans couldn't come here," argues Keith Bantick, founder of Promotional Campaigns, a unit of Ogilvy & Mather. "Any market can do with fresh input."

PC is currently bringing an American Express campaign conceived for the U.S. to Britain. And, says Mr. Bantick, "if it works in the U.K., I see no reason why it shouldn't work in Holland, France, Germany or Spain."

U.S. agencies bent on entering the market—and many are trying—could take these 10 tips from executives already on the ground:

1. Europe is not one market. U.S. promotional shops planning to treat Europe as a single market will be disappointed, say top industry executives in London. It will take years before sales promotion and direct marketing leg-

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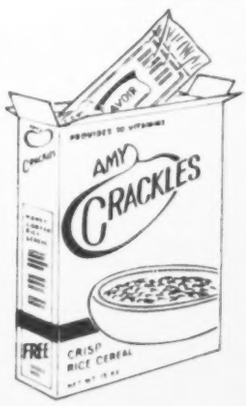

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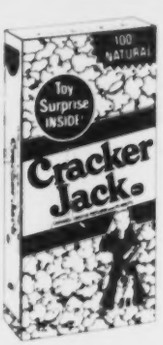

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Advertising Age
WASHINGTON, D.C.

Throughout 1990, Advertising Age is featuring a series of market profiles that focus the nation's attention on cities that play a vital role in the business of marketing. These profiles analyze the particular region as to its demographics, industries, work environment and local media.

In its June 11 issue, Advertising Age will spotlight Washington, D.C.

A mix of powerful political and business organizations, the climate in D.C. is fast-paced, exciting and potentially confusing, especially for marketers unfamiliar with it. It would be easy for a newcomer to underestimate both the affluency and the opportunities that are so much a part of the Washington market.

Ad Age's profile on Washington, D.C. will provide [illegible]

For more information, contact Deborah Malone at 212/210-0744; FAX 212/867-9716.

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WASHINGTON, D.C.

islation is standardized.

"I don't know whether the laws will change by 1992 or 1999," says Roger Swann, exec VP of KLP International, London. "Value-added tax varies from 8% to 52% in Europe. That's much more significant [to the European Community] than worrying about sales-promotion legislation."

2. What's acceptable in one country may be inappropriate or illegal in another. Money-off next purchase is permitted in the U.K. and Ireland, where promotional law is the most liberal, but it's definitely out in West Germany and Luxembourg, where promotional law is the most rigid. And even though free mail-ins are allowed in Spain, "you wouldn't think of doing it because it would never get there," says Mr. Hooper.

3. Get professional advice. "Americans are not imbued with a great understanding of Europe," says Mr. Swann. They "need to appoint or acquire some intelligence from an English-speaking European country to advise them on the intricacies of the European market. Like any other swamp full of alligators, I wouldn't go into it willingly. But if I had an experienced guide, I could be pursuaded to wade through it."

4. Leave implementation, translation and legal work to the local guys, says Mr. Hooper, who believes "a pan-European promotion is not a reality."

5. Look before you leap. Paul Woolf, new-business director of Promotional Campaigns, an affiliate of Ogilvy & Mather, cautions Americans to "investigate the relationships between the clients and the agency. If it's tied to a person and that person wants to retire to the south of France, the account might walk out the door."

6. Enter by consortium or joint venture. Rather than pay high prices to buy into Europe's sales promotion market, some experts recommend U.S. agencies align with top European shops.

7. Ally with agencies in France or the U.K., Europe's two most advanced sales promotion markets, then perhaps, go into Europe's developing markets like Greece, says Mr. Hooper. "Spain is very hot. But agencies there are selling for 20 times earnings, as compared with five to eight times in the U.K.," comments Mr. Swann. "Everything points to it being a boom market."

8. There are so-called coverage gaps in Belgium and Switzerland, countries so small that agencies have dismissed them. But, says Mr. Swann, "they're attractive markets because so many English-speaking multinationals are headquartered there. They could be a springboard for pan-European business."

9. Don't try to enter through Germany. It has some of Europe's most rigid sales promotion legislation.

10. Help is around the corner through the International Marketing & Promotions Association, which publishes a "European Promotional Legislation" guide that gives clients a thumbnail sketch of what is and is not allowed in each European country. The variance is great.

Also, the Point of Purchase Advertising Institute Europe, which opened in June 1989 in Paris, serves as an information exchange, provides networking opportunities and keeps abreast of EC legislation. □

Elena Bowes is an Advertising Age *correspondent in London.*

Europe's promotion maze

□ Permitted
■ May be permitted
✕ Not permitted

	U.K.	Ireland	Spain	Portugal	Greece	France	Italy	Netherlands	Denmark	Belgium	West Germany	Luxembourg
In-pack premiums	□	□	□	□	□	■	□	■	■	■	■	✕
Multiple-purchase offers	□	□	□	□	□	□	□	□	■	■	■	✕
Extra product	□	□	□	□	□	□	□	■	□	■	■	□
Free product	□	□	□	□	□	□	□	□	□	■	□	□
Free mail-ins	□	□	□	□	□	□	□	□	■	■	✕	■
With-purchase premiums	□	□	□	□	□	□	□	■	■	■	■	✕
Cross-product offers	□	□	□	□	□	□	□	■	■	✕	✕	✕
Collector devices	□	□	□	□	□	■	□	■	■	■	✕	✕
Competitions	□	□	□	□	□	■	□	■	■	□	■	■
Free drawings	□	□	□	□	□	□	□	✕	✕	✕	✕	✕
Share-outs	□	□	□	□	□	■	■	✕	✕	✕	✕	✕
Sweepstakes/lottery	■	■	■	■	■	■	■	■	✕	■	■	✕
Money-off vouchers	□	□	□	□	□	□	■	□	■	□	✕	■
Money-off next purchase	□	□	□	□	□	□	■	□	✕	□	✕	✕
Cash backs	□	□	□	□	□	□	✕	□	□	□	■	✕

Source: European Community
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Finally, if you decide to get involved in sweepstakes and games, the most visible tip of the promotional iceberg (in five years, sweeps have almost tripled in number), our more than 28 years of experience can be invaluable. We'll help you conceptualize, administer and—through our National Judging Institute—judge your promotion. We go out of our way to help our clients avoid the myriad pitfalls that can befall the unwary promoter.

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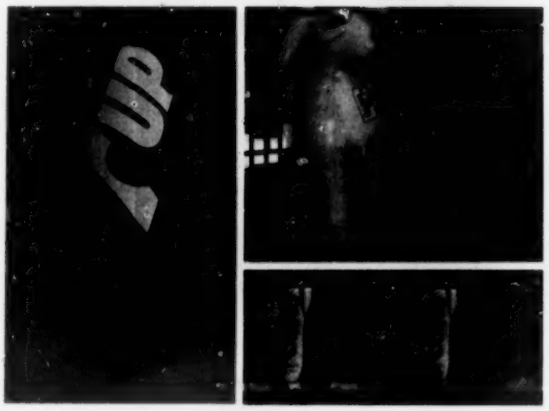

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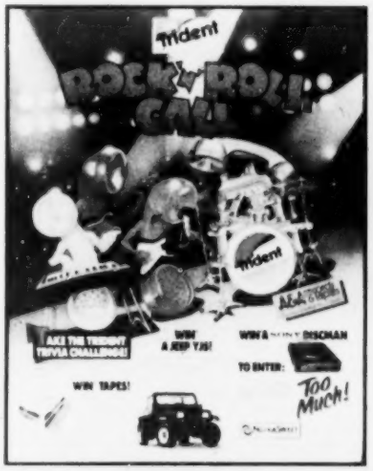
Finalists in the 1990 Award of Excellence competition by the Council of Sales Promotion Agencies have been selected in six categories: trial, continuity, image awareness, display, traffic and usage. Winners will be announced May 1; some of the contenders are displayed in this gallery.



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1. Finalist: Trial
Warner-Lambert Canada, via Marketing & Promotion Group, built a data base out of a sampling of Canada's teen-agers. The 116,000 phone calls made over the promotion period translated into a 15.5% participation rate in the Trident gum effort, according to the company.

2. Finalist: Image awareness
Labatt Breweries, via Aston Simbrow, aimed to build brand awareness for Labatt's Lite beer through the "Grin 'n Bear It" contest. Game cards given to bar patrons invite photos, with prizes for "winners." Labatt claims the promotion exceeded its original objectives by 43%.

3. Finalist: Traffic
Taco Bell, using agency Cato Johnson, wanted to increase the frequency of "young-adult" visits. The fast-food marketer claims double-digit traffic increases and 21 million 32-ounce soft drinks sold in a three-week period.

5

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4. Finalist: Display
Joint effort between Procter & Gamble Co. and Hasbro Inc. used the lure of "The Night Before Christmas," through Hasbro toys, to leverage case sales of P&G's Downy and Ivory. Nearly 500,000 entries were received. The agency is Strottman Marketing.

5. Finalist: Display
Using Unger Zitelli Sletten, Ralston Purina aimed to build trade support by joining with Eastman Kodak to promote sales during "National Pet Week." The pet photo contest resulted in a tripling of display support in test markets, Ralston claims.

6. Finalist: Continuity
Trump Shuttle, using agency Communications Diversified, sought to build customer loyalty for its Club & Concierge Service. The program claims to have increased Trump Shuttle's share to 49% of markets it serves, up from 25% when it purchased the Eastern Shuttle.

7. Finalist: Usage
Pillsbury Canada, through agency Atrium Promotion Group, sought to maintain its lead position for its Green Giant canned and frozen vegetables via a three-pronged approach under the Treasure Valley theme. Company claims a 14% sales gain in a flat market.

8. Finalist: Usage
Vintners' International "Colors by Masson" promotion, handled by Siebel/Mohr, wanted to add retailer space for Masson wines and trigger impulse buying by consumers. The "paint can" packaging for the wine carafes helped the vintner hold a leading position in its category and boosted sales 50% over '88 figures.

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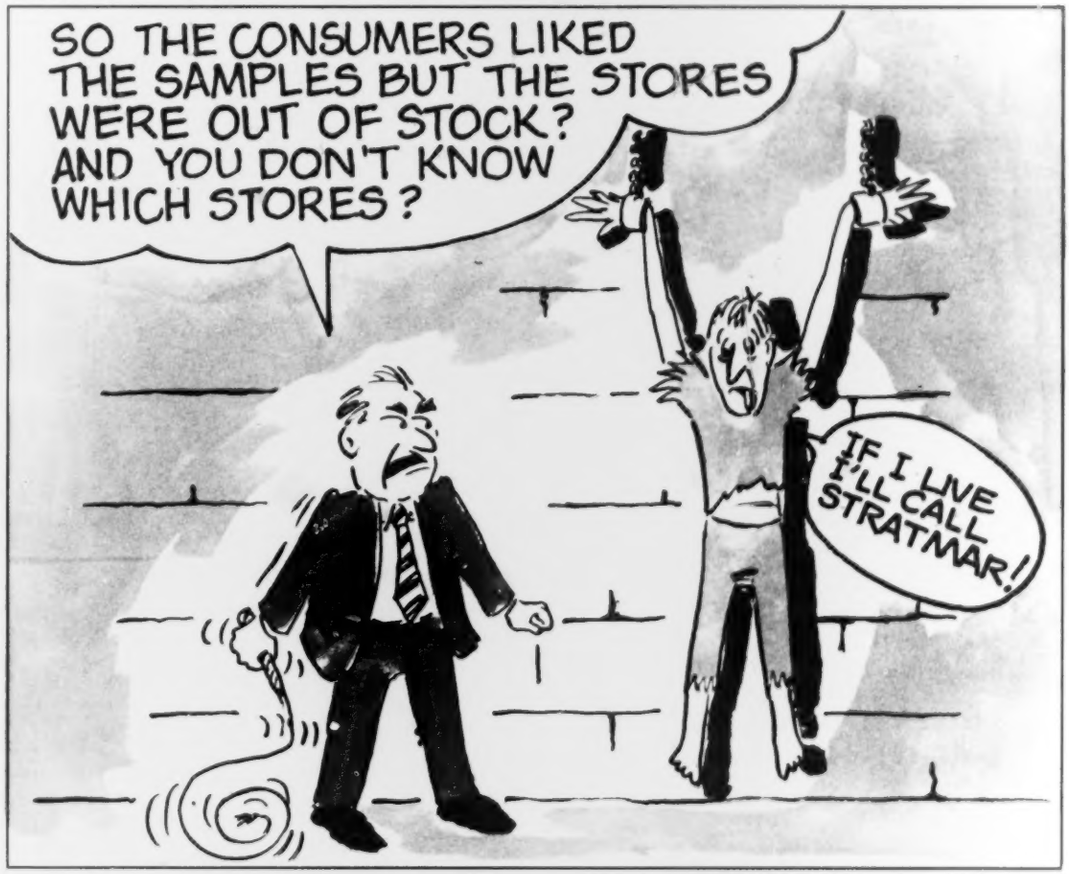
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PEOPLE TO WATCH

Development of environmentally beneficial promotions is a green but growing field.

There may be no better example both of the area's professional infancy and of its promise than the aptly-named Carol Green, the driving force behind several promotional programs involving giveaways of tree seedlings.

Ms. Green, 47, was working as a commercial real estate broker last year in Kansas City, Mo., when she opened GreenTree, a company to further her longtime interest in helping the environment.

She already has worked with several clients that any major promotional marketing agency would love to list on its roster.

Chief among them is McDonald's Corp. Ms. Green brought together the fast-food giant with Weyerhaeuser Co. and the American Forestry Association's Global ReLeaf project for a program called "Get America Growing," which distributed 1,000 seedlings at each of 362 McDonald's stores in a half-dozen test markets (AA, March 12). The program may be run nationally in 1991.

Ms. Green also has seedling-distribution programs in the works with the Boy Scouts of America and Allied Signal Corp., and she says she is talking to Major League Baseball about a national seedling giveaway.

That interest is somewhat surprising, she says, given the lack of interest she met when she first began pitching seedling-promotion ideas a year ago.

"I tried to talk several ad agencies into doing promotions with me, but I couldn't convince them of the importance of 'green marketing,' " she says. And some were just reluctant to work with a new, one-person company.

A divorced mother of two, she knew that McDonald's is an active developer of premium programs, especially targeted to children, thus making the company a primary target from the start.

Her overtures to McDonald's national agency, Leo Burnett USA, and promotion agency, Frankel & Co., were rebuffed, she says, so she started working on the company itself.

"McDonald's could enhance their corporate image while raising concern about the environment into positive action. I told them that I knew they gave away a lot of premiums and that they care about the communities [in which franchisees operate] and that they could afford to give away something worthwhile," she says.

"After several tries, I guess they decided to hear what I had to say. Two days after I made my presentation, [Senior VP-Environmental Affairs] Shelby Yastrow called to say he was flying to Kansas City with a contract."

Her introduction to promotional marketing came many years ago when she helped former husband Dick Green negotiate a contract with Charles O. Finley, then owner of baseball's Oakland A's. She and "Charlie O" hit it off, and soon she was doing PR work for the team, including developing promotions with local businesses.

Her concerns about health and environment go back even further.

"I was one of those people who would write letters to the cereal companies asking them to remove [questionable ingredients] from their products," she said. "And I'd attend state Environmental Protection Agency meetings."

The creation of GreenTree was a natural evolution for a woman who describes herself as "an environmentalist, an entrepreneur and an idea person."

"I'm trying to do promotions that present a better way for us all to live," she says. □

—Scott Hume

Carol Green

Blurring

(Continued from Page S-8)

says.

Still, Mr. Robinson doesn't expect either discipline to gain the upper hand.

"I think the ad agencies are increasingly dominant. They're calling the shots," he says. "Companies are asking why they should spend all this money and not build brand equity. And when they say brand equity, the doorbell rings at the ad agencies.

"Agencies are ripe to take control of the synergy [among the three disciplines]."

"There have been changes on all sides," says Jim Kobs, now a principal in direct-marketing shop Kobs, Gregory & Passavant, Chicago, "but what stays the same is that the focus is on whatever moves product. The Quaker Direct program [in which Quaker is building its own data base of consumers to whom it mails coupons and special offers] is direct marketing or sales promotion or advertising depending on the emphasis you want to give it.

"General ad agencies are thinking more this way because clients want it. We'll see more programs that are in the gray area that's a bit of each. That may mean there are more direct-marketing opportunities, but not necessarily more workforce direct-marketing agencies." □

Illustration Charles S. Scigins

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Nike leaps to top 10 in ad recall

By Kate Fitzgerald

Nike's offbeat new TV campaign for Air Jordan shoes helped catapult it onto the list of the top 10 best-recalled ads for March.

In its first appearance in the top 10, Nike tied with Chevrolet for ninth place in *Advertising Age*'s monthly adWatch survey of overall advertising awareness. The survey was conducted in early March.

The athletic shoe marketer broke a network TV campaign in late February featuring Chicago Bulls star Michael Jordan and filmmaker Spike Lee, playing the character Mars Blackmon from his movie "She's Gotta Have It."

The campaign from Wieden & Kennedy, Portland, Ore., started during the National Basketball Association all-star game and ran extensively during the National Collegiate Athletic Association's national basketball championships.

Chrysler Corp. also made it back into the top 10 in unaided awareness after a year's absence.

It placed eighth, thanks to TV spots in which Chairman Lee Iacocca tells a roomful of executives that America is getting an inferiority complex from Japan. Bozell, New York, handles.

The cola wars continued to dominate the ad recall race in March, with Pepsi-Cola coming out ahead of Coca-Cola in the ongoing battle for the No. 1 and No. 2 spots.

Diet Coke, however, disappeared from the top 10 after a two-month stint that followed its Super Bowl ad blitz.

Ford Motor Co. and Anheuser-Busch's Budweiser and Bud Light brands held onto their respective No. 3 and No. 4 positions for the second consecutive month; general grocery advertising ranked fifth.

Nissan Motor Corp. USA's Infiniti rode again into the top 10, tying with McDonald's Corp. for sixth place. Infiniti agency Hill, Holliday, Connors, Cosmopulos, Marina del Rey, Calif., has since abandoned its "rocks and trees" campaign in favor of TV spots featuring the car.

In aided awareness in the **fast-food** category, Wendy's International passed Burger King Corp. to place second behind McDonald's for the first time since last October.

This spring, Burger King placed most of its media weight in children's TV to promote its Kids Club; Wendy's has been airing TV spots featuring founder R. David Thomas promoting "Super Value Meal" discounts.

McDonald's had 43.7% awareness in March followed by Wendy's with 13% and Burger King with 11.3%. Hardee's Food Systems placed fourth with 4.4% awareness and Taco Bell was fifth with 2.3%, edging out Pizza Hut, which was No. 5 in February.

In aided awareness of **liquor** advertising, Jim Beam returned to the top five list after a four-month hiatus, tying with Heublein's Smirnoff for third place, with 1.6% awareness. Brown-Forman Corp.'s Jack Daniel's led the category with 5.6%; Seagram's was second, with 3.7%; and Carillon Importers' Absolut slipped to fifth place, with 1.4% awareness.

AdWatch is a joint project of *Ad Age* and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is plus or minus 3.1%. □

For more information, contact the Gallup Organization, 301 S. 6th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness Top 10 for March

In March, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 3/90	Rank 2/90	Advertiser	Agency
1	2	Pepsi-Cola	BBDO Worldwide
2	1	Coca-Cola	McCann-Erickson Worldwide
3	3	Ford	J. Walter Thompson USA
4	4*	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/-DDB Needham Worldwide
5	—	Grocery stores	Various
6*	6	McDonald's	Leo Burnett USA
6*	8*	Infiniti	Hill, Holliday, Connors, Cosmopulos
8	—	Chrysler	Bozell
9*	7	Chevrolet	Lintas:Campbell-Ewald
9*	—	Nike	Wieden & Kennedy

*Indicates tie

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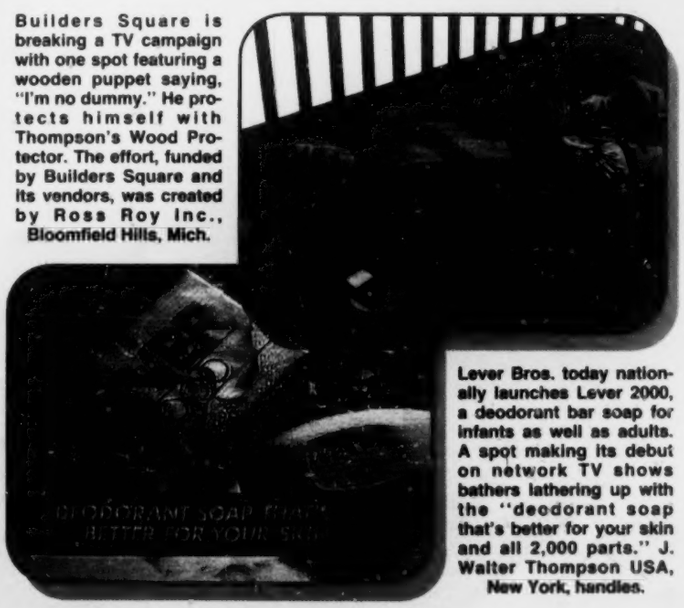
HOT STUFF

Planters LifeSavers' new $12 million network TV campaign shows a nutty twist on "Double Dutch" jump rope. Breaking May 8 via Lintas:New York, spots demonstrate the new theme line, "Everybody loves a nut."



Builders Square is breaking a TV campaign with one spot featuring a wooden puppet saying, "I'm no dummy." He protects himself with Thompson's Wood Protector. The effort, funded by Builders Square and its vendors, was created by Ross Roy Inc., Bloomfield Hills, Mich.

Lever Bros. today nationally launches Lever 2000, a deodorant bar soap for infants as well as adults. A spot making its debut on network TV shows bathers lathering up with the "deodorant soap that's better for your skin and all 2,000 parts." J. Walter Thompson USA, New York, handles.

AT&T, Chrysler eye TV pacts

Multiyear buys stir upfront market

By Wayne Walley and Raymond Serafin

TV's upfront buying season is in turmoil, as major advertisers press for multiyear deals and the Big 3 networks battle with buyers over ratings guarantees for next fall's shows.

AT&T Co., Chrysler Corp. and Procter & Gamble Co. are believed to be considering multiyear, multi-daypart deals with the networks. The reason: They want to try to hedge against likely price increases coupled with potential network ratings erosion.

Those major marketers are following the lead of General Motors Corp., which last week combined ad time on sports with prime-time programming in a three-year, $750 million deal with NBC.

The package gives GM first rights to attractive prime-time and sports fare on NBC and the No. 1-rated network's half-owned cable services—Consumer News & Business Channel and SportsChannel America.

The package includes a complicated formula giving GM preferred pick of a certain number of top 10 and top 20 shows, but the two parties will agree on ratings estimates and other details as the network schedules and the advertiser's needs unfold each year.

■ **The TV networks want to change the way ratings are guaranteed—Page 66.**

"Advertisers can't buy these things unless the supplier wants to sell them," said Larry Hoffner, exec VP-network sales for NBC. "We are reactive to the marketplace, and now we have a prototype. We could do this with a lot of clients."

Mr. Hoffner said the deal represents the

(Continued on Page 66)

Madonna nears Reebok deal

By Pat Sloan and Marcy Magiera

Pop star Madonna is giving product endorsements another try, this time with Reebok.

Reebok International is negotiating with the singer for an endorsement deal in which she would appear in TV spots for its lifestyle and performance shoes, sources say.

Last year, Madonna caused a major stir when she appeared in a Pepsi-Cola Co. commercial that was pulled from the air.

The singer is just starting the U.S. leg of her worldwide concert tour and also will star with Warren Beatty in Walt Disney Pictures' "Dick Tracy" film this summer.

Reebok and agency executives declined comment.

Although Madonna isn't a professional athlete, sources say, she's a fitness fanatic who over the past few years has used a personal trainer to transform a somewhat fleshy physique into a hard body. She's also a runner and could be used in advertising for cross-training products.

Madonna

It's not known how much Reebok will pay the controversial "material girl." Last year Nike had negotiated with Madonna for an endorsement deal for Side One casual shoes but couldn't agree on a price.

Pepsi reportedly paid her $5 million for its ill-fated commercial deal and the sponsorship of her 1989 tour, which was later canceled. The Pepsi spot was abruptly pulled after airing just once in

(Continued on Page 8)

LAST MINUTE NEWS

Sega gets Buster

CHICAGO—Heavyweight boxing champion James "Buster" Douglas on May 8 will announce a multiyear, multimillion-dollar commercial licensing deal with videogame marketer Sega of America (AA, Feb. 19). It's the first national endorsement contract for Mr. Douglas. Sources said he will appear in national TV and radio commercials for Sega and will make personal appearances. Sega declined comment. Bozell, Los Angeles, handles.

Zsa Zsa out at Dreyer's

OAKLAND, Calif.—Dreyer's Grand Ice Cream last week pulled a 30-second spot TV commercial featuring celebrity Zsa Zsa Gabor. The company said it got more than 300 consumer complaints about Ms. Gabor in the three weeks the spot ran. The commercial, created by Crawford/Wu Films, San Francisco, broke last month and was part of Dreyer's "Unbelievable spokesperson for an unbelievable product" campaign for Dreyer's Grand Light and Edy's Grand Light frozen desserts. Dreyer's began the campaign in 1987 and that year yanked a spot featuring Watergate conspirator John D. Ehrlichman.

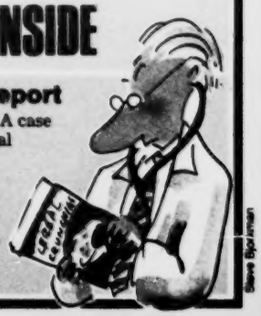
'Fresh' trouble for P&G

WASHINGTON—Procter & Gamble is the latest target of a Food & Drug Administration probe of marketers

(Continued on Page 8)

INSIDE

Special Report
Health claims: A case study of General Mills' Benefit cereal shows the pitfalls "healthy" food marketers face. —Page S-1



Steve Bjorkman

Tax shocker in N.Y.

Magazines, PR may have to pay

By Scott Donaton and Gary Levin

NEW YORK—Magazine publishers threatened legal action and public relations executives said they might move their businesses if an extension of New York state's 4% sales tax is approved.

Officials of the two industries lobbied furiously against the surprise proposal, introduced just last week.

The plan would extend the tax to magazine sales and to certain service industries.

The overall tax package is part of the state's budget being debated in Albany. New York is past the deadline for passing its budget. Legislators were expected to continue working on the budget over the weekend.

At press time, there remained a slim chance that the sales tax measures could be dropped from the overall budget bill and replaced by income tax surcharges.

Publishers and PR executives traveled to Albany and barraged Gov. Mario Cuomo's office with letters and phone calls.

Unlike the advertising industry, which earlier this year lobbied successfully against a plan to extend the sales tax to advertising, the magazine and PR industries were caught off-guard by the proposal.

"I think most people were surprised," said Burson-Marsteller President James Dowling. "I checked with a number of our colleagues, and they didn't have a clue. We weren't prepared for this."

"They hit us quickly," said Donald Kummerfeld, president of the Magazine Publishers of America. "But we're fighting it with calls, letter, lobbying efforts—everything we've got."

Mr. Kummerfeld labeled the bill "unconstitutional" because it discriminates between magazines and newspapers.

"We will, of course, challenge it in the courts," he said. "We would submit a suit the first day it became effective."

"This kind of selective taxation of the press has been considered and rejected by the U.S. Supreme Court in two recent cases," Peter Diamandis, MPA chairman and president of Diamandis Communications Inc., wrote in a letter to Gov. Cuomo. "Both cases involved sales taxes singling out particular kinds of publications for taxation, and the court ruled that such dis-

(Continued on Page 66)

Saatchi veterans out

By Laurel Wentz

LONDON—Saatchi & Saatchi Co. Chief Executive Robert Louis-Dreyfus asserted his power May 4 by making a take-it-or-leave-it offer to two top executives.

And they said leave it.

Roy Warman, 44, who helped found the agency in 1970, and Terry Bannister, 42, who joined two years later, left following weeks of negotiation about their continuing role with the company.

Messrs. Warman and Bannister, who had worked closely with Maurice and Charles Saatchi, were joint chief operating officers.

Mr. Louis-Dreyfus wanted to change their responsibility for overseeing Saatchi's communications businesses, reportedly wanting to give them jobs with lesser authority and responsibility for specific companies only.

"We were looking for an opportunity to continue to work together as a team and the ability to continue to take an overview from a central position," Mr. Bannister said Friday night.

Mr. Louis-Dreyfus said in a statement released late Friday afternoon: "I am sorry to see them go, but following the decision to redeploy as much of the central talent as possible within the operations, no role could be found for Roy and Terry that satisfied them."

Terry Bannister (l.) and Roy Warman during a recent *Ad Age* interview.

A third Saatchi executive, Deputy Chairman Jeremy Sinclair, will remain and assume responsibility for Saatchi & Saatchi Advertising Worldwide. Mr. Sinclair, a former copywriter who's spent his entire career at Saatchi, is extremely close to Charles Saatchi, a possible factor in his remaining.

"I think it was important for him to get rid of some bodies," a source said, referring to the pressure on Mr. Louis-Dreyfus to turn Saatchi around.

Mr. Bannister said they have not yet thought about what they might do next but are likely to continue to work as a team.

"When you've spend 18 years and 20 years, respectively, [at Saatchi] and it wasn't part of your plan to leave the company, it's very difficult to plan an alternative," he said. "We're considering our options."

Other sources said the duo might start their own company, perhaps in an area other than advertising. Last week, U.K. trade publication *Marketing Week* estimated each of them could be in line for severance pay of about $1.6 million.

Separately, analysts agreed Saatchi's financial problems won't force a sale of the Backer Spielvogel Bates Worldwide unit to former Ted Bates Worldwide Chairman Robert Jacoby.

Mr. Jacoby, who said he'd like to buy the unit, last week said if Saatchi was unwilling to sell or if he couldn't raise the money by June 1, he'd give up his effort.

In a staff memo, Chairman-CEO Carl Spielvogel insisted the unit "will not be sold to Mr. Jacoby or anyone else." □

'National' scales back locally

By Scott Donaton

The National sports daily is scaling back its ambitious plans for localized sports coverage in favor of a national approach.

Before its launch, *The National* executives said local sports coverage would be key to its success given the average fan's loyalty to local teams. Launch plans called for a core national section wrapped by a 12-page local section in each market.

But producing 12-page sections for each market turned out to be "a logistical and technical nightmare," said one editorial staffer familiar with the tabloid's plans. "Everyone realized the grand plan of having a local section for each area was not going to work."

Now the local sections will probably be reduced to two to three pages. Also, new bureaus will be staffed with fewer reporters than originally planned.

Frank Deford, the newspaper's editor, said some minor editorial changes are in the works as a result of a series of focus groups conducted with readers. Those changes will include a move toward nationalizing the tabloid, he said.

"It is a more national product now than it was six weeks ago, and we'll continue in that vein," Mr. Deford said. "We're not going to avoid local sports, but we will not feel obligated to cover the New York teams if there's hotter news."

Mr. Deford said most readers get local sports news from local daily newspapers, TV and radio.

"We noticed the Tyson fight and the NCAAs were what people were turning to us for and what we did best," he said.

Twelve weeks after its launch, *The National* is admittedly experiencing growing pains, and Ad Director Pete Spina said he's unveiling several new programs designed to boost advertiser support.

For example, Philip Morris USA was the sole advertiser in the May 6 edition, the first time an issue was sold to a single advertiser. Philip Morris ran six ad pages for its various tobacco products for an undisclosed cost.

"That's something we're going

(Continued on Page 67)

IN THIS ISSUE

NEWS

- **Pizza Hut** fights McDonald's pizza test with new ad campaign **18**
- **Newspaper** circulation shows surprising increases in the latest Audit Bureau of Circulations report **20**
- **California** counties may be allowed to endorse products by licensing logos and symbols for commercial use if pending legislation is approved **24**
- **Montgomery Ward** signs model Elle MacPherson as part of celebrity trio endorsing women's apparel **28**

VIEWPOINT

- Sid Bernstein: On bogus direct-mail "surveys" **32**
- James Brady: A visit to the world of Washington **44**
- Joe Winski: Magazine tiff with Hiram Walker **44**

Editorials **32** Brady's Bunch **40**
Letters **36** The Next Trend **44**

CREATIVITY Starts after Page 44

- Los Angeles: Hot spot for commercial imagery. (Creativity is an Ad Age supplement available on request.)

Grocery Marketing: Health claims

- Exclusive *Ad Age*/Gallup survey finds consumers are skeptical of grocery product health claims.

INTERNATIONAL NEWS

- EWDB moves headquarters to Paris **47**
- Global Gallery **46**

SALES PROMOTION

- Premium and incentive use is on the rise **48**

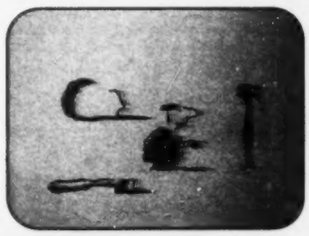
MEDIAWORKS

- Plans for men's titles show category's strength **49**

PEOPLE

- D. Claeys Bahrenburg, new president of Hearst Magazines, strives to boost image and maintain growth **50**
- People Moving **51**
- Photo Review **54**

AD REVIEWS



- Perrier returns, and so does its club-wielding cartoon cave man, adding some fizz to the relaunch campaign.

U.S. NewsWatch **12** Classified **58**
Corrections & Clarifications **36** For the Record **63**
Index to Advertisers **68**

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ABP ABC CMPA

Circulation up at most papers on top 100 list

By Ira Teinowitz

Newspaper publishers got a pleasant surprise last week when figures from the Audit Bureau of Circulations showed circulations increasing.

Of the top 100 newspapers, only 21 were down, a good sign considering all the negative reports coming out of the American Newspaper Publishers Association meeting in California last month. The gloomy tone of that meeting was set after the Newspaper Advertising Bureau announced newspaper revenues weren't going to grow in 1990 as much as in previous years.

But now the Audit Bureau report shows that some of the biggest papers in the country are on the list of circulation gainers. Among them are the *Los Angeles Times*, up 8.1% daily to 1,210,077 and 5.7% Sunday to 1,504,540. *USA Today* jumped 3.8% (as adjusted for weekday circulation) to 1,460,494 and the *Houston Chronicle* grew 5.1% to 449,755 daily and 6.0% to 620,752 Sunday.

Losses by the *New York Daily News* and the *Los Angeles Times*'s gains (some of which followed last November's folding of the *Los Angeles Herald-Examiner*) moved the *Times* ahead of the *News* in circulation.

Only in New York and Chicago did bad news for papers in the nation's top 20 surface. Both the *Daily News* and *New York Post* showed decreases. In Chicago, the *Chicago Sun-Times* also posted another decline.

Only in New York and Chicago did bad news for papers in the nation's top 20 surface.

The positive figures, covering the six-month period ended March 31 compared with the same period last year, are somewhat diluted by the inclusion of the first results following major changes in the Detroit, Kansas City, Mo., and Dallas newspapers.

In Detroit, a joint operating agreement between two competing papers, Gannett Co.'s all-day *The Detroit News* and Knight-Ridder's morning *Detroit Free Press*, took effect Nov. 27, 1989. As a result, the *News* became an afternoon paper and on Saturday and Sunday was combined with the *Free Press*.

On Dec. 9, both papers raised their prices to 25¢ daily and $1 for the combined Sunday paper. The *News* had been 15¢ and the *Free Press* had been 20¢. The individual Sunday papers had been 75¢. A boost in home delivery prices also took effect Jan. 1.

The new *Free Press* reported a post-merger daily circulation of 639,767, up slightly from the 638,776 figure from Oct. 1 through the merger date. A year ago, the paper reported a circulation of 629,275 for the same period.

The *News* reported its post-merger daily circulation as 526,147, down from 691,611 from Oct. 1 through the merger date. A year ago, it reported a circulation of 676,025.

Alan Lenhoff, director of special projects for the Detroit Newspaper Agency, which oversees the two papers' joint departments, said most of the *News*' loss was in areas farthest from Detroit, which the paper had difficulty reaching because of its new afternoon publication time.

The Detroit News & Free Press, born of the merger, reported its first Sunday circulation as 1,270,420. The Sunday *News* edition had a circulation of 845,853 and the Sunday *Free Press* of 684,527 immediately before the merger.

In Kansas City, Capital Cities/ABC dropped its evening *The Kansas City Star* March 1 to focus on the morning product, formerly the *The Kansas City Times* and now carrying *The Kansas City Star* name.

With the switch, the new morning *Star* saw circulation of 300,208, up from the *Times*' 275,665 circulation for the period from Oct. 1 to March 1. But that's down 132,712 from the 432,920 combined circulations of the *Times* and the afternoon *Star* (whose circulation was 157,255).

Publisher James H. Hale said one reason for the combination was the unusually high level of readership duplication of the two papers and advertisers' unwillingness to pay twice to reach the same readers.

"We had the highest duplication of anybody in the country," he said, noting that was a historical accident stemming from attempts by independent distributors to retain afternoon circulation. In some areas, morning readers could take afternoon editions at a minimal increase in cost, he said.

In Dallas, the numbers are the first since the *Dallas Times Herald* lost 26 Universal Press Syndicate features and comics to the rival *The Dallas Morning News* early last fall. The *Times Herald* is suing the *Morning News* and its parent, A.H. Belo Corp., over the loss, claiming the move hurt the *Times Herald*'s circulation. That paper has been running a $10,000 weekly lottery promotion in its Sunday editions since February to boost circulation.

The *Morning News* reported a weekday circulation average of 389,605 (as adjusted for all days), up 5.4%, compared to the *Times Herald*'s 222,519, up 0.2%. On Sunday, the *Morning News* reported circulation of 565,164, up 5.7%, while the *Times Herald* reported circulation of 332,449, down 0.4%.

The three biggest papers with the largest circulation losses all suggested that most of the losses were over.

The *New York Daily News*, seeing its daily circulation slip 4.1% to 1,180,139 and Sunday circulation drop 4.3% to 1,461,316, attributed the losses to better targeting of the local audience.

The paper's circulation in New York City and nearby suburbs hasn't changed, said Tom Iaquinta, VP-circulation. The falloff stemmed from the paper's decreased efforts in parts of New Jersey and northern New York.

"I believe these losses will begin to be less of a factor by the next report [in November] or by next year at this time," he said.

At the *New York Post*, where daily circulation dropped 5.7% to 504,723 vs. a year earlier, President Valerie Salembier said the falloff has slowed since last fall.

The *Post* reported circulation of 507,568 for the six months ended Sept. 30, 1989, a period that some argue isn't fairly compared with the six months ended March 31.

Ms. Salembier said a combination of tabloid stories like the Donald Trump affair, a second-chance lotto for lottery losers and recent editorial that has won some awards are bringing people back to the paper.

"In six months, I truly believe our numbers will show an increase," she said.

In Chicago, the *Sun-Times* reported circulation down 4% to 532,678 daily and down 4.8% to 566,808 Sunday.

The paper raised its daily circulation price to 35¢ from 25¢ May 1, 1989. John A. Cimaroli, VP-circulation, cited the price increase and the paper's move to take over its own circulation from independent distributors as reasons for the falloff. He said the circulation decline has slowed, falling only 0.6% since September, when the paper reported daily circulation of 535,864.

The *Chicago Tribune* claims the *Sun-Times*' daily circulation is its lowest for a March period since 1970 and gives the *Tribune* its greatest daily lead since 1975. □

Top 100 newspapers by daily circulation

Rankings based on Audit Bureau of Circulations information. Figures are for the six months ending March 31 compared with the same six-month period last year, except where noted. Where papers reported Monday through Thursday circulation and separately for higher-selling Friday papers, the figures are weighted averages of the two.

Rank	Newspaper	Circulation	% chg	Sun. circ.	% chg
1	Wall Street Journal	1,935,866	0.2	—	—
2	USA Today**	1,460,494	3.8	—	—
3	Los Angeles Times	1,210,077	8.1	1,504,540	5.7
4	New York Daily News	1,180,139	(4.1)	1,461,316	(4.3)
5	New York Times	1,149,683	2.9	1,706,013	2.6
6	Washington Post	824,282	1.5	1,154,420	0.4
7	Chicago Tribune	740,713	0.1	1,141,455	0.4
8	(New York) Newsday	711,264	2.0	713,779	0.8
9	Detroit Free Press‡	639,767	CF	1,270,420	CF
10	San Francisco Chronicle‡	569,257	2.3	713,172	1.7
11	Chicago Sun-Times	532,678	(4.0)	566,808	(4.8)
12	Detroit News	526,147	—	—	—
13	Boston Globe	522,981	2.6	787,858	0.1
14	Philadelphia Inquirer	522,020	4.4	994,539	(1.6)
15	New York Post	504,720	(5.7)	—	—
16	(Newark, N.J.) Star-Ledger*	470,045	2.6	687,054	1.6
17	Houston Chronicle	449,755	5.1	620,752	6.0
18	Miami Herald	443,216	0.1	551,027	0.8
19	(Minneapolis-St. Paul) Star Tribune	410,226	1.7	663,063	2.0
20	Dallas Morning News**	389,605	5.4	565,164	5.7
21	Arizona Republic*	382,952	2.9	581,386	2.6
22	St. Petersburg (Fla.) Times	381,277	1.4	494,018	4.8
23	St. Louis Post-Dispatch	376,286	(0.5)	561,585	0.2
24	Boston Herald	370,752	3.0	253,233	0.5
25	(Denver) Rocky Mountain News	364,790	0.5	415,322	1.8
26	Orange County (Calif.) Register	349,019	1.2	402,060	2.4
27	(Portland) Oregonian	332,250	1.4	428,095	2.9
28	Houston Post	328,869	2.1	371,634	2.4
29	Buffalo News	315,732	(1.3)	380,610	(0.9)
30	Atlanta Constitution‡	310,434	9.9	682,001	2.5
31	Tampa (Fla.) Tribune*‡	309,638	7.8	407,225	6.4
32	Kansas City (Mo.) Star	300,208	CF	417,286	0.6
33	Orlando (Fla.) Sentinel	285,024	CF	387,505	2.5
34	New Orleans Times-Picayune*	281,919	0.0	334,313	(1.4)
35	San Jose (Calif.) Mercury News	281,369	1.6	334,284	0.7
36	Milwaukee Journal	276,280	0.2	502,637	(0.8)
37	San Diego Union*	271,131	0.7	443,788	1.4
38	Sacramento (Calif.) Bee*	263,412	4.9	322,870	5.3
39	Fort Lauderdale (Fla.) Sun-Sentinel	257,091	10.5	350,211	2.9
40	Columbus (Ohio) Dispatch	252,363	(1.9)	386,936	1.7
41	Denver Post	246,837	4.3	408,544	3.1
42	Philadelphia Daily News	235,828	(0.8)	—	—
43	Louisville Courier-Journal	235,698	0.1	326,259	(0.2)
44	Seattle Times	233,855	(1.1)	—	—
45	(Baltimore) Morning Sun	233,539	0.7	494,067	1.8
46	Charlotte (N.C.) Observer	232,018	(1.6)	292,004	(0.3)
47	Hartford (Conn.) Courant	230,358	2.2	316,792	1.5
48	Pittsburgh Press	228,232	0.4	557,563	(0.5)
49	Indianapolis Star	226,170	(2.0)	404,112	(0.5)
50	Oklahoma City Oklahoman	225,861	(1.4)	322,717	(0.1)
51	Dallas Times Herald	222,519	0.2	332,449	(0.4)
52	(Memphis, Tenn.) Commercial Appeal	216,758	1.9	293,004	1.1
53	Des Moines (Iowa) Register	208,457	(1.1)	349,015	(1.8)
54	Providence (R.I.) Journal-Bulletin‡	203,099	1.8	263,884	0.8
55	(Los Angeles) Daily News	202,384	10.4	214,205	6.3
56	Seattle Post-Intelligencer	201,505	(1.6)	—	—
57	Cincinnati Enquirer	198,828	1.0	344,313	2.0
58	St. Paul (Minn.) Pioneer Press	197,265	2.9	257,725	1.4
59	Atlanta Journal	194,938	5.6	—	—
60	Palm Beach (Fla.) Post**	190,172	5.8	234,897	4.0
61	San Antonio (Texas) Express-News	183,958	1.5	271,038	(0.6)
62	Dayton (Ohio) Daily News	181,172	0.8	232,059	1.5
63	(Jacksonville) Florida Times-Union	179,009	3.3	243,809	3.5
64	San Antonio (Texas) Light	178,122	11.6	253,672	9.1
65	Austin (Texas) American-Statesman	176,517	2.2	223,257	2.5
66	Birmingham (Ala.) News	173,947	0.8	212,698	1.7
67	Milwaukee Sentinel	173,829	(1.3)	—	—
68	Westchester-Rockland (N.Y.) papers	167,640	0.8	195,857	0.1
69	(Baltimore) Evening Sun	167,637	(1.5)	—	—
70	Pittsburgh Post-Gazette	165,371	(0.9)	—	—
71	(Bergen, N.J.) Daily Record*	161,546	CF	230,070	1.0
72	Fort Worth (Texas) Star-Telegram	160,038	12.8	333,955	3.1
73	Riverside (Calif.) Press-Enterprise	156,508	4.6	164,748	4.6
74	Raleigh (N.C.) News & Observer*	155,684	CF	188,913	0.7
75	Toledo (Ohio) Blade	154,365	(0.1)	218,219	(0.5)
76	(Akron, Ohio) Beacon Journal	153,663	0.5	223,082	0.8
77	Norfolk Virginian-Pilot*	151,251	1.3	236,886	2.1
78	(Asbury Park, N.J.) Press	149,820	3.7	218,684	4.0
79	Fresno (Calif.) Bee	148,491	2.8	181,065	4.0
80	Little Rock (Ark.) Gazette**	146,814	CF	221,594	(1.6)
81	Columbia (S.C.) State	144,995	3.6	170,714	4.0
82	Richmond (Va.) Times-Dispatch	143,167	1.7	255,260	3.1
83	Grand Rapids (Mich.) Press	141,700	(0.2)	185,027	(0.6)
84	San Francisco Examiner	140,704	3.9	—	—
85	Sarasota (Fla.) Herald-Tribune*	139,036	3.8	167,569	3.8
86	(Allentown, Pa.) Morning Call	137,634	0.5	183,325	0.3
87	Las Vegas Review-Journal	134,371	(0.1)	168,162	5.3
88	Copley Los Angeles Newspapers	132,413	2.4	126,118	2.7
89	(Long Beach, Calif.) Press-Telegram	130,055	4.3	155,386	4.9
90	Rochester (N.Y.) Democrat & Chronicle	129,352	1.3	259,431	0.2
91	Nashville Tennessean	129,136	1.9	264,663	2.2
92	Little Rock (Ark.) Democrat	129,010	22.0	220,014	10.3
93	Tulsa (Okla.) World	128,139	1.0	244,042	2.3
94	Omaha (Neb.) World-Herald*	123,540	1.5	286,935	0.5
95	Wichita (Kan.) Eagle Beacon	121,730	1.4	196,686	0.3
96	Albuquerque (N.M.) Journal*	121,396	1.7	159,362	3.0
97	(Wilmington, Del.) News Journal*	119,315	(0.7)	138,134	0.8
98	(Tacoma, Wash.) Morning News Tribune*	118,152	0.8	133,844	3.4
99	San Diego Tribune*	117,623	(3.7)	—	—
100	(Worcester, Mass.) Telegram & Gazette*	117,399	CF	136,632	4.2

The Cleveland Plain Dealer did not report information in time for ABC's FAS-FAX report. *3-month figures for Jan. 1 through March 31 compared with same previous period. **Adjusted figure combines separately reported circulation numbers. ‡Sunday papers carry either another name or are combined with those of another paper. CF—Change in frequency, papers have switched frequency, cycles or reporting format since last report. In Detroit, figures shown are for circulation after the joint operating agreement changes Nov. 27, and in Kansas City after the afternoon Star was dropped and the morning Times took on the Star's nameplate March 1.

SPECIAL REPORT

Grocery Marketing: Health Claims

Edited by Adrienne Ward

Is seeing believing? S-2
Exclusive *Ad Age*/Gallup survey results.

Fresh fare S-4
Progress reports on "healthy eating" fare.

Scare tactics S-12
"Buy or die" mentality gets toned down.

The legacy of Benefit

Ambitious health claims head woes that befell Big G cereal

By Julie Liesse

Benefit was "the product that stepped over the line" for health claims, says Timothy Ramey, analyst with County NatWest USA.

But Steve Sanger, president of General Mills' Big G cereal division, views the controversial Benefit, a psyllium-based cereal now off the market, with a different, insider's perspective.

"It's so frustrating," he says. "What we were saying about Benefit was truthful, accurate and very complete. So if it went over the line, I have to ask, '*What* line?' "

Many in the food industry think Benefit —which a year ago seemed to be the right product arriving in supermarkets at the right time—has left a case study of the pitfalls of "healthy" foods marketing.

To many, all the different aspects of the debate on the subject came to a head in the cereal's short life:

- The cereal staked the heart of its cholesterol-reducing claim on an ingredient often used in laxatives, begging the question: Food or drug?
- Introductory advertising was aggressive; some accused General Mills of employing "scare tactics" and frightening consumers. Others say ads assumed too much from consumers who ate oat bran with only a vague idea of what marketers meant by "soluble fiber" and "cholesterol reduction."
- Benefit's packaging was more aggressive than any predecessor in using the "reduce cholesterol" label, attracting the attention of state and federal regulators. For example, the Quaker Oat Bran package says, "May help reduce cholesterol."

"Benefit certainly did get regulatory attention, and that kind of attention raised all the basic questions of the current debate over health claims," Mr. Sanger says. "Benefit was a product formulated to provide a specific health benefit in addition to being a satisfying, nutritious cereal.

"And it certainly wasn't an isolated case if you're looking at it from the standpoint of food marketers finding ways to provide products that have beneficial effects—something that we'll continue doing," Mr. Sanger says.

"Benefit is an example of one that did not succeed because it did not develop strong enough consumer interest."

But Mr. Ramey says, "That huge 'reduce cholesterol' line brought all the regulatory and competitive forces down on them. From now on, everyone else will think twice about what they do, and how the regulators will act before introducing a new food product."

To claim success in the $6.9 billion ready-to-eat cereal market, a product generally has to achieve a 1% share. Benefit, Mr. Sanger says, never really exceeded 0.5%. It was in only 28% of the U.S. when discontinued in December.

General Mills "made a judgment that this product was going to be a modest seller. With eight months of information, we felt we could make a good assessment," he says.

"We thought of its introduction as a [eventual national rollout]. We were strapped for capacity and unable to introduce it more broadly. But we found we also had to restrict the potential of some of our other cereals because of it. That was another key factor in our decision to pull it.

"It's never easy to discontinue a product; we always tend to think in terms of modifying [aspects] to make the product work. But this was the appropriate decision."

Food marketing executives believe a gap in consumer education was critical to Benefit's problems.

"I don't think General Mills made any classical marketing mistakes," says Phil Lempert, editor of the *Lempert Report*, a food marketing newsletter. "To me, it was more a case of not understanding their consumer properly and not recognizing the nutritional-information overload [hitting] American consumers.

"Every time a new study comes out, it changes the rules. Is oat bran good for you? Is rice bran? Nobody's really listening to the consumer about how confused they really are."

For Benefit's psyllium-based

(Continued on Page S-18)

BAROMETER

Take a number

Brand breakouts

Most-advertised brands in top 10 advertised grocery categories ($ in millions)

Advertiser	1989	% of total category
Kellogg *cereals*	$373.3	44.5%
Folgers *coffees*	90.4	28.5
Tropicana *juices*	46.8	19.0
Beef Industry Council *meats*	31.5	13.9
Stouffer *frozen entrees*	38.2	17.9
Crisco *oils*	21.3	15.4
Kraft *cheeses*	57.1	44.6
Nabisco *cookies & crackers*	70.0	59.7
Kraft *salad dressings & mayonnaise*	51.5	44.0
Heinz *condiments*	26.8	27.3

Source: LNA/Arbitron Multi-Media Service

Take the pulse

When Euell Gibbons began touting Grape-Nuts, you probably gave *some* thought to eating the cereal over cholesterol-clogged doughnuts. Stars carry a certain panache in pitching "healthy" eating; here are a few:

Michael Tucker...Doesn't he sound like a TV lawyer when he spouts, "has everything the Surgeon General recommends" in urging viewers to buy Total cereal? Talk about typecasting.

Cheryl Tiegs...Realizing that youthful model's look could age gracefully into a Sears gig, Cheryl expanded to capture the "healthy mom" crowd in Light 'N Lively yogurt spots. She seemed more likable in bathing suits.

Wilford Brimley...Want some grand fatherly advice? We can't think of any actor who comes off so convincingly as "Grandpa" in "Cocoon." For Quaker Oats and the company's Instant Quaker Oatmeal, it certainly has been the right thing to do.

Bob Kowalski...The "7-Week Cholesterol Cure" author proves he's an eloquent presenter. Quite believable, his appeal for smarter eating segues nicely into one way, eating Quaker Oat Bran cereal.

Michael Gross...Head of the Keaton clan who ended up playing second fiddle to Michael J. Fox's Alex. Well, Fox got Pepsi's millions, while Gross comes off uninspiring for what he's shilling, ConAgra's Healthy Choice.

Ad claim skeptics still bite

Consumers may doubt much of what they read on food packages, but that isn't stopping them entirely from buying products that make health claims.

An exclusive *Advertising Age*/Gallup Organization poll finds a majority of those surveyed doubt claims such as "reduces cholesterol" and "reduces the risk of colon cancer."

And while "low fat" was found to be the most believable health claim, one-third of respondents don't believe it.

The survey shows that 50.5% of those surveyed don't believe food products "reduce cholesterol"; 50% do not believe they "reduce the risk of colon cancer"; and 36.2% are skeptical of the "low fat" claim.

GALLUP SURVEY

The survey, based on telephone interviews with 972 people, has a margin of error of 3.2%.

Men appear to be more skeptical than women, with 54.6% of them saying they do not believe the "reduces cholesterol" claim vs. 46.6% of women.

The numbers were similar for "low fat" and "reduces risk of colon cancer" health claims.

This skepticism does not mean Americans are ignoring health and nutrition labeling—far from it.

Forty-four percent of respondents report they read all or most health and nutrition information printed on product packaging.

And despite consumer skepticism, health labeling is influencing buying decisions.

Nearly 62% of survey respondents say they are aware of grocery products and ingredients that claim to reduce cholesterol, with 29.3% of those responding yes citing oat bran.

Sixty-five percent of those who could name a product or ingredient say they buy it. The cholesterol-reducing claim's influence on buying decisions is greater among those who could name a product or ingredient as helping to lower cholesterol.

Of those who could name a brand or ingredient, 50.8% say the health claim is an important or very important factor in influencing their purchasing decision.

The *Ad Age*/Gallup survey results are bad news for rice bran marketers.

None of the respondents in the study cited rice bran as helping to reduce cholesterol. □

—Adrienne Ward

Want more Houston consumers for your advertising dollar?

With The Chronicle's Super Saver insert, it's in the bag!

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First, The Chronicle's Super Saver insert is delivered to the full distribution of the Wednesday Houston Chronicle — the largest newspaper in Texas, with a daily circulation of 449,750. Then, Super Saver is distributed midweek to 485,600 non-subscriber households by our newspaper carriers. So in just one week, your Super Saver ad reaches almost 935,000 households — 68% of the Houston PMSA!

Maximum Duplication

With Super Saver, you eliminate costly duplication and you reach hundreds of thousands of non-subscribers as well.

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Since The Chronicle's Super Saver insert is carrier delivered, you can offer the consumer more value. For instance, a four-color full-page ad in Super Saver costs $11,750. That's a CPM of just $12.61. And you get premium placement!

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Super Saver is printed on 30-pound coated stock and utilizes the brilliance of four-color process printing. That gives your product the kind of visual appeal that attracts attention and customers. And since our space deadline is only four weeks, you get increased flexibility for your marketing plans.

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For unbeatable market penetration, almost no duplication and increased cost efficiencies, you can't do better than The Houston Chronicle's Super Saver insert. For more information, call us at [illegible] Better yet, contact your [illegible] Chronicle representative. The [illegible] you'll get with Super Saver.

Houston Chronicle

Where consumers stand on health claims

Consumer readership of health & nutrition labels:

All 14.9%
Most 29.3%
Some 29.5%
A few 13.7%
None 12.6%

KEY to numerical ratings

1 2 3 4 5
unbelievable believable

Level of believability for claims such as:

Low fat
1 15.8%
2 20.4%
3 34.6%
4 16.8%
5 11.8%

Reduces cholesterol
1 23.3%
2 27.2%
3 28.7%
4 10.8%
5 9.4%

Reduces risk of colon cancer
1 24.4%
2 25.6%
3 31.0%
4 8.6%
5 7.5%

Consumers who are aware of products or ingredients that claim to reduce cholesterol:

Yes 61.8%
No 37.4%

Of those who responded yes, the product or ingredient is:

Oat bran 29.3%
Other 61.6%
Don't know 9.1%

Do they buy this?

Yes 64.5%
No 35.2%

Of those who do buy, the importance of claims such as "reduces cholesterol" in their buying decision:

1 11.1%
2 13.1%
3 [illegible]
4 [illegible]
5 [illegible]

Sources: Gallup Organization
Ad Age Graphics: John Hall

Four categories with a mission

Progress report on new products catering to consumers trying to 'eat healthy'

BAKED GOODS

Entenmann's sales brisk

By Charlotte Ahern

The niche Entenmann's Inc. opened with its fat-free, no-cholesterol baked goods is drawing interest from other bakers.

Giant Foods, a supermarket chain that carries the new Entenmann's line, plans to launch its own label of competing baked goods this month, says Public Affairs Coordinator Mark Roeder.

He adds that Entenmann's new line is selling better than the company's regular products.

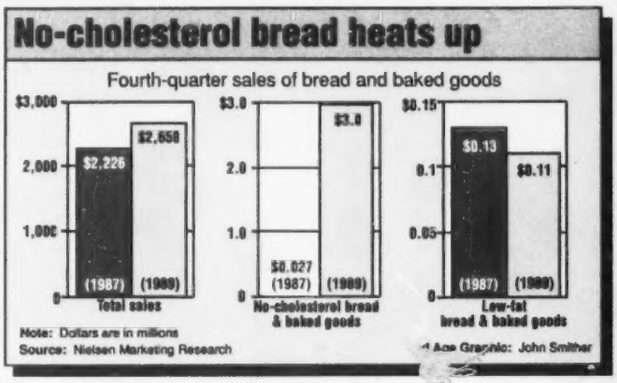
Giant is entering a growing category: Data from Nielsen Marketing Research's ScanTrack Market Planner show sales of bread and baked goods containing no cholesterol nearly quadrupled to $3 million in fourth quarter 1989 compared with the same '88 period. The figures are based on 32 products, nearly half of which are private label.

In the same period, total sales in the bread and baked goods category grew 8.9% to $2.7 million.

Entenmann's new 12-item line of cakes, coffee cakes and cookies was initially so well-received that grocery stores had a hard time keeping the products in stock, store reps say.

"We're trying to bake every box of cake we can, but we are having a hard time keeping up with the demand of the marketplace," says Greg B. Murphy, president-ceo of Entenmann's, a subsidiary of General Foods USA. "There's

(Continued on Page S-17)



CEREAL

Rice bran entries can't touch Batman, Turtles

By Mark Bittman

Rice bran cereals appear to be off to a slow start, according to retailers.

"It's too soon to tell," says one grocery store manager. "But so far none of them is setting the world on fire."

In anticipation of several studies that were supposed to claim rice bran is more effective than oat bran in reducing serum cholesterol levels, three cereal marketers recently launched breakfast cereals featuring rice bran as a main ingredient.

But in January, when a major study funded by the Rice Council of America backfired, those marketers were left without the hype that ignited the oat bran craze.

Unlike their oat bran cousins, rice bran cereals face a tougher climb.

Until the February *New England Journal of Medicine's* study that stunted the oat bran rush, those cereals were aided by several positive studies that started appearing in 1984.

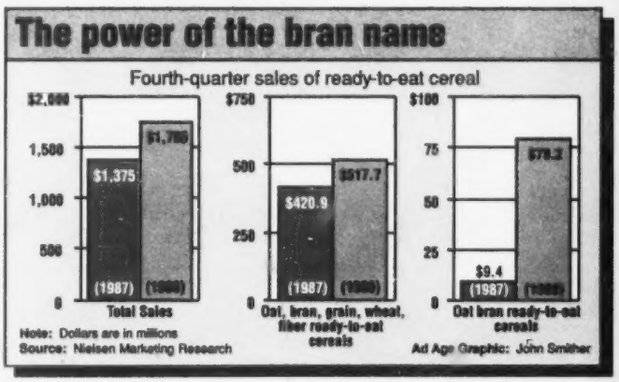
Sales increases reflect the positive publicity those earlier studies garnered. Nielsen Marketing Research's ScanTrack shows ready-to-eat oat bran cereals increased 70.8% to $79.2 million between the fourth quarters of 1988 and '89, while the total category grew 12.9% to $1.76 billion in that time period.

Nielsen doesn't yet have figures for rice bran cereals.

Among the new rice bran cereals is Kellogg Co.'s Kenmei Rice Bran cereal, which contains both brown rice and rice bran. It was launched in January, but Kellogg won't release sales data.

Kenmei is being positioned in advertising as part of a healthy diet. The estimated $30 million ad budget includes TV and coupon-

(Continued on Page S-17)



FROZEN DINNERS

Right Course seems to stumble

By Mark Bittman

Consumers are warming up to frozen foods on a health kick, say several grocery retailers.

ConAgra's Healthy Choice and Stouffer Foods' Right Course frozen entrees "seem to be doing pretty well," says Don Vaillancourt, VP-corporate communications for the Grand Union supermarket chain. "They sold through and we're reordering them."

According to ConAgra, Healthy Choice has grabbed more than

one-third of the $600 million premium dinner market since it was introduced about a year ago.

The product's positioning is low fat, low cholesterol and low sodium, but entrees are geared to compete with other frozen foods.

"We went after the top 10 items in the frozen-food case," says Steve Van Tassel, director of marketing for Healthy Choice.

With Salisbury steak, sirloin tips, turkey breast and chicken parmigiana, Healthy Choice offers consumers food within accepted dietary guidelines—without sacrificing traditional frozen-food options, he says.

Advertising by Campbell-Mithun-Esty, Minneapolis, consists primarily of TV and print.

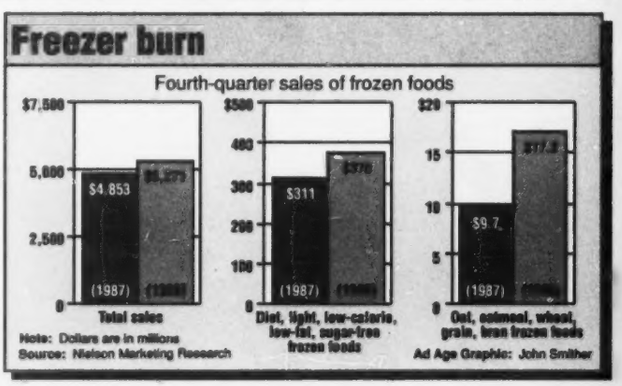
Stouffer's Right Course has been slower off the blocks.

Introduced nationally late last fall, the products include a bar chart that compares sodium, cholesterol and fat levels to accepted guidelines.

Stouffer's Public Affairs Manager Rox O'Hearn acknowledges that, to date, "sales have been perhaps a bit slower than we anticipated."

The $15 million advertising

(Continued on Page S-17)



SALAD DRESSING

Boffo sales seen for 'low-everything' salad dressings

By Charlotte Ahern

Clorox Co. and Kraft USA are pouring their efforts into making sure new reduced-fat, cholesterol-free salad dressings duplicate the success of health-oriented mayonnaise.

If Take Heart and Kraft Free—introduced nationally by those two marketers, respectively, this spring—mirror the launch of low-cholesterol and non-fat mayonnaise, the new dressings should snag nearly one-quarter of the category's $1 billion total sales, says Sandy Sullivan, a Clorox consumer information and education executive.

Illustrations by Steve Bjorkman

The marketers are tapping into a growing segment.

According to Nielsen Marketing Research's ScanTrack, fourth-quarter '89 sales of salad dressings that claim to be either low salt, "light," reduced calories or no oil increased 21.7% to $64.2 million compared with the same period in 1988.

At the same time, the total salad dressing category grew 10.9% to $219.9 million.

Ron Morrow, analyst for Smith Barney, Harris Upham & Co., says Kraft alone should expect to generate $150 million to $200 million in sales for Kraft Free's first year.

Tested last October, Kraft Free was shipped nationally in March and backed by a TV and print campaign handled by Leo Burnett USA, Chicago.

To date, it has met all sales expectations, says Roger Deromedi, VP-marketing at the Kraft

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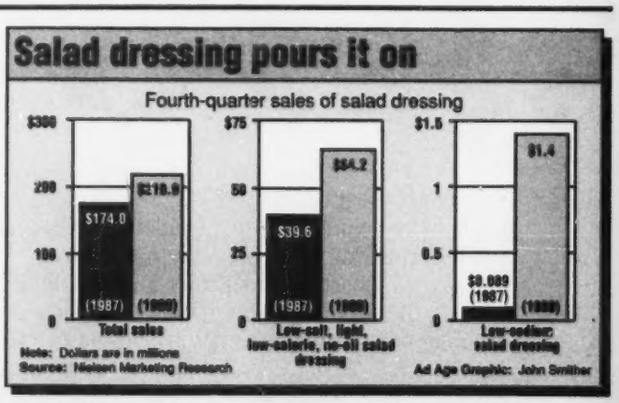


Baked goods

(Continued from Page S-4)

been uniform eruption and explosion in every market we are in." He estimates first-year sales of more than $100 million for the 100 calories-per-serving baked goods.

Grocery retailers appear to be pleased with the results, too.

At Winn-Dixie Stores in Jacksonville, Fla., for example, the products are moving quickly off store shelves, says a grocery buyer serving northern Florida and Georgia.

The launch of Entenmann's cholesterol-free line was accepted well in the Chicago-area's Dominick's Finer Foods partly because it had good promotional support, says Richard Simpson, director of public affairs for the grocery chain.

A TV and print campaign, themed "Now you can eat cake," was created by D'Arcy Masius Benton & Bowles, New York.

Although sales are strong and overall response is positive, some consumers interviewed by *Advertising Age* say the products are too sweet.

But Kelly McCabe, a resident of Chevy Chase, Md., says sweetness is a trade-off she's willing to accept.

"The pineapple crunch cake I tried was too sweet, but it was far better than any of the other low-calorie products I've tasted," she says. □

Charlotte Ahern is a Chicago-area free-lance writer.

Cereal

(Continued from Page S-4)

ing; Leo Burnett USA, Chicago, is the agency.

Kenmei is the only rice bran cereal that is getting attention, says Walter Nelson, grocery manager at Stop & Shop in Fairfield, Conn. "But that's because it's Kellogg's, and they're couponing like crazy," he says.

Overall, however, the rice bran cereals have not yet taken off. "Ninja Turtles and Batman are the really hot cereals," he says.

Quaker Oats Co. is marketing rice bran in two distinctly different products. Ready-to-eat Quaker Crunchy Rice Bran is boxed and sold as cereal and Quaker Honey Crunch Rice Bran is packaged in a jar and is positioned as a topping.

"We're in the early stages of consumer awareness of rice bran," says Ron Bottrell, Quaker senior manager of corporate communications. "We viewed these as niche products to begin with."

Baver Bess Vanderwarker, Chicago, is the agency for the cereals, but neither the agency nor Mr. Bottrell was willing to discuss details.

The third major rice bran cereal launched this year is Ralston Purina Co.'s Rice Bran Options, introduced in January.

The product, a sweetened flake made of brown rice and rice bran and with oat nuggets, is supported by TV and print advertising by Centra, Ralston's in-house unit. □

Mark Bittman is a free-lance writer in New Haven, Conn.

Frozen

(Continued from Page S-4)

budget is handled by Tatham-Laird & Kudner, Chicago.

"Right Course has had problems," says one Northeast grocery retailer. "They started off expensive [$3.39 for an entree], and now they've got a special price [two for $5]. But they still haven't picked up a lot," he says. "Their flavors are good, but they may scare people off with chicken in peanut sauce and the like."

According to Nielsen Marketing Research's ScanTrack, fourth-quarter 1989 frozen-foods sales were $5.3 billion, up 5.3% from the previous year. At the same time, frozen foods that are diet, light, low calorie, low fat or sugar-free grew 4.9%, to $378.7 million.

Neither Stouffer nor ConAgra seems to have had any trouble placing their products in freezer cases, and several retailers report sales of the products are brisk, with Healthy Choice dinners outselling the entrees-only packages from both companies. □

Dressings

(Continued from Page S-4)

grocery products division.

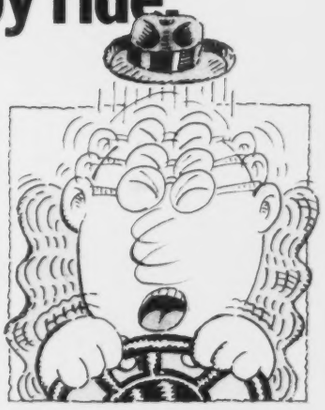
Initial consumer acceptance of Take Heart and Kraft Free has been good, says Richard Simpson, director of public affairs for Dominick's Finer Foods, a Chicago-area retailer. Although advertising for Kraft Free began in March and ads for Take Heart won't start until later this month, both five-flavored lines are selling equally well, he adds.

Clorox last week began a national Take Heart campaign via Young & Rubicam, San Francisco. The cholesterol-free, 91%-to-97% fat-free dressings are marketed under the company's Hidden Valley Ranch label.

The target market is the same health-conscious consumer group that created an entire new category of foods, including mayonnaise, margarine and desserts.

One-third of the country's consumers bought more no-cholesterol/low-fat foods last year than the previous year, according to Clorox research. □

Auto accessory chains that ignore New York's Hispanics are in for a bumpy ride.



New York's Hispanics spend more than $31 million annually on auto accessories—everything from anti-freeze to oil filters, from tires to mufflers.

Want to reach these car-minded consumers?

Advertise on WNJU 47, New York's #1 Spanish-language station.

It's as simple as that!

WNJU 47
Telemundo in New York

For more information, call Rosemarie Lieberman (212) 492-5603

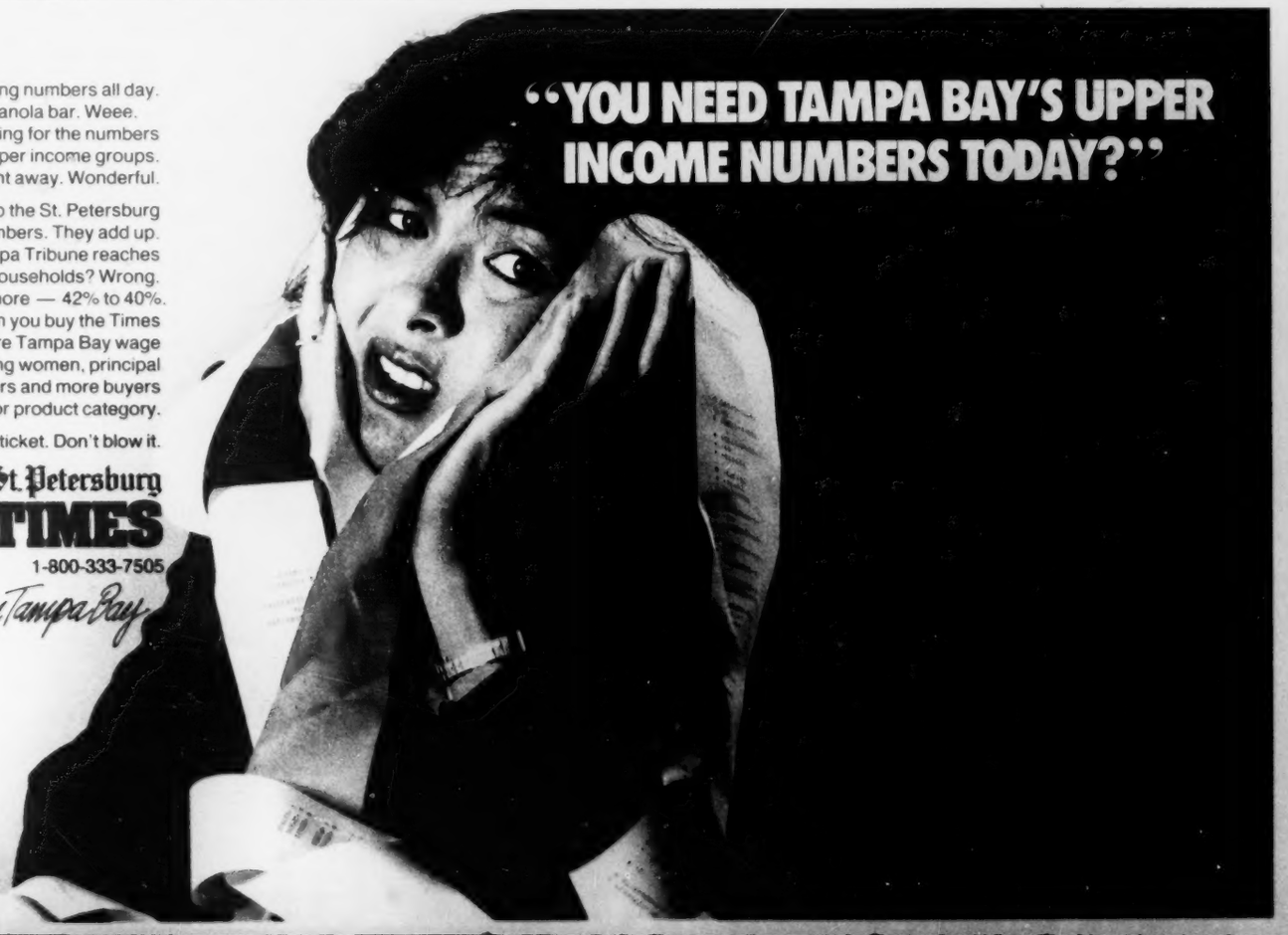
Source: SRC's "1988 New York Hispanic Market" report.

You've been crunching numbers all day. Lunch consisted of a granola bar. Weee. Now they're screaming for the numbers on Tampa Bay's upper income groups. Right away. Wonderful.

Hey, chill. Work up the St. Petersburg Times numbers. They add up. Think the Tampa Tribune reaches more $35,000+ households? Wrong. The Times reaches more — 42% to 40%. Surprise! And, when you buy the Times you reach more Tampa Bay wage earners, working women, principal food shoppers and more buyers in every major product category.

The Times is your ticket. Don't blow it.

St. Petersburg TIMES
1-800-333-7505
all you need in Tampa Bay



NEWSPAPER

Advertising Age

May 14, 1990

Crain's International Newspaper of Marketing · $2.00

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McD's faces U.S. slowdown

By Scott Hume

As McDonald's Corp. rolls out a new advertising theme—"Food, folks and fun"—the fun may be over for the world's largest restaurant chain in its own back yard.

The new jingle from Leo Burnett USA, Chicago, replaces "Good time. Great taste," which has run in variations for five years. The change, announced last week, comes just as McDonald's faces a list of problems longer than its menu.

The company is finally running out of room to grow in the U.S. without cannibalizing its own stores. The chain also is watching the consumer base outgrow its menu and is confronting the unfamiliar possibility that massive marketing spending isn't enough to boost U.S. sales in the face of industry saturation, lower demand and tougher competition.

More and more, McDonald's is relying on international operations. International accounts for 31% of last year's $17.3 billion in overall sales. One brokerage house suggests the figure may reach 41% by 1992.

Not even its toughest critics doubt McDonald's ability to keep overall sales growing; it's the consensus best-managed company in the foodservice industry. But maintaining growth, especially in the U.S., will be much more difficult in the 1990s than it was in the 1980s.

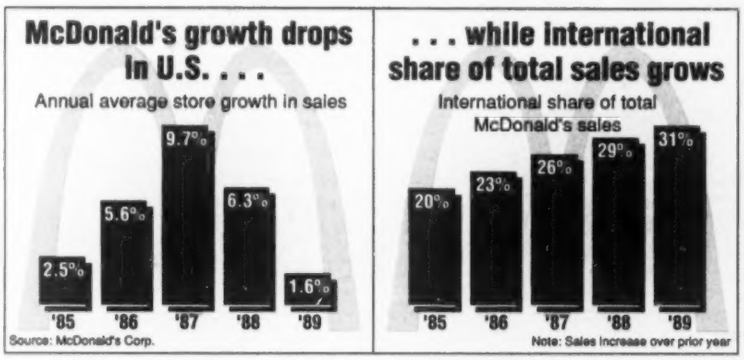
McDonald's domestic sales rose 5.6% to $12 billion last year, due in large part to the addition of 363 stores. But average sales for restaurants open at least one full year rose only 1.6% to $1.6 million, the chain's smallest increase in more than a decade.

Factoring out menu price increases, sales at the average McDonald's declined more than 2.5%, and Prudential-Bache Securities estimates McDonald's real per-store sales averages have fallen for seven consecutive quarters through the end of 1989.

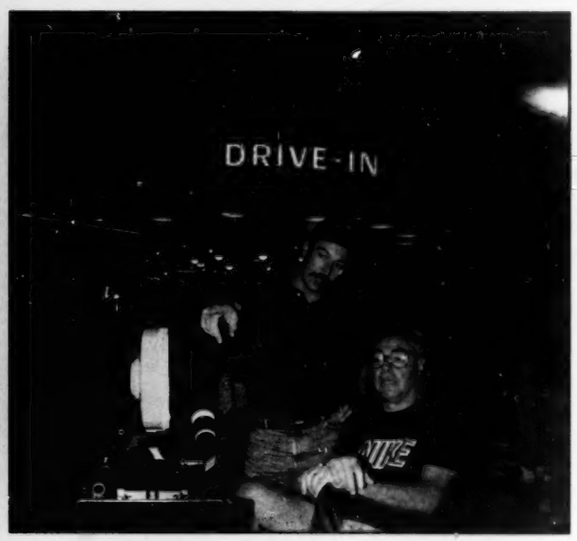
"The theme for the next few years is going to be 'McStruggle,' " said Ron Paul, president of Technomic, a restaurant consultancy. "They're in for some rough times, and it's going to be interesting to see how they respond. They don't deny that real sales and even customer counts are down, and this is a very tough environment in which to try to change that."

McDonald's string of down quarters has come despite a more aggressive approach to

(Continued on Page 64)



John Hall



Universal appeal

Director Richard Donner (r.), best known for his "Lethal Weapon" movies, is directing a commercial for Universal Studios Florida. Despite being one of the most expensive commercials ever made, it will run only in central Florida. "I don't have to spend money to get [tourists] here," says VP-Advertising Mike Petty (l.). "Once they're here, we'll beat them to death." (See story on Page 64.)

Eastern finds its Iacocca

O&M gets account; ads to feature trustee

By Jennifer Lawrence

Martin Shugrue, the court-appointed "savior" for financially troubled Eastern Airlines, is planning to become the next Lee Iacocca.

The first Eastern ads from new agency Ogilvy & Mather, picked last week to handle the $45 million account, will feature Mr. Shugrue, who unceremoniously dumped Lintas:New York as the airline's agency.

Within two weeks, the court-appointed trustee will become familiar to consumers through TV commercials and print ads that portray him as a corporate rescuer/healer.

Mr. Shugrue, 49, will follow a flight plan loosely fashioned after Mr. Iacocca's celebrated turnaround of Chrysler Corp. that was helped by an early 1980s federal loan guarantee and his own appearances as a corporate spokesman.

Last week, an ad headlined "An open letter from Martin R. Shugrue" appeared in several East Coast editions of national newspapers. The ad outlined his goals for Eastern.

Mr. Shugrue initiated the ad himself, sources said, without creative help from Lintas.

His task is to guide through Chapter 11 bankruptcy proceedings what one insider called the "most whipsawed company in corporate America." A bankruptcy judge last month took control of the company from Texas Air Corp. Chairman Frank Lorenzo.

One agency source involved in developing the new marketing strategy said Eastern will focus on a new corporate sensitivity—to consumers, labor unions and employees. Advertising will suggest that Mr. Shugrue is no Frank Lorenzo, who fought his airline's unions and failed to manage Eastern to the satisfaction of the bankruptcy court.

Shortly after his own appearance in ads, Mr. Shugrue will share the ad limelight with employees, at least according to initial plans.

In making the surprise agency

(Continued on Page 8)

Martin Shugrue will soon be appearing regularly in ads for Eastern Airlines.

LAST MINUTE NEWS

N.Y. drops PR, magazine tax

ALBANY, N.Y.—Public relations and magazine executives sighed with relief and applauded their own lobbying efforts last week after the Legislature abandoned a proposal to extend the 4% state sales tax to their industries. Several companies in both fields had threatened to move their operations if the plan were approved.

"We're relieved, but on the other hand we're appalled that it ever got to this stage," said Donald Durgin, vice chairman at *Newsweek* and one of a group of magazine executives who traveled to Albany to lobby lawmakers.

"We made a strong case, and thankfully they recognized that," said Donald Kummerfeld, president of the Magazine Publishers of America.

"I really think we made a difference," said David Bicofsky, president of the Public Relations Society of America's New York chapter.

But some industry officials said they won't be certain the proposal is dead until the budget bill is formally published and voted on. A final draft of the overdue budget is expected this week.

Saatchi stock down

LONDON—Saatchi & Saatchi Co.'s share price fell after Havas, Paris, rumored to be planning a bid for Saatchi, issued a statement May 10 saying it's wary of major acquisitions of international ad agencies. Saatchi stock, which

(Continued on Page 8)

INSIDE

Commercial wave ..... P. 4
TV screens carrying ads are showing up in more places, such as health clubs, department stores and doctors' offices.

Clean ads ..... P. 20
Western States Advertising Agencies Association helps L.A. clean up.

Green grocer ..... P. 62
Food Marketing Institute focuses on environmental concerns.

HHCC aims to stem trouble on coasts

By Cleveland Horton and Pat Sloan

Hill, Holliday, Connors, Cosmopulos is shaking up its West Coast office, attempting to steer Infiniti back on course.

At the same time, there are rumblings around its Boston headquarters that all's not well with new client Reebok International.

Hill Holliday today is expected to announce that Charles J. Kushell IV will be recalled to Boston from the Marina del Rey, Calif., office, which created the "rocks and trees" campaign for the upscale car unit of Nissan Motor Sales USA.

Mr. Kushell, exec VP-managing director of that office, will take on the corporate position of exec VP-director of corporate development. Officially assuming his new responsibilities on June 11, Mr. Kushell will assist Jack Sansolo, U.S. president, in finding a new managing director for the California office.

Earlier this month, the agency abruptly dismissed John W. Palmer, the senior VP-management supervisor who headed up Infiniti's national advertising account team. Walter A. Verbanic was named to replace him.

Mr. Verbanic, 43, came from Grey Advertising's Cypress, Calif., office, where as senior VP-management supervisor he managed the Mitsubishi Motor Sales of America account.

This reorganization follows the departure earlier this year of Exec VP-Creative Director Don Easdon. He was succeeded by Dan Mountain, formerly with Hal Riney & Partners, who created the current product-oriented campaign for Infiniti.

Infiniti plans to continue running similar advertising through the end of this year, said David Hubbard, Infiniti national advertising manager.

On the East Coast, there have been rumblings that Hill Holliday may be having some problems with the Reebok account.

Reebok plans to screen its new spot featuring celebrity endorser Madonna at its June sales meeting in Hawaii, but no creative has been produced yet. Reebok last week approved two Hill Holliday creative ideas for the account, including at least one Madonna execution.

But the Madonna creative still must be approved by the singer. Until she approves advertising, her Reebok agreement isn't finalized, sources say.

Some sources said the account is safe and that Reebok Chairman Paul Fireman is just being tough on Hill Holliday.

One source said the agency might be in danger of losing the account, but others said the account is safe and that Reebok Chairman Paul Fireman is just being tough on Hill Holliday, nixing all except one or two of its ideas for ads.

"Paul is being Paul . . . and working them over now that they have the account," noted one source close to the company. "But [Hill Holliday] will do whatever it takes to keep the business."

Both Reebok and Hill Holliday management denied there's any trouble between them.

Jack Connors, president-ceo of the agency, described Hill Holliday's relationship with Reebok as "spectacular" and said there are no problems handling the account.

Likewise, Mr. Sansolo and Infiniti executives said their relationship is firm despite the persistent rumors to the contrary, fueled by rapid reversals in creative strategy and the agency management changes.

Hill Holliday "was never out of our good graces," Mr. Hubbard said of Infiniti. "They're not in any jeopardy" of losing the account.

When asked last week about Mr. Kushell's reassignment, Mr. Hubbard said he was unaware of it.

The changes in the West come as Infiniti and Hill Holliday are in the midst of market planning for the fall. Mr. Sansolo characterized the timing of Mr. Kushell's appointment as "perfect." He's replacing Susan Smith, who recently was named managing director of the agency's New York shop.

Mr. Sansolo added he's been spending time in the West Coast office to assist on the Infiniti account for several months.

Infiniti sales, though improving, still trail rival Lexus, the upscale division of Toyota Motor Sales USA. In April, Infiniti sold 1,661 cars, compared with Lexus' 5,117.

Infiniti has never revealed its internal sales projections but insists its goal is nowhere near Lexus' projected first-year sales of 60,000 vehicles.

Infiniti dealers seem pleased with the new direction of the TV campaign, which uses a more conventional approach than the launch effort.

For Reebok, Mr. Connors said Hill Holliday is in preproduction on two spots and some of the material tested in focus groups is being produced.

He also noted that the agency is "working out a situation where Bill Heater will be actively involved with Hill Holliday" in what he described as an active part-time consulting role on unspecified Boston-office accounts, believed to include Reebok.

Mr. Heater is a former exec VP-creative director at Hill Holliday who resigned late last year but

(Continued on Page 62)

DMB&B eyes Mars

By Jon Lafayette

NEW YORK—D'Arcy Masius Benton & Bowles is trying to get some satisfaction from Mars Inc., which is getting its own satisfaction from the Rolling Stones.

Already handling much of Mars' pet foods internationally, D'Arcy is making presentations for the $20 million Whiskas domestic cat food account, sources say. The account is now at Backer Spielvogel Bates.

D'Arcy already handles several M&M/Mars candy products in the U.S. and abroad, and has also pitched the Snickers account, another $20 million brand at Backer.

Sources close to secretive Mars say it's unlikely the company would move the Snickers business because it recently paid nearly $2 million for the worldwide rights to the Rolling Stones' "Satisfaction."

Backer is producing commercials using the song in London, and they're expected to air in the U.S. later this year.

Mars is much more likely to ness, sources say, because it has a longstanding policy of keeping more than one agency involved in major lines of business.

John D. Murray, VP-marketing and sales at Kal Kan Foods, which makes Whiskas, said Kal Kan has no plans to shift any business away from Backer.

"We have no intention of moving from BSB," Mr. Murray said. "There is absolutely no question of changing the agency."

But others sources aren't so sure that's true.

D'Arcy had handled Crave cat food until it was renamed Whiskas in 1988 and the assignment was consolidated at Backer, which already handled several other pet food brands. At the time, Mars insisted Kal Kan Foods give D'Arcy an opportunity to repitch the business after a period of time.

"Backer has to be 25% better than D'Arcy to hold onto the business, because all things being equal, they'd rather have more than one agency," said one executive close to Mars. "That's not going to be easy to do."

Last week, Kal Kan broke a new Backer campaign for Whiskas using the theme, "The world's most preferred food for cats." The spots feature celebrity cat owners Marlee Matlin, the Oscar-winning actress, and Mike Singletary, the Chicago Bears linebacker.

Backer also handles Sheba cat food and Kal Kan Pedigree dog food in the U.S. for Mars.

Mars had set no timetable for deciding on whether to reassign its pet food brands, sources say.

"That company moves like a glacier usually," said an executive who formerly worked for a Mars agency.

Executives at D'Arcy and Backer declined comment.

Mars is also believed to be concerned about reports that former Ted Bates Worldwide Chairman Robert Jacoby might try to buy Backer Spielvogel Bates Worldwide from parent Saatchi & Saatchi Co., London, and earlier reports of Backer Chairman Carl Spielvogel's offer to purchase his agency. □

IN THIS ISSUE

NEWS

- **Ad spending** expectations fall with lower than anticipated fourth-quarter results 12
- **Employment** decline continues as U.S. agencies follow long-term downsizing trend 16
- **Mingo Group** fights rumors of financial trouble and management conflicts 17
- **'Details'** goes beyond fashion with a relaunch that's aimed to set it apart from new competition. 22
- **Telemedia** is poised to become a major force in U.S. publishing after launching *Eating Well* 24
- **Brazilian** ad agencies cut staff and expenses to adjust to deteriorating ad spending 56
- **Easy Spirit's** success builds as it introduces new performance and shopping shoes 60
- **Bo Jackson** signs a deal with Pepsi to endorse its new Mountain Dew Sport isotonic beverage, currently in several test markets 66

VIEWPOINT

- Sid Bernstein: What's missing in recent ad books 26
- Forum: Making ads for an aging America 28
- James Brady: A stranger in Chicago 33
- Rance Crain: Agency's search for bank service 33

Editorials ..... 26 Letters 32
Brady's Bunch ..... 28 The Next Trend 33

INTERNATIONAL SPECIAL REPORT

European Media

- Carat Espace chases Europe's carrot in media buying 37
- Euro Gallery 38
- U.K. network ITV attracts big names as licenses go up for grabs 40

- Software helps analysts tame scanner data 44

PEOPLE

- People Moving 48
- Photo Review 50

- Pizza Hut's new campaign backfires as it attempts a subtle, anti-testimonial attack on McDonald's pizza test.

U.S. NewsWatch ..... 10 For the Record 61
Classified ..... 57 Index to Advertisers 66

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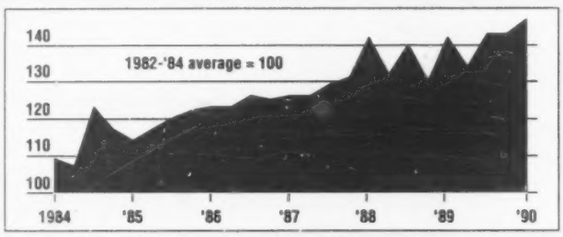
ABP MPA

Tough times for ad spending

National advertising index

The McCann-Erickson national advertising indexes are key barometers of the month-to-month changes in national advertising spending. These indexes are seasonally adjusted measures of the monthly advertising revenues for the major national media. The general index is a composite of network TV, spot TV, magazines and newspaper expenditures by national advertisers.



Month	General index	Network TV	Spot TV	Magazines	Newspapers
1989					
January	145	129	157	161	142
February	143	128	150	157	147
March	142	124	157	155	137
April	140	130	149	157	122
May	140	129	149	163	118
June	134	118	145	155	124
July	145	136	152	160	134
August	140	127	153	146	138
September	143	129	151	155	144
October	137	125	138	158	135
November	138	124	148	151	132
December	143	130	154	154	138
Average	**141**	**127**	**150**	**156**	**134**
Change over 1988	**3.7%**	**(0.7%)**	**2.9%**	**10.6%**	**3.7%**
1990 (preliminary)					
January	152	140	165	159	146
February	153	144	161	159	153
March	147	136	156	162	134
Average	**151**	**139**	**167**	**161**	**144**
Change over 1989	**5.1%**	**10.2%**	**3.9%**	**1.5%**	**1.6%**

Source: McCann-Erickson

By Robert J. Coen

Advertising's re-expansion is still on hold.

A significant upturn in ad spending was expected to appear at the end of last year, leading into better trends for 1990. The strong network TV upfront sales market in mid-'89 was considered to be a leading indicator of improving growth.

But now that the final figures for the closing months of 1989 are on the record, it's apparent better times will be temporarily delayed. It's inevitable, however, that re-expansion will arrive once economic uncertainties diminish.

Fourth-quarter 1989 network prime-time ad sales were very strong, but the increases in other dayparts were disappointing. A number of other media also experienced weaker than expected ad growth in the closing months of '89. U.S. economic growth slowed considerably in the quarter, and it's now clear the expected strong surge in 1990 ad growth is on hold.

The final figures for 1989 add up to a 5% growth in advertising compared with nominal gross national product growth of 7.2%. The 1990 economy is in the doldrums, and the poor economic performance in the closing months of last year has led to even tighter budget controls so far this year.

The consensus forecast for 1990 GNP growth is 6%. Back in December, we expected a 6% growth in ad spending in 1990, but current trends suggest this forecast may be difficult to attain.

We now expect U.S. ad expenditures to rise somewhere between 5% and 6% in 1990.

U.S. ad expenditures should exceed $130 billion this year, but they're not likely to surpass the $132 billion mark we forecast in December.

Nevertheless, there are signs that many national marketers are gradually re-expanding the role of traditional advertising in their marketing activities.

Final 1989 figures

The final 1989 ad spending total was $123.9 billion. The 5% gain just beat inflation, which, as measured by the U.S. Consumer Price Index, was 4.8%.

We expected a slowdown in ad growth last year because it was a post-Olympic year. Few could

(Continued on Page 59)

U.S. advertising volume

The McCann-Erickson U.S. advertising volume reports represent all expenditures by U.S. advertisers—national, local, private individuals, etc. The expenditures, by medium, include all commissions as well as the art, mechanical and production expenses that are part of the advertisers' budget for each medium.

Medium	1988 Millions of dollars	1988 % of total	1989 Millions of dollars	1989 % of total	% chg
NEWSPAPERS					
National	3,586	3.0	3,720	3.0	3.7
Local	27,611	23.4	28,648	23.1	3.8
Total	**31,197**	**26.4**	**32,368**	**26.1**	**3.8**
MAGAZINES					
Weeklies	2,646	2.2	2,813	2.2	6.3
Women's	1,504	1.3	1,710	1.4	13.7
Monthlies	1,922	1.6	2,193	1.8	14.1
Total	**6,072**	**5.1**	**6,716**	**5.4**	**10.6**
FARM PUBLICATIONS	196	0.2	212	0.2	8.0
TELEVISION					
Network	9,172	7.8	9,110	7.4	(0.7)
Cable (nat'l)	942	0.8	1,197	1.0	27.0
Syndication	901	0.8	1,288	1.0	42.9
Spot (nat'l)	7,147	6.0	7,354	5.9	2.9
Spot (local)	7,270	6.2	7,612	6.1	4.7
Cable (non-network)	254	0.2	330	0.3	30.0
Total	**25,686**	**21.8**	**26,891**	**21.7**	**4.7**
RADIO					
Network	425	0.4	476	0.4	11.9
Spot (nat'l)	1,418	1.2	1,547	1.3	9.1
Spot (local)	5,955	5.0	6,300	5.1	5.8
Total	**7,798**	**6.6**	**8,323**	**6.8**	**6.7**
YELLOW PAGES					
National	944	0.8	1,011	0.8	7.1
Local	6,837	5.9	7,319	5.9	7.0
Total	**7,781**	**6.7**	**8,330**	**6.7**	**7.1**
DIRECT MAIL	21,115	17.9	21,945	17.7	3.9
BUSINESS PAPERS	2,610	2.2	2,763	2.2	5.9
OUTDOOR					
National	628	0.5	653	0.5	4.0
Local	436	0.4	458	0.4	5.0
Total	**1,064**	**0.9**	**1,111**	**0.9**	**4.4**
MISCELLANEOUS					
National	10,454	8.9	10,998	8.9	5.2
Local	4,077	3.4	4,273	3.4	4.8
Total	**14,531**	**12.3**	**15,271**	**12.3**	**5.1**
National total	**65,610**	**55.6**	**68,990**	**55.7**	**5.2**
Local total	**52,440**	**44.4**	**54,940**	**44.3**	**4.8**
Grand total	**118,050**	**100.0**	**123,930**	**100.0**	**5.0**

Source: Prepared for Advertising Age by Robert J. Coen, McCann-Erickson

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People, Precision and Performance

Agency employment decline continues

By Gary Levin and Jon Lafayette

The top 10 U.S. agency employers dropped 80 people from their payrolls in a recent six-month period, continuing a long-term downsizing trend, according to the latest *Advertising Age* survey of agency employment trends.

Advertising-related jobs with the top 10 employers fell 0.4% to 21,438 as of April 1, after an average 1% gain reported as of Oct. 1.

Seven of the agencies, including five in New York and two in Chicago, reported minor staff reductions averaging less than 1%.

Lintas:USA and Ogilvy & Mather Worldwide said their U.S. staffs grew slightly, while Saatchi & Saatchi Advertising reported no change *(see chart)*. Lintas became the seventh-largest employer, switching places with D'Arcy Masius Benton & Bowles.

DMB&B/USA President Clayton Wilhite said he's "holding the line pretty closely" on staffing, in part due to increased compensation pressures from clients.

Mr. Wilhite said most clients have adjusted to the fact that lower compensation often means less staffing, but "there are clients who, when faced with the explanation we offer, express some surprise."

Other shops expressed the same sentiment.

"We're obviously trying to become more productive, cutting down on corporate overhead and reducing support staffs around the world through attrition and minor layoffs," said Graham Phillips, chairman-ceo of Ogilvy & Mather Worldwide.

"We're trying to get more efficient, be more productive," said Edward Wax, chairman-ceo at Saatchi & Saatchi North America. "When someone leaves, hiring a replacement is not automatic. We want people to justify hiring someone to fill the spot."

But he said he gets few client complaints about reduced staffing.

"I don't think clients count people, they look at the quality of service," Mr. Wax said. "If the work's good, we've got no problem."

Despite an average 1% increase reported as of Oct. 1 (AA, Nov. 13), the long-term trend continues downward and isn't expected to reverse.

The American Association of Advertising Agencies said the average number of employees per million dollars in billings—a long-standing benchmark of productivity—dropped to 1.73 in 1988 from 2.37 in 1984, the last year before major agency mergers began.

In these uncertain times, many agencies are concentrating on upgrading their staffs, not simply expanding them.

"We're not going to find ourselves in the position in the next year or two of adding talent in terms of numbers," said Ronald Burns, ceo of J. Walter Thompson Co.'s North American unit. "What we're talking about is adding quality in terms of the numbers we have." □

Scott Hume contributed to this story.

Agency employment rankings

Total staffing at the top 10 U.S. agency employers dropped slightly in the most recent six-month period, continuing a long-term industrywide trend.

Rank	Agency (October ranking)	October 1989	April 1990	% chg
1	Young & Rubicam (1)	3,093	3,091	(0.1)
2	J. Walter Thompson USA (2)	2,585	2,564	(0.8)
3	Foote, Cone & Belding (3)	2,410	2,380	(1.2)
4	Leo Burnett USA (4)	2,181	2,174	(0.3)
5	Ogilvy & Mather (5)	2,084	2,096	0.5
6	Grey (6)	1,926	1,916	(0.5)
7	Lintas:USA (8)	1,883	1,900	0.9
8	DMB&B (7)	1,886	1,874	(0.6)
9	McCann-Erickson (9)	1,790	1,763	(1.5)
10	Saatchi & Saatchi (10)	1,680	1,680	—
	TOTALS	**21,518**	**21,438**	**(0.4)**

Source: Advertising Age

Chiat wins work in Minneapolis

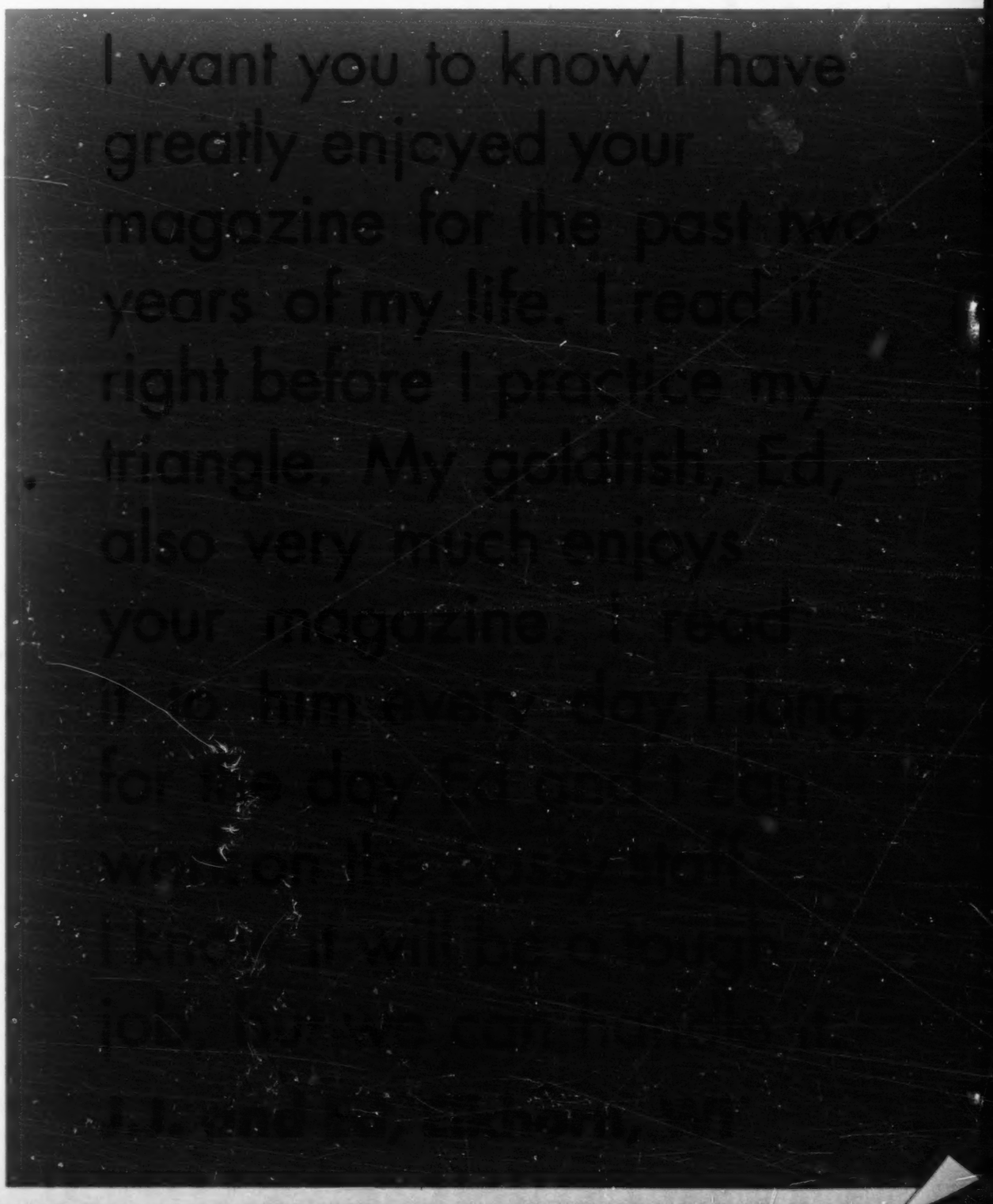
MINNEAPOLIS—Speculation that Chiat/Day/Mojo will expand its office here to full-service status could grow with the agency's recent win of the $1 million-plus Ringer Corp. natural lawn and garden products account.

"You never know, but you can't read that [full-service status] out of the acquisition of a single account," said Tom McElligott, exec VP-executive creative director.

Ringer, based in Eden Prairie, Minn., is the first Twin Cities client to land at Chiat since Mr. McElligott opened the office in January (AA, Jan. 22).

Mr. McElligott said he will manage Ringer's creative work from here; account work will be handled from Toronto, led by Tony Wright, VP-director of account management. Slater Hanft Martin, New York, previously handled.

Mr. McElligott added that he's closely involved with creative work for the Calvin Klein Eternity and Obsession fragrances. □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right before I practice my
triangle. My goldfish, Ed,
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Brazilian doldrums

Anti-inflation plan hits ad spending

By Julia Michaels

SAO PAULO—Brazil's largest ad agencies, including U.S.-based multinationals, are reducing staff and other expenses to adapt to marketers' massive ad spending cutbacks.

Ad executives here say the prognosis isn't good for the industry as marketers respond to newly installed President Fernando Collor de Mello's plan to curb Brazil's 1,765% inflation rate.

Large agencies have seen billings drop an average of about 35% since the plan went into effect in March, said Paulo Salles, co-founder of Salles/Inter-Americana.

The government has frozen corporate and individual investments and savings for at least 18 months.

Real estate, automobile, computer and sportswear companies have stopped most advertising, and cigarette marketers have cut back spending as well.

"Ad spending has been almost zero in the past 30 days," said Carlos Eduardo Jardim, R.J. Reynolds Tabacos do Brasil corporate spokesman.

Many advertisers, including Gessy Lever, reacted to the inflation-fighting plan by immediately stopping short-term ad spending plans. And though several food, electronics, retail and personal hygiene marketers are gradually resuming TV commercials, even those companies are spending just a fraction of their original ad budgets.

"Economists say the [gross national product] will shrink 10% to 15% this year, and I think the ad industry will follow suit," said Luiz Celso de Piratininga, president of the Brazilian Association of Advertising Agencies.

"Economists say the [gross national product] will shrink 10% to 15% this year, and I think the ad industry will follow suit."

Brazil's agencies billed around $2.5 billion last year, but he estimates that will drop to $2.1 billion to $2.2 billion in 1990.

The ad spending cuts have had "an adverse effect on our company financially; it's hurt us in that marketplace," said Peter Schweitzer, New York-based vice chairman-agency operations at J. Walter Thompson Co.

"We hope we're going to be out of it by the end of the year," Mr. Schweitzer added. "We have no intention of pulling out of the country."

The agency laid off 20 to 25 people from its offices here and in Rio de Janeiro; 332 staffers remain.

"Our revised [second-quarter] billings [estimates] are 30% under budget," said John Florida, president of JWT in Brazil.

Young & Rubicam laid off 20 employees last month, half of them in support jobs; 109 staffers remain.

Salles cut 60 of its 549 staffers. No creative or production people have been cut, Mr. Salles said, but two VPs and four directors were laid off.

MPM Propaganda, Brazil's largest agency, reorganized its staff late last year, anticipating reduced 1990 business. At that time, the staff here was cut 21.1% to 292 members. The office accounted for about half of MPM's $220.7 million in billings last year.

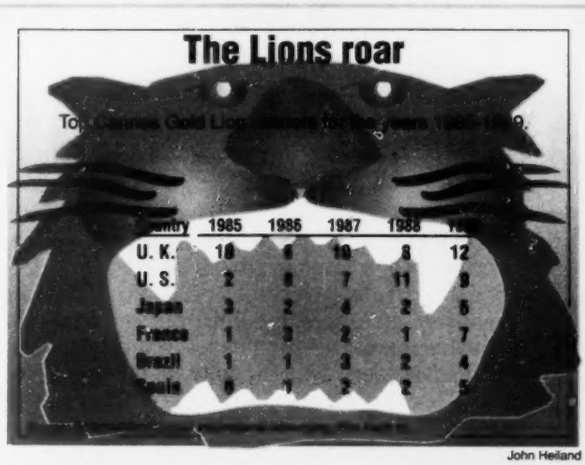
"We expected billings of $6.4 million in April and got only $3.6 million," said Petronio Correa, MPM partner-founder. MPM is an affiliate of Grey Advertising.

Other agencies made no staff reductions but cut back on the workweek. For example, Almap/-BBDO, minority-owned by BBDO Worldwide, cut wages by 25% and work hours by 30%.

The plan hasn't been all bad news for agencies, however. When there are ads to make, there are big savings on production and media, down as much as 40% since the plan was announced.

The average bare-bones 30-second TV spot now costs $75,000 to $100,000 to produce. Media costs also have dropped. Further, the networks have extended their payment terms from 15 days to 90 days. □

Jon Lafayette and Gary Levin in New York contributed to this story.


The Lions roar
Top Cannes Gold Lion winners for the years 1985-1989.
Country 1985 1986 1987 1988 Year
U. K. 10 6 10 8 12
U. S. 2 8 7 11 9
Japan 3 2 4 2 6
France 1 3 2 1 7
Brazil 1 1 3 2 4
Spain 0 1 2 2 5

John Heiland

Agencies begin annual Lion hunt

By Julie Skur Hill

Recent political events could give even Jimmy the Greek trouble in making odds on which country will win the most Gold Lions at the International Advertising Film Festival June 18 to 23 in Cannes.

Brazil won four golds last year, placing among the top five worldwide winners. But this year, Brazilian agencies will be entering a relative handful of ads—about 35 to 40—compared with last year's 171. Earlier this year, President Fernando Collor de Mello imposed severe economic restrictions that have forced agencies to closely watch expenses such as entry fees.

The reduction in Brazilian entries could pave the way for other countries to take more Gold Lions.

At the 1989 festival, the U.K. walked away with the most Gold Lions, 12, while the U.S. came in second with nine *(see chart)*. The U.K. had 461 entries last year vs. 826 for the U.S.

In the past five years, the country earning the most Gold Lions has seesawed between the U.K. and U.S.

Since 1985, Spain and France have been forces to be reckoned with. Five years ago, France claimed only one Gold Lion while Spain won none. Last year, France had 361 entries and took seven Gold Lions, the third highest total, while Spain had 250 entries and won five Gold Lions, including the top prize, the prestigious Grand Prix.

Japan has also gained ground, winning five Gold Lions last year on 274 entries, compared with three in 1985. □

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Telemedia in U.S.

(Continued from Page 24)

goal is to develop circulation in the city to 80,000.

Mr. Van de Kamer said Telemedia so far has focused on New England-based titles because of geographic and cultural ties between the region and Canada.

But recognizing the realities of the market, the company earlier this year opened its first ad sales office in New York.

After the initial bite-size acquisitions, which were easily digested by the parent company, Telemedia decided to make its first substantial investment in the U.S. with the launch of *Eating Well*, the brainchild of *Harrowsmith* Publisher James Lawrence.

The every-other-monthly will focus on the relationship between food and health. Initial rate base is 225,000. *Eating Well* is expected to carry an average of 40 ad pages per issue in its first year and will compete with such titles as *Bon Appetit, Cooking Light, Cook's, Food & Wine* and *Gourmet*.

The launch comes at a time when magazine ad pages are down and many industry analysts are predicting a shakeout. But Craig Neal, associate publisher of *Eating Well*, said he expects to meet all launch goals. The title's low charter rates have already pulled in several marketers, he said.

Telemedia expects to spend at least $10 million on *Eating Well* before it's profitable. But the food magazine has the potential to triple Telemedia's U.S. revenues, now at $12 million.

In 1992, if *Eating Well* is alive and growing and its sister publications are profitable, Telemedia will move to the second phase of its nine-year plan.

"We'll take a fairly substantial chomp at another acquisition, only this time, it would be a profitable acquisition," Mr. Van de Kamer said. "Then we'd sit with that for three years and then take another chomp at another large acquisition that will put us in the $80 million to $90 million range.

"After the last three years," he said, "we'll take another more substantial chomp. Our goal is to be a fairly significant media company by 1998." □

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Dairy board ads slashed

WASHINGTON—The National Dairy Promotion & Research Board's ad budget for fiscal 1991, begun May 1, is down 10.9% to $57 million.

Butter advertising took the biggest cut, down 42.4% to $8 million, an official said. Grey Advertising, New York, handles that account.

Other dairy board agencies are DDB Needham Worldwide, New York, and McCann-Erickson Worldwide, San Francisco. □

Ad spending forecast

(Continued from Page 12)

foresee, however, a severe hurricane and earthquake and the virtual absence of economic growth toward the end of the year.

In light of these adverse happenings, we can better understand the current softness in advertising activity and also recognize the reasons why it will eventually get better.

National advertising rose by 5.2%, compared with a gain of only 4.8% for local advertising. However, the trend in mass consumer media demand was better than the overall change implies, because direct mail advertising was included in the national ad total. Direct mail expenditures are counted in the national advertising total because the mail can't be opened and clearly identified in terms of origination and destination.

In 1989, mail advertising piece volume dropped sharply because of higher postal rates, and ad revenues for this large medium were up only 3.9%.

Excluding direct mail revenues, national advertising increased 5.7% last year. This compares favorably with 5.5% in 1985, 4.9% in 1986 and 4.6% in 1987, the last three non-Olympic years.

The trends in national advertising have been gradually strengthening and are basically better than recent reports suggest.

Local advertising, with a rise of only 4.8%, was another reason for the underperformance of advertising in 1989.

Retail advertising in newspapers was the most visible sign of softness, as debt-burdened department stores cut ad linage sharply. But other local media also were affected by the competitive change in retail advertising, and local ad revenue growth in most media was lower than it had been in recent years.

Local media revenue growth was further depressed by a falloff in classified help-wanted and real estate ads.

Unlike national advertising trends, local advertising is not yet showing signs of improvement.

Outlook for 1990

The outlook for 1990 appeared to improve at the beginning of the year, before it was clear that economic expansion had stalled. Unfortunately for the sellers of advertising time and space, ad expansions tend to lag behind an upturn in business conditions.

Economic expectations are for only moderate improvement relative to last year's fourth quarter, and 1990 will fall short of being a really good ad year as related to the economy.

During the first quarter, local ad spending reports became even more gloomy. The most important local medium, newspapers, has experienced more declines in retail and classified ad linage levels.

Although the rest of 1990 may improve somewhat, it will still be a year of mediocre growth in local advertising. The outlook for national ad budget growth appears a little better.

The McCann-Erickson General Index of national ad spending shows a preliminary estimate of 5.1% growth in the first quarter of 1990 despite a lot of negative pressures. Growth in the second quarter should be somewhat better, and unless the economy turns sour in the second half, the projection for national ad growth should remain on track.

Most of the current reports on the state of the advertising industry tend to suggest a worse condition than the one that truly exists. An expansion in advertising activity is long overdue and, in time, it will make its appearance.

Things are not as bad as they appear, but strong re-expansion is temporarily on hold. □

Mr. Coen is senior VP-director of forecasting at McCann-Erickson Worldwide, New York.

Halsa gets new image

RACINE, Wis.—S.C. Johnson & Son is giving Halsa a new image.

Last week, it relaunched the eight-item shampoo and conditioner line i redesigned packages with a contemporary European spa image.

A $10 million network and cable TV, magazine and point-of-purchase campaign from Foote, Cone & Belding, San Francisco, supports.

This is the first effort since FCB won the account last year from Lotas Minard Patton McIver, New York.

Halsa had a 5% share of the $1.9 billion shampoo and conditioner segment in 1985, its launch year, but by last year had fallen to 2%, said Diana Temple, a health & beauty aids analyst from Salomon Bros. □

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May 21, 1990

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Murdoch shops 'TV Guide'

Media baron seeks ways to cut debt

By Scott Donaton

Rupert Murdoch is sounding out prospective buyers for *TV Guide* less than two years after he rocked the industry by paying $3 billion to buy the magazine's parent, Triangle Publications.

Publishing industry sources say top Murdoch executives have met with a number of major publishers in recent weeks to gauge interest in the weekly, which has been in an ad page and circulation slump since it was acquired by News Corp. in 1988.

The asking price: an estimated $2.6 billion.

"There's no question about it—they're selling it," said one industry source, adding he recently met with Murdoch executives to discuss *TV Guide*. "They're doing it very, very quietly, because right now they don't have to sell it. But they've been meeting with people."

Another industry source familiar with the discussions said, "It's been shown around to carefully selected people. [Murdoch executives] won't admit it, but the truth is it's being shopped."

Murdoch executives vigorously denied the reports.

"News America Publishing categorically denies *TV Guide* is for sale," a company spokesman said. "It is a rumor that is ridiculous and silly."

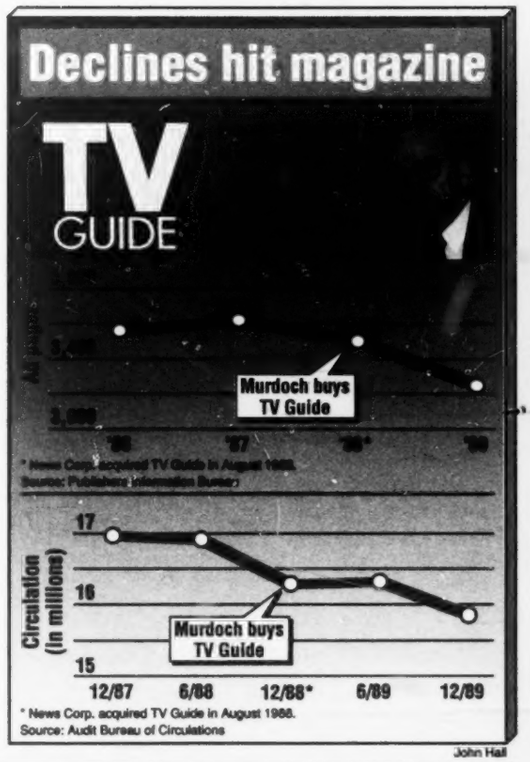
Analysts say Mr. Murdoch has been under pressure to reduce News Corp.'s heavy debt load, which they estimate at about $6.5 billion. A *TV Guide* sale would significantly shrink the debt and let Mr. Murdoch focus his resources on other holdings, especially Sky Television, a money-losing U.K.-based satellite TV service, and Fox Broadcasting Co.

But selling *TV Guide* would mar Mr. Murdoch's near-perfect track record and would likely be viewed as a sign of deeper problems at News Corp., and that's why sale discussions are said to be under tight wraps.

Finding a buyer may not be easy. Only a handful of companies could afford the hefty price tag, and those that can

(Continued on Page 59)

■ "Woman's Day" on the block—Page 58.
■ Maxwell buys three supermarket tabloids—Page 57.
■ "Entertainment Weekly" undergoes redesign—Page 8.



John Hall

Ad drop-off causes magazine shakeout

By Scott Donaton

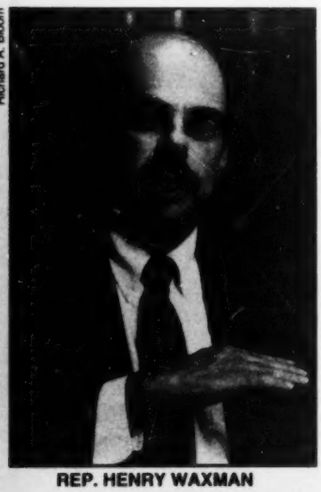
In what could be the start of a shakeout in the magazine industry, publishers are selling and, in some cases, folding titles.

"We have never been busier than we are at this minute," said John Veronis, chairman of Veronis, Suhler & Associates, a top media investment company.

Plagued by a continuing ad-page shortage, some publishers are trying to raise cash to reduce debt by unloading magazines that don't strategically mesh with their other titles. Smaller publications are looking for investors as they struggle to stay afloat.

The activity reached a fever pitch last week, high-

(Continued on Page 59)



Richard A. Bloom

REP. HENRY WAXMAN

Anti-cig bill packs it all in

Waxman omnibus measure would virtually kill tobacco ads

By Steven W. Colford

WASHINGTON—The most comprehensive anti-tobacco bill ever pieced together is making the rounds in Congress.

The draft legislation, a copy of which was obtained by *Advertising Age*, would virtually eliminate tobacco advertising. It would also put an end to tobacco-sponsored auto, musical and cultural events, and "Joe Camel"-type T-shirts and related merchandise.

Advertising and tobacco industry officials say Rep. Henry Waxman (D., Calif.), the bill's sponsor, is trying to line up support to guarantee passage by the 23-member House Health & Environment Subcommittee. Rep. Waxman chairs that panel.

Because the long-rumored bill hadn't been introduced by late last week, industry officials said Rep. Waxman may have encountered more opposition than he anticipated.

Waxman aides didn't return repeated phone calls, but it appears the congressman is still pushing the bill hard.

Rep. Waxman spearheaded the 1985 bill that banned broadcast advertising of smokeless tobacco products.

The new measure combines elements of previously introduced anti-tobacco bills, including those from Reps. Thomas Luken (D., Ohio) and Mike Synar (D., Okla.). Rep. Waxman apparently believes such a bill faces a greater chance of passage by his own subcommittee than by any other.

"We think he's put everything that's been raised in Congress into an omnibus bill for the purpose of seeing what votes he can put together," said Wally Snyder, exec VP at the American Advertising Federation. "I don't think he expects to get all of it . . . but maybe he wants to get a vote."

Even Rep. Luken acknowledged that such an all-encompassing bill would probably stand a better chance in Rep. Waxman's subcommittee than in Rep. Luken's

(Continued on Page 60)

LAST MINUTE NEWS

Northwest talks to DMB&B?

EAGAN, Minn.—Top Northwest Airlines officials have met with D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich., sources said. However, Northwest marketing executives denied an agency review is in the offing for the $54 million account, now at Saatchi & Saatchi Advertising, New York. Saatchi's London office handles British Airways; Northwest changed hands a year ago, and its new owners may be unhappy sharing the agency with British Airways. Northwest has always said most of its ads are for non-competitive routes and that Backer Spielvogel Bates, New York, and not Saatchi's New York office, handles British Airways' needs in the U.S.

P&G rolls lemonade

CINCINNATI—Procter & Gamble is introducing nationally Citrus Hill Fresh Recipe lemonade, a three-flavor line of frozen concentrate. N W Ayer, New York, handles the introductory print and couponing ad campaign, breaking this summer.

Della Femina to make shift

NEW YORK—Della Femina, McNamee plans to reorganize its creative department in the next three weeks, said Chairman Jerry Della Femina. It's expected that Senior VP-Group Creative Directors Phil Silvestri and Richard Roth will take more prominent roles,

(Continued on Page 8)

INSIDE

Ad Age's **Top 200 Brands**

See Page 25

Lintas savors $35M win from Sara Lee

By Julie Liesse and Jon Lafayette

Sara Lee Corp.'s decision to consolidate most of its food advertising at a single agency follows similar moves by other industry powerhouses.

The company last week awarded Lintas:USA, New York, an estimated $35 million in media billings. The account includes Sara Lee Bakery plus a host of processed meat brands: Bryan, Hillshire Farm, Ball Park, Kahn's, Mr. Turkey and Grillmaster. Lintas already was agency of record for Bil Mar Foods, maker of Mr. Turkey.

Sara Lee executives, including Chairman John Bryan and President Paul Fulton, felt the need to consolidate because the food industry in general—notably Campbell Soup Co. and Kraft General Foods—is consolidating brands and advertising. Sources said the decision to consolidate wasn't based on creative considerations.

Like Campbell and Kraft, Sara Lee is trying to maximize brand strength in media and promotions. Mr. Bryan has often endorsed the concept of cross-brand advertising and merchandising.

"We're going to do the total integrated communications for them," said William Weithas, chairman-ceo of Lintas:Worldwide.

Lintas' compensation is based on a fee-plus-incentives agreement.

For Lintas, the timing of the win was especially sweet.

"It's a wonderful win for us. It's so wonderful because of that tank job we got on Eastern Airlines," Mr. Weithas said.

Eastern two weeks ago abruptly moved its $45 million account to Ogilvy & Mather.

Losing Sara Lee business to Lintas are Chiat/Day/Mojo (Sara Lee Bakery); Ally & Gargano (Bryan meats); Puskar Gibbon Chapin, Dallas (Hillshire Farm, Kahn's); and W.B. Doner & Co., Southfield, Mich. (Ball Park, Grillmaster).

Chiat's 9-month-old campaign starring the real Sara Lee Schupf (daughter of the company's founder) will continue, sources said. □

Senate hits green claims

By Steven W. Colford

WASHINGTON—The U.S. Senate last week threatened to jump into the controversy over environmental product claims.

Sen. Frank Lautenberg (D., N.J.) told a Senate Commerce Committee subcommittee he's preparing legislation that would require the Environmental Protection Agency to set uniform criteria for environmental claims in product marketing.

He also said his legislation might create an environmental labeling program that would give marketers seals of approval for "environmentally preferable products."

"The folks in the advertising world have caught the wave of environmentalism," said Sen. Joseph Lieberman (D., Conn.). "Unfortunately, accuracy and truth often are being drowned out."

Other witnesses, representing government, business and environmental groups, expressed concerns that cast doubt on the immediate future of marketers' "degradable" and "recyclable" claims.

An executive from Procter & Gamble Co., the nation's leading disposable diaper marketer, said spurious green claims confuse consumers and cloud the issue of what's really environmentally sound.

"Packaging that claims to be made of biodegradable plastic material may in fact be a technically true claim, because the plastic may break up due to biological action," said P&G Associate Ad Manager Robert Viney. "But if placed side by side with a non-degradable plastic material in a landfill, there is no real difference in how quickly the landfill fills up. Then we believe such a claim would be misleading."

Missouri Attorney General William Webster agreed standardized definitions are needed and said the National Association of Attorneys General has been cooperating with the Federal Trade Commission in that effort.

But Mr. Webster, part of an eight-state task force that met in March to develop standards for green claims, said states mustn't be constrained from acting on their own, "and the FTC seems to share that view."

But Mr. Viney argued that national marketers should be held accountable to a single standard.

"We would agree that a standard definition of key terms and claim support requirements, applicable nationally, vs. different definitions and regulations in every state, is a major need," he said.

Much of the day's rhetorical heat targeted plastic bag and diaper marketers. And Mr. Webster told *Advertising Age* he's met with representatives of seven plastic bag and diaper companies, which he declined to name, and said he expects enforcement action against at least some of those companies by summer.

Barry Cutler, director of the FTC's Bureau of Consumer Protection, said his office has more than a dozen investigations under way into products' environmental claims, including those of diaper and plastic bag marketers.

"For example, the staff is looking at whether products are actually 'photodegradable,' 'biodegradable,' 'ozone-friendly' or 'recyclable,' " he said.

Mr. Cutler also touched on seal programs, saying they "have the potential to be deceptive."

If seal programs become operational, "the commission will review product advertising and labels," he said, "to ensure that they do not result in deceptive or misleading advertising claims." □

Continental touts service

By Jennifer Lawrence

HOUSTON—Continental Airlines starts an image makeover May 22 in a $7 million ad campaign showcasing the first TV creative work from new agency Wells, Rich, Greene, New York.

The new approach—both strategically and creatively—sets the stage for a major repositioning for the No. 5 carrier.

Once the price airline advertising leader, the Texas Air Corp. unit now will use a service message.

Past summer marketing initiatives have typically centered on low fares or value-added promotions such as "kids fly free."

Continental uses little girls trying on bathing suits to show it's easy to find a low fare that's just the right fit.

The new campaign features four 15-second spots paired as :30s. All open with "Get ready. Get set. Go." The theme line is "Continental summer. We're ready."

"We wanted to do a broad-scale message just when people are planning their summer," said Richard Metzner, Continental senior director-marketing services. "We also wanted to begin to reposition the airline as one that has accomplished a great deal and offers a good service product."

The new TV spots will be used in 10 markets for the first five-week flight. Local and national newspaper ads will support.

Continental is trying to bounce back from service problems following the acquisition of People Express in early 1987.

How to market that comeback was said to be a key issue in the review that landed the $40 million-to-$50 million account at WRG from N W Ayer, here and New York. □

IN THIS ISSUE

NEWS

- **Iced coffee** market heats up as Nestle, Coca-Cola and General Foods prepare for battle 4
- **Southwest Airlines** puts creative portion of $20 million account up for review 12
- **Perrier** sales aren't taking off in New York, where it has returned following a global recall 16
- **Walt Disney Co.** adds fun and fantasy to food in its first out-of-park restaurant, Mickey's Kitchen 17
- **Martin Sorrell's** focus on future growth rules out purchase of Saatchi agencies 52
- **David Martin** hangs his name at another agency with his move to chairman of Fahlgren & Swink 57

VIEWPOINT

- Sid Bernstein: What to do about the deficit 28
- James Brady: Discovering what's fun in Fla. 36
- Joe Winski: A picture perfect story 36

Editorials ..... 28 | Brady's Bunch 34
Letters ..... 32 | The Next Trend 36

Direct Marketing Agency Report

- Shops' billings soar 12%.
- Alternate delivery picks up the pace.
- Use-tax issue moving toward day in high court.

- Dentsu finalizes international development plans 41

RETAIL MARKETING NEWS

- Department stores polish their images 42

SALES PROMOTION NEWS

- Rebate program takes to the phone 44

MEDIAWORKS

- April sees robust spot TV sales 46

PEOPLE

- Robert Pittman steers Time Warner in new directions 48
- People Moving 48
- Photo Review 50

- General Motors' new campaigns from N W Ayer and McCann-Erickson take the road of penance and focus on improved quality.

U.S. NewsWatch 10
Corrections & Clarifications 32
Classified 83
For the Record 87
Index to Advertisers 92

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Ad Age's first quarterly report examines media spending in '89 versus '88, and tells who's on top in the brand race.

THE TOP 200 BRANDS

McDonald's tops in spending

By R. Craig Endicott

Big Mac reigns supreme.

McDonald's Corp. piled up expensive broadcast spending in 1989 to pad its lead as the nation's largest advertised brand name.

McDonald's spent $424.8 million in measured media, up 6.1% from 1988, according to *Advertising Age's* first quarterly report on the nation's top 200 brands. *(See accompanying box for definition of "brand." Brand rankings appear on Pages 26 and 27.)*

The fast-food chain boosted broadcast 7.8% to $417.8 million to once again outdistance another broadcast-sustained name, No. 2 Kellogg's cereals, at $373.3 million, up 5.3%. In fact, broadcast pulled 98% of the total measured media spent by the top two brand names.

Sears, Roebuck & Co., which passed AT&T Co. for the third spot with $363.7 million, spent 57% of its measured outlay in broadcast. Entry into the top 200 required an expenditure of $25.3 million in 1989. AT&T spent $314.3 million on its telephone services, up 8%.

Philip Morris Cos. claimed 12 positions—the most of any company—among the 200 with aggregate spending of $753.7 million, up a modest 3.5%. But it could not pull past General Motors Corp., which remained the largest brand parent in total expenditures within the 200 with $778.7 million, up only 1.1%. GM pulled its leading tally from eight brands.

PM's largest brand, Miller beers, ranked No. 11 based on $146.8 million in measured spending, down 10.3% from 1988. Five of its cigarette brands—Marlboro, Merit, Virginia Slims, Benson & Hedges and Alpine—occupied top 200 positions, as did Post cereals, Kraft cheeses, Maxwell House coffees, Kraft salad dressings and mayonnaises, Jell-O desserts and General Foods International Coffees.

Procter & Gamble Co., supplanted by Philip Morris Cos. as the nation's largest advertiser among all brands in 1988, spawned the third-largest retinue of leading brands among the 200. Its entries—Folgers, Tide, Oil of Olay, Crest, Head & Shoulders and Nyquil—accounted for an aggregate $283 million in measured media, up a dramatic 35.9%, but placing P&G only 11th among brand parents.

National spending by the 200, based on nine-media totals compiled by Leading National Advertisers, grew to $12.43 billion, up 10.4% over 1988. The 200 aggregate rose from 31.7% to 32.4% of all LNA-monitored national ad spending. That amount rose 7.9%, hitting $38.34 billion in 1989, for more than 39,000 brands.

The 200 exercised their economic clout in broadcast media, comprised of network and spot TV, and syndicated and cable TV networks. They propped up network TV by spending $5.12 billion in the medium, up 8.3%. Meanwhile, the nation's advertisers as a whole trimmed TV budgets to produce an overall 0.2% decline in network advertising.

The brand elite commanded 53.5% of all network TV expenditures of $9.56 billion in 1989, up from 49.3% of the total in 1988.

The 200's spot TV spending rose 7.3% to $2.66 billion, which was 29.4% of all spending in the medium in 1989, up from 28.7%.

In the burgeoning syndicated TV market, the 200 claimed 39.3%, up from 35.8% in 1988 as their spending grew 57% to $505.5 million. Syndicated TV's total expenditures were $1.29 billion, up 43% for the year.

Likewise, the 200 captured 32.2% of all cable network advertising of $952.5 million, up from 29.9%, with an expenditure of $306.7 million.

The 200's spending in magazines rose 14.5% to $1.75 billion to claim 26.6% of all national magazine spending of $6.59 billion, up from 26% of the total in 1988. In newspapers, the 200 accounted for 16.9% of $8.78 billion national spending in the medium, as their expenditures grew only 3% to $1.48 billion.

Category composition of the top 200 brand names is weighted toward three categories: Passenger cars, general retail and restaurants. As a group, they claimed 39% of total spending by the 200.

Passenger cars, comprising 28 of the top 200 brands, totaled $2.42 billion. This represented a growth of 18.2%, virtually all from Japanese imports and Chrysler Corp., whose car total rose 6.8% to $252.7 million.

Enhancing the category's strong growth performance was $146.3 million in 1989 advertising for No. 97 Lexus, No. 140 Infiniti, and No. 53 Geo compared with $9.6 million in 1988, all for Geo.

Spending in the category declined for both General Motors and Ford Motor Co. The lead name among passenger cars was No. 5 Ford passenger cars with $197.4 million, down 7.3% from its category leading total in 1988.

General Motors' first entry on the chart was Chevrolet passenger cars, No. 7 with $180.6 million, down 1.9%.

Total general retail spending increased 14.9% to $1.24 billion among the 15 brands in the category. Retail, a composition of household, apparel and miscellaneous spending, was paced by the No. 3 brand overall, Sears, Roebuck & Co. stores with $363.7 million, a 57% increase reflecting a massive ad infusion in broadcast to push its "Everyday low prices" marketing theme launched in early 1989.

Macy's stores pulled past K mart Corp. stores for the category's runner-up spot in 1989 although spending for both declined from the prior year. Macy's took No. 12 overall with spending of $146.8 million, down 0.2%, and K mart claimed No. 14 with $128.7 million in spending, a 19.1% drop.

Restaurants, as a category of 11 brands, grew 9.4% to $1.17 billion. Burger King, the No. 9 brand name overall at $170.4 million, up 11.5%, remained the perennial runner-up to McDonald's, which accounted for 36% of category spending.

PepsiCo amassed $272.1 million in restaurant spending behind No. 18 Kentucky Fried Chicken, No. 30 Pizza Hut and No. 63 Taco Bell. The category served up the bulk of PepsiCo's $401.3 million in total expenditures among its top 200 brands, ranking it sixth among brand parents. □

Top 10 categories among top 200 brands

Rank	Category	Measured ad spending 1989	1988	% chg	1989 spending by media Print	Broadcast	Outdoor	Number of brands
1	Passenger car	$2,424.2	$2,050.1	18.2	$725.4	$1,689.7	$9.1	28
2	Retail, non-food	1,243.4	1,081.8	14.9	663.4	578.8	1.2	15
3	Restaurants	1,171.2	1,071.0	9.4	4.3	1,154.0	12.9	11
4	Cereal (food)	643.6	587.2	9.6	22.4	621.2	0.0	5
5	Beer	549.2	601.1	(8.6)	30.7	507.6	10.8	5
6	Airline	486.2	447.4	8.7	290.4	188.7	7.1	9
7	Movies	462.9	422.9	9.5	122.6	339.5	0.9	8
8	Trucks & vans	455.5	397.4	14.6	142.7	311.4	1.5	7
9	Cigarettes	432.3	423.4	2.1	306.4	0.0	125.9	10
10	Telephone cos.	400.0	369.8	8.2	101.4	298.4	0.2	3

Notes: Dollars are in millions. Totals include only brands from within the top 200. Source: LNA/Arbitron Multi-Media Service

Top 10 parent companies of brands in top 200

Rank	Company	Measured ad spending 1989	1988	% chg	1989 spending by media Print	Broadcast	Outdoor	Number of brands
1	General Motors Corp.	$778.7	$769.9	1.1	$224.6	$550.7	$3.4	8
2	Philip Morris Cos.	753.7	728.0	3.5	242.2	443.2	68.4	12
3	McDonald's Corp.	424.8	400.5	6.1	1.0	417.8	5.9	1
4	Ford Motor Co.	416.1	387.0	7.5	148.3	264.9	3.0	4
5	Sears, Roebuck & Co.	404.6	262.2	54.3	156.8	247.3	0.5	2
6	PepsiCo Inc.	401.3	367.3	9.3	8.3	389.8	3.1	5
7	Kellogg Co.	373.3	354.6	5.3	7.5	365.9	0.0	1
8	Chrysler Corp.	355.5	329.2	8.0	139.9	214.5	1.0	6
9	AT&T Co.	314.3	291.0	8.0	89.3	224.8	0.2	1
10	Anheuser-Busch Cos.	297.2	328.7	(9.6)	15.1	279.2	2.9	3

Notes: Dollars are in millions. Totals include only brands from within the top 200. Source: LNA/Arbitron Multi-Media Service

Measured ad spending by media for 200 brands

Rank	Media	Top 200 brands 1989	1988	% chg	All measured brands 1989	1988	% chg
1	Network TV	$5,117.0	$4,724.7	8.3	$9,559.0	$9,580.3	(0.2)
2	Spot TV	2,655.6	2,474.4	7.3	9,030.4	8,609.9	4.9
3	Magazine	1,754.6	1,531.8	14.5	6,594.9	5,888.7	12.0
4	Newspaper	1,479.7	1,437.2	3.0	8,777.5	7,938.6	10.6
5	Syndicated TV	505.5	322.0	57.0	1,286.7	900.0	43.0
6	Cable TV networks	306.7	223.7	37.1	952.5	748.0	27.4
7	Network radio	285.7	245.7	16.3	696.2	657.2	5.9
8	Outdoor	190.4	194.9	(2.3)	705.8	718.2	(1.7)
9	Sunday magazine	132.6	107.3	23.6	737.0	492.2	49.7
	Subtotal print media	3,366.9	3,076.3	9.4	16,109.4	14,319.5	12.5
	Subtotal broadcast media	8,870.4	7,990.5	11.0	21,524.9	20,495.4	5.0
	Total nine media	12,427.8	11,261.7	10.4	38,340.1	35,533.1	7.9

Notes: Dollars are in millions. Source: LNA/Arbitron Multi-Media Service

Defining what constitutes a 'brand' is no simple task

What is a "brand"?

Our working definition in this report is a line of products or services bearing the same name within an industry subclass as defined by Publishers Information Bureau Codes.

This definition captures most line extensions of brands; identifies the product in its most recognized and heaviest advertised segment of the market; and narrows the brand to a single subclass.

But there are objections, which we acknowledge. Some purists may say this definition errs on the side of inclusiveness by producing "mega-brands," as in No. 70 Kraft cheeses as opposed to Cracker Barrel or Philadelphia Cream Cheese.

Another example: No. 2 Kellogg's cereals as opposed to Kellogg's Frosted Flakes.

Others may say our subclasses are too exclusive. If Alka-Seltzer jumps across the antacid boundary into cold remedies, this reasoning goes, the brand tally should follow the "name."

Even limiting subclass coupling produced such entries as No. 5 Ford passenger cars and No. 17 Ford trucks and vans, which show up separately when really the brand name is the same.

Likewise, PIB code subclasses in areas such as cosmetics are much more specific—skincare creams, lip & eye, scents & fragrances, etc.—than subcategories identifying beer (one subclass). This prevents such brands as Revlon and Maybelline from making the top 200 because they don't spend enough in a single subclass.

We are interested in your comments on our methodology and will be making refinements as we go along. □

Brands, products & services by ad spending

Rank '89	Rank '88	Brand, product, service & parent company	Category	Measured ad spending 1989	Measured ad spending 1988	% chg	Print media 1989	Print media 1988	Broadcast media 1989	Broadcast media 1988	Outdoor 1989	Outdoor 1988
1	1	**McDonald's restaurants**, McDonald's Corp.	Restaurants	$424,789.9	$400,527.5	6.1	$1,025.8	$6,644.8	$417,846.3	$387,580.5	$5,917.8	$6,302.2
2	2	**Kellogg's cereals**, Kellogg Co.	Food, cereal	373,331.3	354,577.8	5.3	7,462.6	6,306.0	365,868.7	348,271.8	0.0	0.0
3	4	**Sears, Roebuck & Co. stores**, Sears, Roebuck & Co.	Retail & misc	363,714.4	231,191.9	57.3	155,458.4	154,422.7	207,852.0	76,389.5	404.0	379.7
4	3	**AT&T**, AT&T Co.	Telephone	314,333.7	291,034.1	8.0	89,317.7	73,642.9	224,843.4	217,159.4	172.6	231.8
5	5	**Ford passenger cars**, Ford Motor Co.	Passenger cars	197,361.3	213,015.9	(7.3)	72,231.7	70,962.5	124,113.1	140,137.4	1,016.5	1,916.0
6	6	**Budweiser beer**, Anheuser-Busch Cos.	Beer	183,074.6	202,655.5	(9.7)	10,507.9	10,124.9	170,499.6	188,816.8	2,067.1	3,713.8
7	7	**Chevrolet passenger cars**, General Motors Corp.	Passenger cars	180,551.0	184,041.2	(1.9)	72,021.9	66,874.2	105,832.8	116,038.1	2,696.3	1,128.9
8	18	**Nissan passenger cars**, Nissan Motor Co.	Passenger cars	173,595.1	118,623.0	46.3	15,175.2	30,653.4	158,028.6	87,027.0	391.3	942.6
9	10	**Burger King restaurants**, Grand Metropolitan PLC	Restaurants	170,358.5	152,816.9	11.5	566.8	1,237.8	168,881.7	150,608.8	910.0	970.3
10	15	**Toyota passenger cars**, Toyota Motor Corp.	Passenger cars	162,014.8	123,072.9	31.6	27,860.9	29,289.9	133,636.5	93,102.4	517.4	680.6
11	8	**Miller beer**, Philip Morris Cos.	Beer	146,846.7	163,561.4	(10.2)	12,621.3	6,097.8	129,835.1	154,207.7	4,390.3	3,255.9
12	11	**Macy's stores**, R.H. Macy Co.	Retail & misc	146,806.0	147,096.7	(0.2)	130,416.8	131,637.8	16,320.0	15,082.5	69.2	376.4
13	12	**Oldsmobile passenger cars**, General Motors Corp.	Passenger cars	128,900.7	139,533.9	(7.6)	35,610.5	47,344.8	93,274.5	92,150.1	15.7	39.0
14	9	**K mart stores**, K mart Corp.	Retail & misc	128,741.4	159,050.9	(19.1)	67,973.9	66,306.5	60,767.5	92,629.4	0.0	115.0
15	28	**Mazda passenger cars**, Mazda Motor Corp.	Passenger cars	126,120.6	89,906.0	40.3	39,015.2	31,065.8	86,786.2	58,840.2	319.2	0.0
16	24	**American Express credit cards**, American Express Co.	Credit cards	123,801.5	103,385.5	19.7	32,709.7	32,658.0	90,845.5	70,723.2	246.3	4.3
17	35	**Ford trucks & vans**, Ford Motor Co.	Trucks & vans	120,685.4	79,282.9	52.2	36,857.4	28,372.4	83,138.9	50,809.9	689.1	100.6
18	25	**Kentucky Fried Chicken**, PepsiCo	Restaurants	118,400.7	100,623.2	17.7	571.7	543.9	117,158.1	99,308.0	670.9	771.3
19	16	**Wrigley's**, Wm. Wrigley Jr. Co.	Candy & gum	112,997.9	122,711.6	(7.9)	7,679.0	5,940.6	104,924.0	116,551.5	394.9	219.5
20	13	**Pontiac passenger cars**, General Motors Corp.	Passenger cars	111,602.6	128,947.3	(13.5)	17,365.9	27,247.5	94,084.6	101,340.5	152.1	359.3
21	38	**Subaru passenger cars**, Subaru of America	Passenger cars	110,487.7	74,189.3	48.9	16,824.7	15,300.1	92,583.6	58,888.4	1,079.4	0.8
22	19	**Buick passenger cars**, General Motors Corp.	Passenger cars	108,214.1	109,821.4	(1.5)	23,626.3	27,693.1	84,376.4	81,869.1	211.4	259.2
23	20	**Coors beer**, Adolph Coors Co.	Beer	105,167.0	108,810.0	(3.3)	2,997.2	3,327.5	98,609.1	102,668.7	3,560.7	2,813.8
24	14	**Chevrolet trucks**, General Motors Corp.	Trucks & vans	104,991.6	123,441.5	(14.9)	38,816.4	38,748.9	66,059.8	83,711.6	115.4	981.0
25	21	**Penneys stores**, J.C. Penney Co.	Retail & misc	104,796.3	106,715.5	(1.8)	63,476.6	57,178.6	41,301.6	49,493.0	18.1	43.9
26	45	**Universal City Studios**, MCA Inc.	Amusements	102,344.9	68,570.0	49.3	25,711.1	21,700.3	73,240.8	45,353.2	3,393.0	1,516.5
27	23	**Post cereals**, Philip Morris Cos.	Food, cereal	101,956.4	103,439.9	(1.4)	3,369.1	4,910.7	98,587.3	98,529.2	0.0	0.0
28	22	**Chrysler passenger cars**, Chrysler Corp.	Passenger cars	101,166.7	106,587.1	(5.1)	54,410.9	45,864.3	46,620.1	60,343.5	135.7	379.3
29	17	**Marlboro cigarettes**, Philip Morris Cos.	Cigarettes	100,750.5	119,207.4	(15.5)	68,943.0	87,987.6	0.0	3.5	31,807.5	31,216.3
30	34	**Pizza Hut restaurants**, PepsiCo	Restaurants	94,466.9	83,008.8	13.8	1,060.0	456.6	92,992.8	82,117.5	414.1	434.7
31	37	**Warner Bros.**, Time Warner	Movies	94,436.1	76,977.7	22.7	28,604.8	29,184.0	65,307.3	47,303.2	524.0	490.5
32	30	**Honda passenger cars**, Honda Motor Co.	Passenger cars	93,366.3	87,782.4	6.4	28,890.8	26,395.3	64,324.0	61,013.8	151.5	373.3
33	31	**Wendy's restaurants**, Wendy's International	Restaurants	92,523.0	86,222.7	7.3	126.6	77.6	90,955.2	84,398.5	1,441.2	1,746.6
34	48	**Folgers coffees**, Procter & Gamble Co.	Food, coffee	90,383.7	64,128.1	40.9	1,649.5	2,624.7	88,733.9	61,499.6	0.3	3.8
35	26	**IBM computers**, IBM Corp.	Computers	88,311.4	98,686.9	(10.5)	42,080.7	42,294.2	46,217.1	56,381.9	13.6	10.8
36	40	**Hyundai passenger cars**, Hyundai Group	Passenger cars	87,179.1	71,222.7	22.4	17,786.7	10,393.9	68,896.9	60,828.8	495.5	0.0
37	60	**Acura passenger cars**, Honda Motor Co.	Passenger cars	86,110.1	56,725.7	51.8	28,294.2	16,786.5	57,720.8	39,939.2	95.1	0.0
38	27	**Michelob beer**, Anheuser-Busch Cos.	Beer	85,515.3	95,095.8	(10.1)	4,459.9	5,830.5	80,750.5	88,925.8	304.9	339.5
39	36	**American Airlines**, AMR Corp.	Airlines	81,675.0	77,147.6	5.9	51,723.3	37,209.5	29,565.1	39,744.6	386.6	193.5
40	29	**Dodge passenger cars**, Chrysler Corp.	Passenger cars	80,590.8	87,982.6	(8.4)	28,023.6	24,244.6	52,532.2	63,677.2	35.0	60.8
41	52	**Circuit City store**, Circuit City Stores	Retail & misc	78,634.5	60,600.4	29.8	37,608.2	29,651.4	41,026.3	30,949.0	0.0	0.0
42	39	**United Air Lines**, UAL Corp.	Airlines	78,253.2	73,932.6	5.8	22,832.4	17,182.0	54,590.9	56,649.3	829.9	101.3
43	32	**Franklin Mint**, Franklin Mint	Misc	77,796.1	85,817.4	(9.3)	76,664.8	79,941.0	1,131.3	5,876.4	0.0	0.0
44	33	**Coca-Cola beverages**, Coca-Cola Co.	Soda	77,407.1	84,455.7	(8.3)	4,005.6	5,147.8	71,461.8	77,323.2	1,939.7	1,984.7
45	43	**Columbia Pictures**, Sony Corp.	Movies	76,894.1	69,876.0	10.0	17,421.7	19,451.0	59,388.7	50,408.0	83.7	17.0
46	44	**Tylenol pain reliever**, Johnson & Johnson	Pharmaceuticals	76,322.9	69,026.8	10.6	6,070.0	5,646.6	70,252.9	63,380.2	0.0	0.0
47	50	**Kodak cameras & accessories**, Eastman Kodak Co.	Photo	72,174.7	61,823.4	16.7	22,265.3	14,426.7	49,509.5	46,922.4	399.9	474.3
48	42	**Pepsi beverages**, PepsiCo	Soda	71,952.0	70,244.2	2.4	4,106.6	3,795.0	66,716.0	65,110.9	1,129.4	1,338.3
49	91	**Maxwell House coffees**, Philip Morris Cos.	Food, coffee	71,111.6	44,384.9	60.2	928.2	3,763.0	70,150.6	40,621.9	32.8	0.0
50	49	**Nabisco cookies & crackers**, RJR Nabisco	Food, misc	69,906.0	63,237.6	10.5	262.5	3,620.3	69,643.5	59,617.3	0.0	0.0
51	56	**Delta Air Lines**, Delta Air Lines	Airlines	68,639.5	58,748.1	16.8	31,575.7	25,942.0	35,404.9	31,477.6	1,658.9	1,328.5
52	75	**Cheerios cereal**, General Mills	Food, cereal	68,108.1	49,009.0	39.0	5,102.9	1,970.8	63,005.2	47,038.2	0.0	0.0
53	195	**Geo**, General Motors Corp.	Passenger cars	67,634.8	9,624.3	602.8	11,823.7	2,771.5	55,798.5	6,852.8	12.6	0.0
54	41	**Paramount Pictures**, Paramount Communications	Movies	67,443.1	70,425.5	(4.2)	20,546.0	22,209.2	46,837.3	48,177.0	59.8	39.3
55	103	**Mitsubishi passenger cars**, Mitsubishi Motors Corp.	Passenger cars	67,100.1	40,054.5	67.5	7,703.5	5,077.8	59,395.8	34,916.8	0.8	59.9
56	54	**Mercedes Benz passenger cars**, Daimler-Benz AG	Passenger cars	66,261.2	59,587.1	11.2	29,725.5	31,732.6	36,535.7	27,853.6	0.0	0.9
57	66	**Mercury passenger cars**, Ford Motor Co.	Passenger cars	65,585.6	54,409.5	20.5	25,769.0	15,209.3	38,639.7	39,104.2	1,176.9	96.0
58	79	**Montgomery Ward stores**, Montgomery Ward & Co.	Retail & misc	65,517.2	48,037.6	36.4	46,009.1	43,626.7	19,508.1	4,410.9	0.0	0.0
59	72	**Toyota trucks & vans**, Toyota Motor Corp.	Trucks & vans	62,969.2	49,672.6	26.8	10,746.6	8,658.1	52,180.3	40,873.4	42.3	141.1
60	86	**Hallmark stationary**, Hallmark Cards	Misc	62,039.0	46,074.3	34.6	13,563.9	11,102.5	48,475.1	34,971.8	0.0	0.0
61	94	**Dominos Pizza restaurants**, Dominos Pizza	Restaurants	60,120.6	42,008.1	43.1	418.0	660.5	59,236.2	41,051.3	466.4	296.3
62	63	**Dodge trucks & vans**, Chrysler Corp.	Trucks & vans	59,513.5	55,321.0	7.6	17,716.8	17,189.5	41,792.6	38,126.6	4.1	4.9
63	47	**Taco Bell restaurants**, PepsiCo	Restaurants	59,211.9	64,921.3	(8.8)	64.5	107.3	58,298.7	64,463.0	848.7	351.0
64	61	**Diet Coke**, Coca-Cola Co.	Soda	59,183.4	56,658.3	4.5	4,130.0	3,384.1	54,953.7	53,170.0	99.7	104.2
65	51	**BMW passenger cars**, BMW AG	Passenger cars	58,828.3	61,614.5	(4.5)	32,609.4	38,653.8	26,218.9	22,949.7	0.0	11.0
66	53	**U.S. Army**, U.S. Government	Misc	58,653.9	60,275.8	(2.7)	17,465.3	17,158.1	41,174.3	43,112.0	14.3	5.7
67	67	**Quaker cereal**, Quaker Oats Co.	Food, cereal	58,187.0	53,117.5	9.5	6,271.9	7,962.9	51,902.4	45,148.0	12.7	6.6
68	71	**Red Lobster Inns restaurants**, General Mills	Restaurants	57,965.7	50,789.6	14.1	46.0	94.2	57,612.6	50,475.5	307.1	219.9
69	76	**Diet Pepsi**, PepsiCo.	Soda	57,229.0	48,469.5	18.1	2,514.7	1,649.6	54,638.5	46,791.3	75.8	28.6
70	46	**Kraft cheeses**, Philip Morris Cos.	Food, cheese	57,077.7	67,968.6	(16.0)	7,725.6	9,631.8	49,352.1	58,336.8	0.0	0.0
71	62	**Highland stores**, Highland Superstores	Retail & misc	56,795.4	55,579.2	2.2	36,244.4	32,786.1	20,551.0	22,792.8	0.0	0.3
72	70	**Touchstone Films**, Walt Disney Co.	Movies	56,686.3	51,222.3	10.7	12,201.6	11,894.3	44,484.7	39,328.0	0.0	0.0
73	64	**Merit cigarettes**, Philip Morris Cos.	Cigarettes	54,222.5	55,184.5	(1.7)	48,950.2	49,392.7	0.0	0.0	5,272.3	5,791.8
74	58	**Volkswagen passenger cars**, Volkswagen AG	Passenger cars	52,484.3	57,419.8	(8.6)	12,413.2	16,884.0	40,038.2	40,492.9	32.9	42.9
75	55	**20th Century-Fox**, News Corp.	Movies	52,365.0	58,812.7	(11.0)	12,117.4	15,742.1	40,247.6	43,070.6	0.0	0.0
76	166	**Tide laundry products**, Procter & Gamble Co.	Cleaners	52,163.9	24,656.8	111.6	5,785.2	2,687.8	46,012.9	21,581.9	365.8	387.1
77	74	**Clairol hair coloring products**, Bristol-Myers Squibb Co.	Toiletries	51,917.9	49,246.8	5.4	15,904.9	12,984.7	36,012.8	36,262.1	0.2	0.0
78	83	**Orion Pictures**, Orion Pictures Corp.	Movies	51,601.3	46,440.9	11.1	12,793.1	14,364.6	38,791.4	32,068.8	16.8	7.5
79	89	**Radio Shack store**, Tandy Corp.	Retail & misc	51,524.2	44,556.5	15.6	30,152.1	26,295.5	21,372.1	18,261.0	0.0	0.0
80	169	**Kraft salad dressing & mayonnaise**, Philip Morris Cos.	Food, condiments	51,462.4	23,976.8	114.6	9,738.4	4,203.4	41,724.0	19,773.4	0.0	0.0
81	110	**Northwest Airlines**, NWA Inc.	Airlines	50,836.9	38,169.1	33.2	30,457.0	14,400.0	20,139.1	23,280.9	240.8	488.2
82	65	**True Value stores**, Cotter & Co.	Retail & misc	50,562.8	54,672.5	(7.5)	8,831.4	6,569.7	41,645.4	48,033.0	86.0	69.8
83	68	**Campbell's soups**, Campbell Soup Co.	Food, soup	49,827.5	52,483.1	(5.1)	7,580.0	7,265.8	41,832.8	44,240.7	414.7	976.6
84	115	**Mattel toys**, Mattel Inc.	Toys	49,538.4	36,382.5	36.2	6,657.3	4,780.1	42,881.1	31,602.4	0.0	0.0
85	82	**Levis sportswear**, Levi Strauss & Co.	Apparel	49,455.8	46,621.1	6.1	1,022.6	3,984.0	48,411.1	42,559.9	22.1	77.2
86	57	**Hasbro toys**, Hasbro Inc.	Toys	49,258.6	57,594.9	(14.5)	54.2	30.1	49,204.4	57,564.8	0.0	0.0
87	92	**Newport cigarettes**, Loews Corp.	Cigarettes	48,759.3	44,226.2	10.2	19,379.7	15,964.3	0.0	0.0	29,379.6	28,261.9
88	90	**United Parcel air freight service**, UPS of America	Delivery, freight	48,553.3	44,428.3	9.3	6,947.4	5,991.5	41,605.9	38,404.5	0.0	32.3
89	81	**Advil pain reliever**, American Home Products Corp.	Pharmaceuticals	47,940.6	46,695.9	2.7	4,263.6	3,721.7	43,677.0	42,974.2	0.0	0.0
90	77	**Cadillac passenger cars**, General Motors Corp.	Passenger cars	47,922.6	48,396.0	(1.0)	11,809.3	13,270.6	36,074.3	35,091.3	39.0	34.1
91	73	**Continental Air Lines**, Texas Air Corp.	Airlines	47,759.6	49,252.2	(3.0)	39,721.8	42,834.3	7,145.9	5,612.3	891.9	805.6
92	80	**American Dairy promotions**, American Dairy Assn.	Associations	47,508.5	47,951.7	(0.9)	0.0	9.3	47,295.9	47,726.0	212.6	216.4
93	127	**Purina dog food**, Ralston Purina Co.	Pet food	47,176.5	33,253.3	41.9	18,599.7	9,968.8	28,553.2	23,284.5	23.6	0.0
94	129	**Tropicana juices**, Seagram Co.	Food, juice	46,794.7	32,504.9	44.0	665.0	492.8	46,128.0	32,012.1	1.7	0.0
95	85	**TWA Airlines**, Trans World Airlines	Airlines	46,430.3	46,376.9	0.1	33,494.4	31,218.8	12,529.5	14,884.4	406.4	273.7
96	106	**Prudential Life Ins.**, Prudential Insurance Co. of America	Insurance	46,122.2	39,377.3	17.1	8,633.6	8,028.9	37,488.6	31,342.3	0.0	6.1
97	NA	**Lexus**, Toyota Motor Corp.	Passenger cars	46,025.0	0.0	NA	15,919.8	0.0	30,105.2	0.0	0.0	0.0
98	109	**U.S. Postal Service**, U.S. Government	Delivery, freight	45,212.6	38,221.1	18.3	14,753.0	12,105.8	29,759.7	25,218.7	699.9	896.6
99	95	**Midas Muffler shops**, Whitman Corp.	Retail & misc	44,713.6	41,783.1	7.0	356.6	588.1	44,307.2	41,129.5	49.8	55.5
100	134	**Oil of Olay creams & lotions**, Procter & Gamble Co.	Toiletries	44,709.4	31,600.1	41.5	20,163.1	11,802.1	24,546.3	19,798.0	0.0	0.0

Notes: Dollars are in thousands. Print media includes magazine, Sunday magazine and newspaper spending. Broadcast media includes network, spot and syndicated TV, cable TV networks, and network radio. Source: LNA/Arbitron Multi-Media Service

Brands, products & services by ad spending

Rank '89	Rank '88	Brand, product, service & parent company	Category	Total measured ad spending 1989	Total measured ad spending 1988	% chg	Print media 1989	Print media 1988	Broadcast media 1989	Broadcast media 1988	Outdoor 1989	Outdoor 1988
101	133	**Virginia Slims cigarettes**, Philip Morris Cos.	Cigarettes	$44,360.8	$31,931.1	38.9	$33,596.1	$23,335.5	$0.0	$0.0	$10,764.7	$8,595.6
102	93	**MCI**, MCI Communications Corp.	Telephone cos.	44,293.7	42,611.7	3.9	7,142.3	5,926.7	37,131.9	36,664.0	19.5	21.0
103	105	**CBS TV network**, CBS Inc.	TV	43,834.1	39,389.0	11.3	37,289.6	35,720.2	5,510.6	3,630.3	1,033.9	38.5
104	78	**Eastern Air Lines passenger**, Texas Air Corp.	Airlines	43,764.3	48,149.9	(9.1)	37,495.1	41,766.1	6,092.5	5,908.2	176.7	475.6
105	148	**Goodyear tires**, Goodyear Tire & Rubber Co.	Passenger cars	43,364.4	27,776.5	56.1	26,161.5	11,921.9	17,092.4	15,764.8	110.5	89.8
106	114	**Jeep trucks & vans**, Chrysler Corp.	Trucks & vans	43,219.1	37,344.0	15.7	13,729.0	10,750.2	29,017.6	26,105.0	472.5	488.8
107	84	**Kroger food stores**, Kroger Co.	Retail, food	42,213.6	46,438.3	(9.1)	14,858.1	16,734.4	26,512.3	28,063.9	843.2	1,640.0
108	152	**Total cereal**, General Mills	Cereal (food)	42,015.0	27,094.9	55.1	178.3	144.9	41,836.7	26,950.0	0.0	0.0
109	102	**Pan Am Airlines passenger**, Pan American World Airways	Airlines	41,771.3	40,229.5	3.8	35,302.3	28,976.1	5,820.6	10,361.3	648.4	892.1
110	117	**US Sprint**, United Telecommunications	Telephone cos.	41,366.4	36,117.0	14.5	4,897.0	1,644.3	36,469.4	34,472.7	0.0	0.0
111	98	**Crest toothpaste**, Procter & Gamble Co.	Toiletries	40,908.1	41,016.7	(0.3)	5,515.0	6,024.6	35,393.1	34,983.1	0.0	9.0
112	139	**Discover credit card service**, Sears, Roebuck & Co.	Credit cards	40,853.1	31,006.2	31.8	1,343.6	275.4	39,426.0	30,730.8	83.5	0.0
113	108	**Lucky food stores**, American Stores Co.	Retail, food	40,628.2	39,271.7	3.5	24,520.6	22,675.4	15,609.7	15,665.0	497.9	931.3
114	97	**Hardees restaurants**, Imasco Ltd.	Restaurants	40,603.9	41,167.5	(1.4)	46.0	276.1	38,764.9	38,702.6	1,793.0	2,188.8
115	183	**Plymouth passenger cars**, Chrysler Corp.	Passenger cars	40,074.4	19,728.1	103.1	15,856.4	5,691.2	23,840.5	14,035.4	377.5	1.5
116	107	**Clorox laundry products**, Clorox Co.	Cleaners	38,363.5	39,353.5	(2.5)	5,550.6	721.2	32,579.2	38,632.3	233.7	0.0
117	136	**Stouffer frozen entrees**, Nestle SA	Food, misc.	38,192.0	31,541.4	21.1	7,321.5	8,183.2	30,870.5	23,358.2	0.0	0.0
118	59	**Benson & Hedges cigarettes**, Philip Morris Cos.	Cigarettes	37,615.8	57,363.1	(34.4)	30,519.5	47,789.6	0.0	0.0	7,096.3	9,573.5
119	69	**Federal Express air cargo**, Federal Express Corp.	Delivery, freight	36,504.9	51,547.3	(29.2)	8,649.4	7,244.3	27,843.7	44,297.9	11.8	5.1
120	168	**Home Box Office**, Time Warner	TV	36,108.4	24,050.8	50.1	7,859.2	14,789.5	28,125.1	9,190.3	124.1	71.0
121	138	**Toys-R-Us stores**, Toys-R-Us	Retail, non-food	36,053.6	31,209.1	15.5	21,848.8	19,057.6	14,016.3	11,960.3	188.5	191.2
122	155	**Walgreen drugs**, Walgreen Co.	Retail, non-food	35,698.6	26,579.6	34.3	20,163.5	14,273.3	15,526.6	12,306.3	8.5	0.0
123	88	**Apple computers**, Apple Computer	Computers	35,597.7	44,688.1	(20.3)	13,708.7	11,813.0	21,889.0	32,861.5	0.0	13.6
124	153	**Kenner toys**, Tonka Corp.	Toys	35,574.6	27,007.7	31.7	94.8	391.0	35,479.8	26,616.7	0.0	0.0
125	99	**Colgate toothpaste & toothbrushes**, Colgate-Palmolive Co.	Toiletries	35,556.9	40,827.0	(12.9)	5,166.1	4,484.2	29,714.9	35,610.7	675.9	732.1
126	87	**Safeway stores**, Safeway Stores	Retail, food	35,492.6	45,453.5	(21.9)	19,142.3	28,877.9	15,407.3	16,052.0	943.0	523.6
127	156	**Isuzu trucks**, Isuzu Ltd.	Trucks & vans	35,206.9	26,201.9	34.4	11,265.3	4,964.1	23,938.1	21,230.8	3.5	7.0
128	162	**MasterCard credit card services**, MasterCard International	Credit cards	34,998.2	25,976.4	34.7	4,771.7	6,268.6	30,186.8	19,663.8	39.7	44.0
129	187	**Jewel stores**, American Stores Co.	Retail, food	34,685.7	18,982.2	82.7	25,842.2	9,399.9	8,843.5	9,582.3	0.0	0.0
130	132	**Du Pont carpets**, E.I. dupont de Nemours & Co.	Miscellaneous	34,664.3	31,961.9	8.5	6,912.2	2,721.3	27,751.1	29,230.1	1.0	10.5
131	196	**Tri Star Pictures**, Sony Corp.	Movies	34,161.1	9,429.9	262.3	10,242.7	4,149.9	23,881.4	5,280.0	37.0	0.0
132	119	**Citicorp banking svcs**, Citicorp	Miscellaneous	33,894.4	35,040.7	(3.3)	10,691.3	6,631.1	23,196.8	28,409.6	6.3	0.0
133	122	**Lens Crafters opticians stores**, U.S. Shoe Corp.	Optical	33,428.8	34,893.5	(4.2)	1,934.0	1,168.5	31,383.7	33,703.5	111.1	21.5
134	182	**Norelco shavers**, Philips NV	Miscellaneous	33,244.4	20,524.6	62.0	7,891.4	3,293.1	25,352.2	17,215.9	0.8	15.6
135	145	**Citibank credit card services**, Citicorp	Credit cards	33,102.8	29,072.2	13.9	5,333.3	5,734.3	27,769.5	23,337.9	0.0	0.0
136	125	**NBC TV network**, General Electric Co.	TV	33,076.6	34,635.4	(4.5)	29,909.4	32,711.4	3,088.4	1,914.6	78.8	9.4
137	163	**Reebok sporting footwear**, Reebok International	Apparel, shoes	33,024.7	25,735.7	28.3	5,662.7	6,113.6	27,358.3	19,543.2	3.7	78.9
138	116	**Fisher-Price toys**, Quaker Oats Co.	Toys	33,006.3	36,365.7	(9.2)	6,562.3	8,427.8	26,444.0	27,937.9	0.0	0.0
139	167	**Carlton cigarettes**, American Brands	Cigarettes	32,862.0	24,286.4	35.3	30,654.7	19,894.7	0.0	0.0	2,207.3	4,391.7
140	NA	**Infiniti passenger cars**, Nissan Motor Co.	Passenger cars	32,612.4	0.0	NA	17,122.8	0.0	15,489.6	0.0	0.0	0.0
141	101	**Lincoln passenger cars**, Ford Motor Co.	Passenger cars	32,458.5	40,316.6	(19.5)	13,426.2	16,332.3	18,962.8	23,963.3	69.5	21.0
142	124	**Vons stores**, Vons Cos.	Retail, food	32,357.8	34,793.1	(7.0)	23,434.4	24,763.3	8,894.5	9,842.1	28.9	187.7
143	96	**Time-Life books**, Time Warner	Miscellaneous	32,068.0	41,436.8	(22.6)	11,622.9	15,171.7	20,445.1	26,265.1	0.0	0.0
144	181	**Hanes underclothing**, Sara Lee Corp.	Apparel	31,680.8	20,651.6	53.4	4,618.0	5,147.1	27,062.8	15,504.5	0.0	0.0
145	179	**Texaco gasoline & oil**, Texaco Inc.	Oil & gas	31,612.4	21,693.6	45.7	7,011.8	2,968.6	24,591.4	18,707.3	9.2	17.7
146	144	**Beef Industry Council**, National Live Stock & Meat Board	Associations	31,471.6	29,747.4	5.8	9,138.4	2,302.2	22,326.1	27,445.2	7.1	0.0
147	193	**Nutri/System Weight Loss Centers**, Nutri/System	Diet aids	31,139.9	15,928.7	95.5	8,799.5	4,781.8	21,947.5	11,071.4	392.9	75.5
148	177	**Eagle passenger cars**, Chrysler Corp.	Passenger cars	30,916.6	22,261.5	38.9	10,187.3	4,804.9	20,729.3	17,456.6	0.0	0.0
149	149	**Hershey candies**, Hershey Foods Corp.	Candy & gum	30,888.2	27,516.7	12.3	4,085.9	5,778.8	26,802.3	21,734.8	0.0	3.1
150	186	**Minute Maid juices**, Coca-Cola Co.	Food, juice	30,834.5	19,246.0	60.2	11,089.2	1,054.1	19,633.8	17,969.4	111.5	222.5
151	154	**Giant food stores**, Ahold International	Retail, food	30,826.7	26,694.5	15.5	27,483.6	23,684.9	3,327.8	3,009.6	15.3	0.0
152	131	**Nike sporting footwear**, Nike Inc.	Apparel, shoes	30,765.8	32,100.3	(4.2)	12,443.7	13,207.5	18,060.0	18,825.0	262.1	67.8
153	135	**ABC TV network**, Capital Cities/ABC	TV	30,763.6	31,577.2	(2.6)	29,107.0	30,431.9	1,656.6	1,112.4	0.0	32.9
154	123	**Jell-O gelatins & puddings**, Philip Morris Cos.	Food	30,681.3	34,838.8	(11.9)	3,242.0	4,432.4	27,439.3	30,385.8	0.0	20.6
155	120	**Eveready batteries & flashlights**, Ralston Purina Co.	Batteries	30,426.5	35,025.9	(13.1)	2,290.2	5,046.2	28,136.3	29,829.3	0.0	150.4
156	164	**General Foods International Coffee**, Philip Morris Cos.	Food, coffee	30,360.2	25,083.4	21.0	4,287.2	4,008.9	26,073.0	21,074.5	0.0	0.0
157	128	**Duracell batteries**, Duracell Inc.	Batteries	30,355.9	32,863.9	(7.6)	1,943.6	3,151.0	28,412.3	29,712.9	0.0	0.0
158	173	**Hyatt hotels**, Elsinore Corp.	Hotels	29,824.5	23,380.8	27.6	25,151.1	18,447.1	4,193.0	4,516.0	480.4	417.7
159	137	**Capri cigarettes**, B.A.T. Industries	Cigarettes	29,638.1	31,322.9	(5.4)	23,652.7	18,072.0	0.0	0.0	5,985.4	13,250.9
160	159	**Nuprin pain reliever**, Bristol-Myers Squibb Co.	Pharmaceuticals	29,619.9	26,027.0	13.8	2,028.6	1,239.1	27,591.3	24,787.9	0.0	0.0
161	121	**Salem cigarettes**, RJR Nabisco	Cigarettes	29,605.6	34,942.8	(15.3)	16,903.2	14,703.2	0.0	0.0	12,702.4	20,239.6
162	174	**Gillette shaving products**, Gillette Co.	Toiletries	29,441.0	23,328.6	26.2	6,112.3	2,576.9	23,328.7	20,411.7	0.0	340.0
163	104	**MGM/UA**, MGM/UA Communications Co.	Movies	29,344.0	39,684.6	(26.1)	8,650.5	14,042.1	20,543.2	25,595.3	150.3	47.2
164	180	**Pearle Visions Centers**, Grand Metropolitan PLC	Optical	29,162.7	21,625.3	34.9	9,240.2	3,811.8	19,885.1	17,803.8	37.4	9.7
165	165	**Huggies diapers**, Kimberly-Clark Corp.	Diapers	29,062.6	24,943.8	16.5	2,082.2	2,065.3	26,980.4	22,877.3	0.0	1.2
166	112	**Anacin pain reliever**, American Home Products Corp.	Pharmaceuticals	29,044.4	37,893.7	(23.4)	517.5	432.3	28,526.9	37,461.4	0.0	0.0
167	157	**GMC trucks & vans**, General Motors Corp.	Trucks & vans	28,929.1	26,107.8	10.8	13,527.4	15,787.8	15,237.9	10,220.0	163.8	100.0
168	178	**Royal Caribbean Cruise Line**, Royal Caribbean Cruise Line	Non-airline travel	28,790.0	22,209.7	29.6	11,024.6	9,795.2	17,765.4	12,414.5	0.0	0.0
169	113	**GE products**, General Electric Co.	Miscellaneous	28,751.6	37,803.8	(23.9)	352.9	190.4	28,398.7	37,609.9	0.0	3.5
170	118	**Winn-Dixie food stores**, Winn-Dixie Stores	Retail, food	28,615.0	35,429.1	(19.2)	3,962.4	10,041.7	24,627.5	25,248.2	25.1	139.2
171	140	**Busch beer**, Anheuser-Busch Cos.	Beer	28,569.9	30,930.0	(7.6)	116.1	113.9	27,932.0	30,156.0	521.8	660.1
172	143	**De Beers jewelry**, De Beers Consolidated Mines	Miscellaneous	28,563.7	29,896.0	(4.5)	14,214.5	19,437.1	14,322.1	10,458.9	27.1	0.0
173	147	**Holiday Inn hotels**, Holiday Corp.	Hotels	28,526.3	27,800.7	2.6	8,611.1	8,219.6	17,115.1	16,368.0	2,800.1	3,213.1
174	126	**Leggs hosiery**, Sara Lee Corp.	Apparel	28,314.2	34,064.8	(16.9)	7,638.4	11,359.4	20,675.8	22,705.4	0.0	0.0
175	160	**Polaroid cameras & accessories**, Polaroid Corp.	Photography	27,851.1	26,003.4	7.1	5,906.7	3,943.9	21,905.3	21,966.2	39.1	93.3
176	197	**Upjohn promotion**, Upjohn Co.	Miscellaneous	27,541.4	5,295.5	420.1	5,987.1	1,160.0	21,554.3	4,135.5	0.0	0.0
177	185	**Head & Shoulders, shampoos, cond.**, Procter & Gamble Co.	Toiletries	27,469.2	19,400.1	41.6	449.6	16.5	27,019.6	19,381.5	0.0	2.1
178	190	**Epson computers**, Hattori Corp.	Computers	27,423.0	18,168.1	50.9	16,425.9	9,503.3	10,986.0	8,664.8	11.1	0.0
179	150	**Nyquil cold products**, Procter & Gamble Co.	Pharmaceuticals	27,405.2	27,504.7	(0.4)	641.8	2,342.8	26,763.4	25,161.9	0.0	0.0
180	198	**Alpine cigarettes**, Philip Morris Cos.	Cigarettes	27,263.0	1,056.8	2,479.8	18,259.6	996.9	0.0	0.0	9,003.4	59.9
181	111	**Merrill Lynch brokerage svcs**, Merril Lynch & Co.	Miscellaneous	27,244.6	38,084.9	(28.5)	8,672.7	10,140.1	18,480.9	27,938.9	91.0	5.9
182	151	**7UP beverages**, Dr Pepper/Seven-Up Cos.	Soft drinks	27,236.7	27,255.0	(0.1)	160.3	896.6	26,953.5	25,928.7	122.9	429.7
183	170	**Camel cigarettes**, RJR Nabisco	Cigarettes	27,222.0	23,903.3	13.9	15,577.0	10,970.3	0.0	0.0	11,645.0	12,933.0
184	158	**American Express Travelers Checks**, American Express Co.	Miscellaneous	27,172.6	26,068.3	4.2	843.8	2,705.2	26,328.8	23,363.1	0.0	0.0
185	194	**USAir**, USAir Group	Airlines	27,063.3	15,399.3	75.7	7,791.3	7,197.1	17,456.5	7,106.3	1,815.5	1,095.9
186	161	**Long John Silvers restaurants**, Jerrico Inc.	Restaurants	27,036.8	25,984.8	4.0	307.1	99.1	26,650.5	25,793.8	79.2	91.9
187	171	**Eckerd drugstores**, Jack Eckerd Corp.	Retail, non-food	27,005.6	23,615.6	14.4	5,264.1	4,029.8	21,369.8	19,413.8	371.7	172.0
188	130	**Mervyn's**, Dayton Hudson Corp.	Retail, non-food	26,883.9	32,483.7	(17.2)	23,309.5	28,363.6	3,574.4	4,085.0	0.0	35.1
189	100	**Visa credit card services**, Visa International	Credit cards	26,810.3	40,571.9	(33.9)	3,284.1	2,912.0	23,521.3	37,659.3	4.9	0.6
190	146	**Heinz condiments**, H.J. Heinz Co.	Food, condiments	26,794.1	28,457.7	(5.8)	5,697.7	3,938.2	21,096.4	24,519.5	0.0	0.0
191	189	**Excedrin pain relievers**, Bristol-Myers Squibb Co.	Pharmaceuticals	26,043.8	18,502.7	40.8	0.0	0.0	25,918.5	18,502.7	125.3	0.0
192	188	**Silo stores**, Dixons Group	Retail, non-food	25,979.1	18,639.1	39.4	16,280.8	9,033.1	9,698.3	9,605.5	0.0	0.5
193	175	**Jack in The Box restaurants**, Foodmaker Inc.	Restaurants	25,763.9	22,943.9	12.3	33.0	35.1	25,639.7	22,649.5	91.2	259.3
194	192	**Saab passenger cars**, Saab-Scania AB	Passenger cars	25,717.5	17,491.6	47.0	17,721.6	15,552.2	7,992.0	1,938.8	3.9	0.6
195	184	**NutraSweet sweetener**, Monsanto Co.	Food	25,643.7	19,488.2	31.6	3,462.6	4,068.0	22,181.1	15,420.2	0.0	0.0
196	191	**7-Eleven food stores**, Southland Corp.	Retail, food	25,593.1	18,165.2	40.9	2,112.5	1,263.6	21,538.2	14,827.3	1,942.4	2,074.3
197	176	**Tyco toys**, Savoy Industries	Toys	25,531.0	22,662.1	12.7	1,546.3	1,864.3	23,984.7	20,797.8	0.0	0.0
198	142	**Milton Bradley games**, Hasbro Inc.	Toys	25,442.6	30,247.4	(15.9)	469.4	558.7	24,973.2	29,687.5	0.0	1.2
199	141	**Playskool toys**, Hasbro Inc.	Toys	25,421.1	30,914.5	(17.8)	3,327.8	3,082.9	22,093.3	27,831.6	0.0	0.0
200	172	**Disney World Amusement Park**, Walt Disney Co.	Amusements	25,270.2	23,569.8	7.2	0.0	0.0	25,182.7	23,569.8	87.5	0.0

Notes: Dollars are in thousands. Print media includes magazine, Sunday magazine and newspaper spending. Broadcast media includes network, spot and syndicated TV; cable TV networks, and network radio. **Source:** LNA/Arbitron Multi-Media Service.

DIRECT MARKETING AGENCY REPORT

Ted Carr

Busy direct shops soar 12%

Data-base development and package goods tapped as biggest growth areas

By Kenneth Wylie

Despite continual grumbling over the high cost of mailing, advertisers' direct-mail activities pushed the direct-response business to record revenue levels, according to *Advertising Age's* exclusive survey of direct-response agencies.

The boom in direct mail, along with substantial spending in direct-response broadcast efforts, helped direct the industry back into the double-digit growth column in 1989 with a 12% gain in billings, up from a 9.6% gain in 1988.

But the future looks a lot like the past, with 80 agency executives surveyed by *Advertising Age* estimating the industry will grow only 9.5% this year.

Last year's spending increase, monitored for 200 agencies with direct-response activities, propelled billings to $3.8 billion compared with $3.4 billion in 1988.

The industry's 12% leap looks particularly impressive when judged against the 6.9% growth figure in billings of advertising agencies.

Matching the growth pace of direct marketing—and again keeping well ahead of the pack—is No. 1 Ogilvy & Mather Direct, New York, an independent WPP Group unit that posted 1989 U.S. direct-response billings of $305 million, up 12.1%.

Wunderman Worldwide, a Young & Rubicam subsidiary, remained No. 2 despite a drop of 1.4% in billings to $262.4 million for the year.

These hefty totals don't indicate the magnitude of direct-response activity by U.S.-based shops.

The top two agencies, for example, had combined non-U.S. billings of $655.3 million, an aggregate greater than their U.S. billings and up 15.7% from the prior year. Such growth from foreign business is causing more U.S. direct-response agencies to look for international business.

In a companion survey of 80 fully direct-response agencies, 42.5% expect international growth to be a factor contributing to 1990 agency growth. Many of those agencies also entered this year without foreign billings.

Agencies in the study were less bullish on overall growth trends, however. The anticipated dip in growth this year is attributed to the expected postal rate increase and higher printing costs.

Agencies particularly see the proposed rate increases next January by the U.S. Postal Service—22% for second class and 17% for third class—cutting into their growth.

The agencies say clients, as a result of the rate boost, most likely will reduce the size and number of their mailings; exploring alternate delivery was the third most likely option *(see related story on P. S-4)*

Direct mail, at $1.03 billion, accounted for 57.5% of $1.79 billion in direct-response media spending by the 200 agencies. Markups for materials and services and fee income are other components of total billings volume.

While direct mail accounted for the bulk of media spending, radio recorded the sharpest increase, up 28.8% to $49 million. TV climbed 20.5% to $332.5 million. Print edged upward 4.8% to $278 million.

The leading growth agency among the 10 largest direct-response shops is Lintas:Marketing Communications, New York, whose billings soared 111% to $107.5 million. Lintas attributed the growth to a surge in business from its advertising clients into direct response.

Next in growth among the 10 leaders was Kobs & Draft, Chicago, rising nearly 30% to $116.9 million in 1989. Kobs & Draft was surprised by its rapid growth, which came from new accounts and existing clients; the company has projected only 10% growth entering 1989.

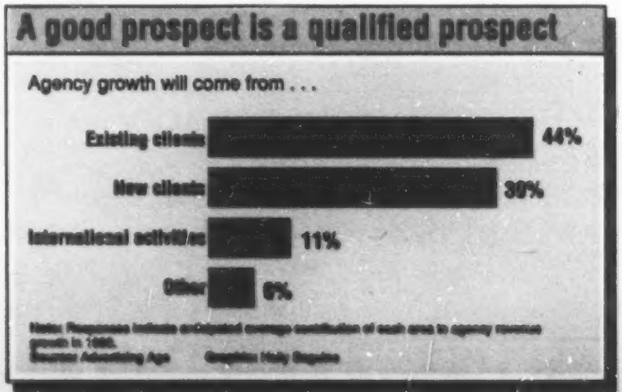
Forty percent of the shops identified package goods as the prime source of future industry growth for their agencies. This was by far the largest percentage attributed to an industry category. Another 17.5% of the agencies identified package goods as their second or third most likely source of growth.

The study shows a need for many agencies not only to build up their direct-response services, but also to develop a more universal mission that encompasses non-direct-response disciplines and international expansion.

The greatest potential for

(Continued on Page S-6)

A good prospect is a qualified prospect



Top U.S.-based agencies by direct-response volume

Rank '89	Rank '88	Agency, headquarters	Direct-response volume 1989	1988	% chg	Media billed as % of 1989 volume TV	Radio	Print	Direct mail	Top executive	Telephone	Signed
1	1	**Ogilvy & Mather Direct**, New York	$304,980	$272,000	12.1	24.0%	0.4%	6.6%	65.4%	Jerome Pickholz, chmn/ceo	(212) 237-6000	✓
2	2	**Wunderman Worldwide**, New York	262,391	266,100	(1.4)	18.0%	0.2%	15.9%	NA	Lester Wunderman, chmn	(212) 909-0100	✓
3	4	**FCB/Direct**, Los Angeles	227,800	200,700	13.5	1.4%	0.9%	6.2%	91.5%	Freeman F. Gosden Jr., chmn	(213) 312-7222	✓
4	3	**Rapp Collins Marcoa**, Chicago	226,000	236,300	(4.4)	7.9%	0.7%	13.9%	30.4%	David Hefter, chmn, ceo	(312) 454-0660	✓
5	5	**Direct Marketing Group**, New York	149,600	152,900	(2.2)	NA	NA	NA	NA	John A. DePasquale, chmn	(212) 355-2530	
6	6	**Grey Direct International**, New York	119,000	108,000	10.2	10.1%	NA	25.2%	53.8%	Edward H. Meyer, president, chmn	(212) 303-2300	✓
7	7	**Kobs & Draft Advertising**, Chicago	116,900	90,215	29.6	15.3%	2.4%	13.4%	9.0%	R. E. Meyers, exec vp, cfo	(312) 944-3500	
8	17	**Lintas:Marketing Communications**, New York	107,522	50,900	111.2	NA	NA	NA	NA	Tom Turner, exec vp	(212) 605-8000	✓
9	8	**Barry Blau & Partners**, Fairfield, Conn.	101,175	85,304	18.6	NA	NA	NA	100.0%	Barry Blau, chmn	(203) 254-3700	✓
10	13	**HDM Worldwide Direct**, Los Angeles	92,401	57,094	61.8	NA	NA	NA	NA	Murray R. Bowes, chmn, ceo	(213) 930-5100	✓
11	10	**Devon Direct Marketing & Advertising**, Malvern, Pa.	82,000	66,200	23.9	NA	NA	NA	57.2%	R. Greene, J.T. Perry, mgng dirs	(215) 644-0333	✓
12	9	**Bronner Slosberg Associates**, Boston	79,789	68,824	15.9	NA	NA	NA	NA	Michael E. Bronner, ceo	(617) 737-2020	
13	12	**Customer Development Corp.**, Peoria, Ill.	68,873	58,096	18.6	NA	NA	NA	NA	Thomas C. Lund, president	(309) 686-1900	
14	22	**Kresser, Craig/D.I.K.**, Los Angeles	66,249	42,638	55.4	52.2%	16.6%	7.8%	NA	C. Robert Kresser, chmn, ceo	(213) 553-8254	✓
15	19	**DMCA Direct**, St. Louis	61,345	47,085	30.3	NA	NA	NA	NA	Michael T. McSweeney, president, ceo	(314) 436-1122	
16	14	**Lowe Marschalk**, New York	55,000	55,000	0.0	5.0%	10.0%	25.0%	55.0%	J. Robert Lieber, sr vp, dir mktg	(212) 708-8800	
17	11	**Saatchi & Saatchi Direct**, Rochester, N.Y.	54,911	59,148	(7.2)	NA	NA	2.1%	NA	Richard A. Peters, chairman, ceo	(716) 272-2500	✓
18	15	**FKB Direct**, Nashville	54,504	54,527	(0.0)	NA	NA	NA	NA	Jim Edwards, chmn	(615) 366-1844	
19	18	**Lally, McFarland & Pantello**, New York	54,400	50,400	7.9	0.4%	NA	11.0%	57.4%	Ronald G. Pantello, president	(212) 532-1000	✓
20	16	**Chapman Direct Advertising**, New York	48,198	51,650	(6.7)	4.1%	NA	5.6%	77.2%	William P. Sutherland, president	(212) 614-3880	✓
21	23	**Ayer Direct**, New York	48,000	40,086	19.7	NA	NA	NA	NA	Beverly Beaudoin, sr vp, gen mgr	(212) 474-6352	✓
22	26	**Saugatuck/FKB**, Westport, Conn.	47,676	36,591	30.3	0.6%	0.1%	1.0%	NA	Donald J. White, coo	(203) 226-8166	
23	24	**GSP Marketing Services**, Chicago	43,448	39,400	10.3	NA	NA	NA	NA	Richard Grunsten, president	(312) 944-3000	✓
24	20	**McCann Direct**, New York	40,000	46,000	(13.0)	NA	NA	NA	NA	John Penberthy, sr vp genl mgr	(212) 697-6000	✓
25	29	**Walter Latham Co.**, Broadview, Ill.	39,000	33,000	18.2	NA	NA	NA	41.0%	Robert Soljacich, president	(708) 345-8787	
26	30	**Hill, Holliday, Connors, Cosmopulos**, Boston	35,945	28,805	24.8	34.6%	NA	14.1%	24.6%	George J. Hill III, chmn	(617) 437-1600	✓
27	25	**Ross Roy Group**, Bloomfield Hills, Mich.	35,291	36,632	(3.7)	NA	NA	NA	NA	Len Short, sr super	(313) 433-6000	✓
28	21	**McCaffrey & McCall**, New York	35,000	43,000	(18.6)	14.3%	NA	11.4%	NA	Robert Cherins, chairman, ceo	(212) 350-1000	
28	67	**Perkins/Butler Direct Marketing**, New York	35,000	7,000	400.0	NA	NA	NA	NA	Robert J. Perkins, ceo	(212) 243-6868	
30	31	**Earle Palmer Brown Direct**, Bethesda, Md.	30,183	25,200	19.8	NA	NA	NA	NA	Jeb Brown, ceo	(301) 657-6000	
31	36	**Manus Direct Response Marketing**, Seattle	29,888	22,981	30.1	NA	NA	NA	NA	Cliff Asplund, president	(206) 325-2200	✓
32	45	**Stenrich Group**, Glen Allen, Va.	29,021	16,659	74.2	NA	NA	NA	NA	Steven R. Isaac, president	(804) 747-1202	
33	37	**Steinert & Associates**, New York	27,500	21,277	29.2	NA	NA	15.0%	70.0%	Jan Allan Steinert, president, ceo	(212) 889-5000	
34	27	**Della Femina, McNamee**, New York	27,465	35,265	(22.1)	NA	NA	NA	NA	Jerry Della Femina, chmn, ceo	(212) 886-4100	
35	32	**DMB&B Direct**, New York	25,773	24,598	4.8	5.8%	NA	1.3%	49.9%	Craig D. Brown, cfo	(212) 468-3622	✓
36	33	**Lawrence Butner Advertising**, New York	25,240	24,338	3.7	63.9%	11.9%	3.5%	3.3%	Lawrence Butner, president	(212) 682-3200	✓
37	28	**Bozell Direct**, New York	23,300	34,100	(31.7)	3.6%	13.1%	NA	NA	Tim Fenton, president	(212) 727-5000	✓
38	42	**Brierley & Partners**, Dallas	23,181	17,925	29.3	NA	NA	0.4%	24.7%	Harold M. Brierley, president	(214) 760-8700	
39	54	**Nash Direct**, New York	21,003	12,042	74.4	21.6%	3.1%	11.2%	9.0%	Edward Nash, president	(212) 758-0120	✓
40	38	**Advertising Works**, Honolulu	21,000	20,000	5.0	NA	NA	NA	NA	Darrel Kloninger, president	(808) 955-4416	
41	55	**Clarion Marketing & Communications**, Greenwich, Conn.	20,707	11,959	73.2	NA	NA	NA	NA	Raymond Rizzo, president	(203) 531-3600	✓
42	34	**Kallir, Philips, Ross**, New York	20,183	23,212	(13.0)	NA	NA	NA	NA	John Kallir, chmn, ceo	(212) 856-8400	✓
43	47	**Fox MMJM Direct**, New York	20,071	15,007	33.8	NA	NA	42.3%	44.8%	Neil S. Fox, president, ceo	(212) 683-0002	✓
44	49	**Jack Levy & Associates**, Chicago	19,871	14,236	39.6	NA	NA	NA	NA	Jack Levy, president	(312) 332-7540	
45	44	**Robert A. Becker WCRS**, New York	19,500	16,969	14.9	NA	NA	NA	NA	Robert A. Becker, chmn	(212) 727-7000	
46	40	**Admarketing**, Los Angeles	19,300	18,800	2.7	100.0%	NA	NA	NA	Jack Roth, president, ceo	(213) 203-8400	
47	35	**Intergroup Marketing & Promotions**, Bloomfield Hills, Mich.	19,202	23,035	(16.6)	NA	NA	NA	NA	Count Darling, ceo	(313) 433-5200	✓
48	43	**Sandven & Associates**, Overland Park, Kan.	18,679	17,775	5.1	NA	NA	NA	NA	Frederick M. Sandven, president	(913) 338-3600	
49	52	**Wilson Sculley Associates**, St. Louis	18,336	12,511	46.6	NA	NA	NA	57.1%	Valerie M. Wilson, chmn, ceo	(314) 434-1870	
50	72	**Williams Television Time**, Santa Monica, Calif.	18,220	5,808	213.7	99.9%	NA	NA	NA	Kathleen Williams, president, ceo	(213) 828-8600	✓
51	51	**Frank J. Corbett Inc.**, Chicago	18,000	12,900	39.5	NA	NA	NA	NA	Frank J. Corbett, chmn	(312) 664-5310	✓
52	41	**Cramer-Krasselt/Direct**, Chicago	17,429	18,409	(5.3)	9.7%	1.7%	24.6%	20.6%	Peter G. Krivkovich, president	(312) 616-9600	
53	39	**Marketing Resources**, Overland Park, Kan.	16,392	19,000	(13.7)	NA	NA	74.0%	NA	Frank G. Weyforth Jr., president, ceo	(913) 648-8333	✓
54	46	**Cabot Direct Marketing**, Boston	15,819	15,079	4.9	NA	NA	NA	NA	Suzanne Delise, vp, general mgr	(617) 242-7601	✓
55	70	**Kern/Mathai Advertising**, Santa Monica, Calif.	15,750	6,100	158.2	NA	NA	3.2%	41.7%	Russell M. Kern, president	(213) 452-0663	
56	50	**McClure & Co.**, Valley Forge, Pa.	15,001	13,406	11.9	1.6%	NA	1.0%	0.7%	Thomas R. McClure, president	215) 933-0933	✓
57	60	**Martin Marshall Jaccoma Mitchell**, New York	15,000	10,000	50.0	NA	NA	NA	NA	John Martin, president	(212) 683-0001	
58	56	**Tracy-Locke Direct**, Dallas	14,400	11,400	26.3	9.2%	6.3%	11.1%	NA	Howard Davis, chmn, ceo	(214) 969-9000	✓
59	61	**More Direct**, Minneapolis	13,584	9,034	50.4	NA	NA	0.8%	NA	Mark Morris, president	(612) 872-1616	
60	53	**Hal Langerman Co.**, Blue Bell, Pa.	12,656	12,287	3.0	NA	NA	10.0%	90.0%	Hal Langerman, president	(215) 653-0366	✓
61	48	**Townsend Agency**, Rosemont, Ill.	12,413	14,686	(15.5)	NA	0.1%	NA	8.3%	Gary Tillery, chmn	(708) 318-9010	✓
62	NA	**William R. Biggs/Gilmore Associates**, Kalamazoo, Mich.	10,269	NA	NA	1.2%	1.2%	14.4%	0.4%	Ronald Davis, president, ceo	(616) 349-7711	
63	59	**Gross Townsend Frank Hoffman**, New York	10,000	10,000	0.0	NA	NA	NA	NA	Alan Gross, president	(212) 886-3000	✓
64	NA	**Berenson, Isham & Partners**, Boston	9,967	NA	NA	0.4%	0.4%	7.6%	NA	Paul S. Berenson, president	(617) 423-1120	✓
65	57	**Stone & Simons Advertising**, Southfield, Mich.	9,827	10,972	(10.4)	NA	NA	1.3%	2.9%	Charles G. Stone, president	(313) 358-4800	
66	65	**Ad Hoc Marketing Resources**, New York	9,620	7,260	32.5	NA	NA	1.4%	NA	Karen Hochman, president	(212) 947-7100	
67	62	**McKee Advertising**, Elk Grove Village, Ill.	9,469	9,023	4.9	NA	NA	18.6%	NA	Tom Behan, president	(708) 956-8188	✓
68	76	**Deutsch Inc.**, New York	8,828	4,506	95.9	22.1%	NA	19.1%	9.9%	James Aucone, president	(212) 995-7500	✓
69	58	**Abelson-Taylor**, Chicago	8,761	10,041	(12.7)	NA	NA	NA	NA	Marv Abelson, ceo	(312) 781-1700	✓
70	85	**Ketchum Communications**, Pittsburgh	8,678	4,162	108.5	NA	NA	NA	NA	William Genge, chmn	(412) 456-3500	✓
71	66	**Lorlz Direct Marketing**, Omaha	8,651	7,084	22.1	2.5%	3.1%	76.0%	3.1%	Gary Lortz, president	(402) 331-5740	✓
72	98	**W.B. Doner & Co.**, Southfield, Mich.	8,189	3,040	169.3	NA	NA	NA	NA	H.D. Fried, chmn, ceo	(313) 354-9700	
73	64	**Klemtner Advertising**, New York	7,900	7,900	0.0	NA	NA	NA	NA	Albert P. Molinaro Jr., chmn, ceo	(212) 463-3400	
74	90	**Messner Vetere Berger Carey Schmetterer**, New York	7,500	3,800	97.4	NA	NA	NA	NA	Robert Schmetterer, president, ptnr	(212) 886-0200	
75	142	**Wyse Direct**, Cleveland	7,150	500	1,330.0	NA	2.8%	2.8%	10.5%	Ted W. Grigg, president	(216) 696-2427	
76	87	**Lave & Associates Marketing**, Indianapolis	6,690	3,916	70.8	62.8%	1.4%	4.3%	5.3%	Martin A. Lave, president	(317) 872-0971	
77	68	**AC&R Direct Marketing**, New York	6,646	6,549	1.5	NA	NA	100.0%	NA	Lois Geller, president	(212) 685-2500	
78	69	**Modular Marketing**, New York	6,595	6,219	6.0	NA	NA	NA	NA	Harry A. Kraus, president	(212) 581-4690	
79	71	**Smith Lask Associates**, Chicago	6,413	5,965	7.5	NA	NA	0.7%	3.1%	Barbara Lask, president	(312) 222-1900	✓
80	75	**Fletcher, Gampper & Wirth**, Kansas City, Mo.	6,411	4,881	31.3	NA	NA	11.0%	NA	Andy Fletcher, president, ceo	(816) 471-1880	✓
81	135	**Creswell, Munsell, Fultz & Zirbel**, Cedar Rapids, Iowa	6,338	732	765.6	NA	NA	NA	NA	F.C. Baker, president, ceo, chmn	(319) 395-6500	✓
82	84	**Direct Marketing Network**, New York	5,887	4,214	39.7	NA	0.2%	0.6%	NA	Edwin Forti, partner	(212) 247-5847	
83	100	**Carmichael Lynch**, Minneapolis	5,770	2,708	113.1	NA	NA	NA	NA	Lee Lynch, chmn, ceo	(612) 334-6222	✓
84	80	**Ronald James Direct**, Englewood, Colo.	5,519	4,336	27.3	NA	NA	NA	NA	James Pennington, president	(303) 220-1996	
85	83	**Girgenti, Hughes, Butler & McDowell**, New York	5,030	4,250	18.4	NA	NA	NA	NA	Steve Girgenti, president	(212) 481-7080	✓
86	82	**Pihas, Schmidt, Westerdahl Co.**, Portland, Ore.	5,028	4,289	17.2	NA	NA	NA	NA	John Pihas, president	(503) 279-4000	
87	77	**Ally & Gargano**, New York	5,000	4,500	11.1	NA	NA	NA	NA	William Luceno, ceo	(212) 688-5300	✓
87	77	**William Douglas McAdams Inc.**, New York	5,000	4,500	11.1	NA	NA	NA	NA	Irwin C. Gerson, chmn	(212) 698-6400	
89	73	**Sheldon Fredericks Advertising**, New York	4,988	5,373	(7.2)	10.0%	0.9%	27.1%	46.4%	Frederick A. Schwartz, president	(212) 867-0110	✓
90	79	**Medicus Intercon International**, New York	4,831	4,379	10.3	NA	NA	NA	NA	Lawrence J. Lesser, chmn, ceo	(212) 468-3100	✓
91	86	**Creative Direct Marketing Group**, Torrance, Calif.	4,613	4,159	10.9	3.6%	NA	0.6%	1.8%	Craig Huey, president	(213) 212-5727	
92	90	**Sader & Associates**, New York	4,473	3,800	17.7	45.5%	NA	11.4%	1.2%	Archie A. Sader, president	(212) 725-0770	✓
93	89	**Peter Vane Advertising**, New York	4,188	3,809	10.0	NA	NA	2.3%	6.4%	Peter Vane, president	(212) 679-8260	
94	88	**Weightman Group**, Philadelphia	4,036	3,883	3.9	NA	NA	NA	NA	Charles Coffey, chmn	(215) 561-6100	✓
95	63	**Grant/Jacoby**, Chicago	4,000	8,000	(50.0)	NA	NA	NA	NA	Bruce I. Carlson, chmn	(312) 664-2055	✓
96	94	**Al Paul Lefton Co./Lefton Direct**, Philadelphia	3,900	3,500	11.4	NA	NA	NA	34.4%	Al Paul Lefton Jr., president, ceo	(215) 923-9600	
97	96	**Slater Hoeft Martin**, New York	3,500	3,287	6.5	NA	NA	NA	NA	Jerry Martin, chmn	(212) 674-3100	
98	93	**Lee & Riley**, St. Paul, Minn.	3,479	3,597	(3.3)	NA	NA	NA	NA	Dick Lee, president	(612) 647-0384	✓
99	74	**Haynes & Pittenger Direct**, Indianapolis	3,420	4,961	(30.9)	0.6%	NA	0.3%	25.8%	Thomas J. Haynes, ceo	(317) 262-4800	✓
100	92	**Shaughnessy MacDonald**, Elk Grove Village, Ill.	3,389	3,668	(7.6)	NA	NA	91.6%	NA	David Shaughnessy, chmn	(708) 437-8850	

Notes: Dollars are in thousands. See Page 5-6 for methodology. ✓ indicates agency received signature of an independent accountant verifying figures supplied to AA

(Ranking continues on Page 5-6.)

Alternate delivery picks up the pace

By Janet Meyers

MAIL TROUBLE

To mailers, developing alternatives to the U.S. Postal Service is no longer a temporary bargaining chip. It's a long-term necessity.

Mailers have used alternate delivery in the past as a lever against Postal Service rate hikes.

Magazine publishers in 1980, for example, took credit for curbing an expected 9% increase in second-class rates with their alternate-delivery efforts. When rates rose only 2%, publishers virtually abandoned alternate delivery.

But a weighty, across-the-board rate increase in 1988, the Postal Service's deteriorating financial condition and a proposed average increase in January of 22% for second class and 17% for third-class mail have forced mailers and publishers to consider alternate delivery as a long-term solution.

Advertising Age's survey of direct-marketing agency executives shows serious consideration of alternate delivery as an option in the face of postal-rate increases.

When asked how their clients would react to the most recent postal-rate increase proposal, 32.8% of responding direct-marketing agency executives report alternate delivery to be one of three options most likely to be exercised by clients. Clients' most likely response, they speculate, is cutting down each mailing's pros-

(Continued on Page S-7)

Postage up, mailing down

The postal rate increase will result in . . .

Smaller mailings 30.0%
Fewer mailings 24.6%
Alternate delivery growth 13.0%
Production cuts 7.2%
Other 7.2%
Smaller direct-marketing budgets 5.8%
More use of non-mailed print media 5.8%
More co-op direct-response efforts 4.3%
More use of electronic media 2.9%

Note: Responses indicate percentage of agency executives identifying each area as their clients' most likely reaction to postal rate hike.
Source: Advertising Age Graphic: Holly Seguine

SURVEY BRIEF

Sample this item

Postal carriers beware! Mailbags aren't going to get any smaller this year. They actually may come only in an industrial-strength version to handle an increase in package-goods product samples and direct-response promotional pitches.

The direct-response agency executives surveyed by *Advertising Age* indicate package-goods clients hold the greatest revenue growth potential of any product or service category.

Package goods received 21.7% of the mentions to an open-ended question asking respondents to select five growth categories, followed closely by traditional direct-response powerhouse financial services (including insurance companies) with 20.8%.

The field dropped off dramatically to the No. 3 category of business-to-business, which received 9.2% of total mentions.

The remaining leading categories, in descending order, are travel and leisure (7.1%); retail (6.6%); automotive (5.3%); computers and high-tech (4%); communications and telecommunications (4%); healthcare (3.1%); and publications (2.7% of total mentions). □

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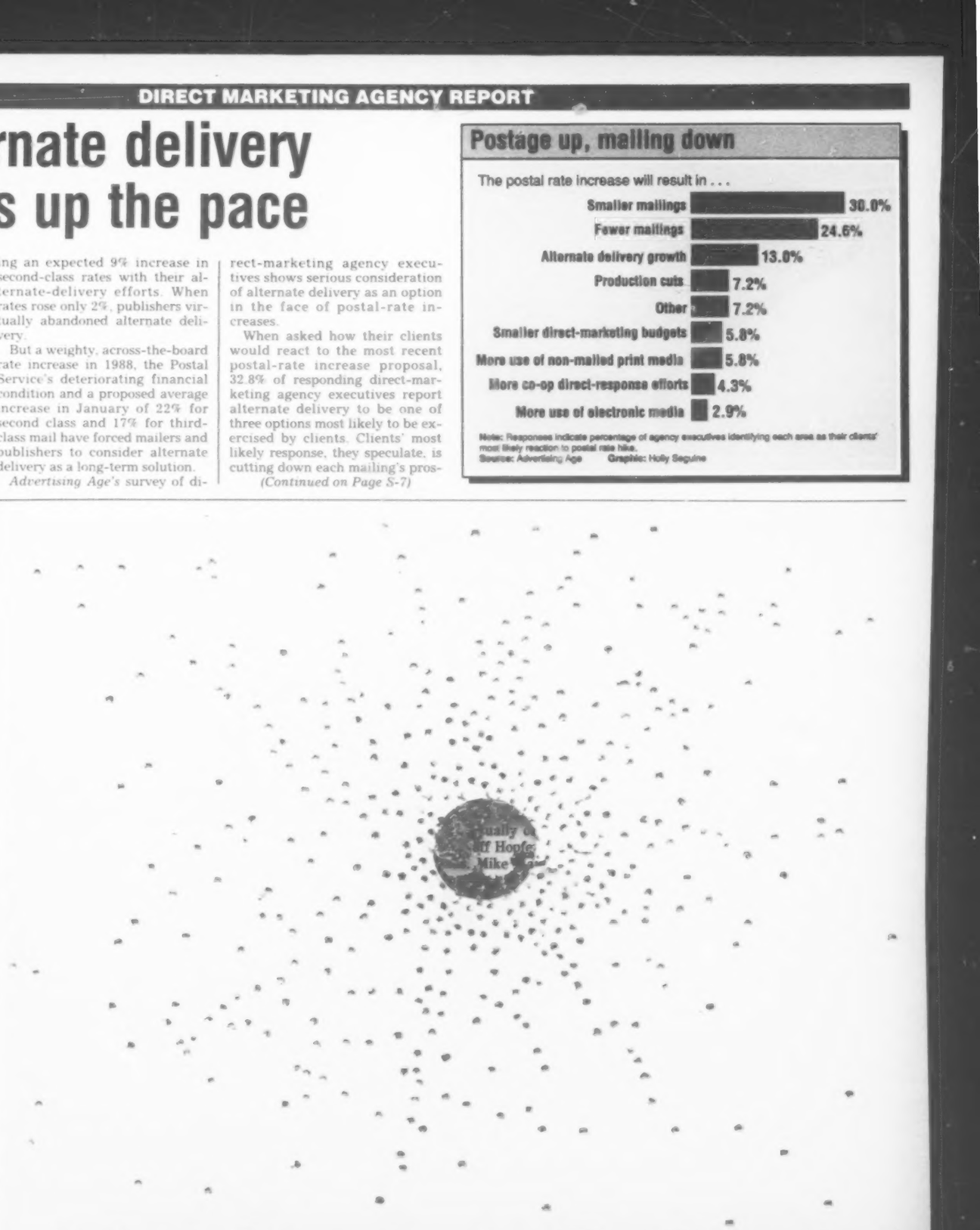
Only firms that meet WG&L standards get into a WG&L deck—to assure our audience knows and respects



Most Companies Do Targeted Direct Marketing By Default.

Most direct marketing today suffers a double whammy. A lack of vision as well as aim. The key is identifying your most profitable target. The challenge is knowing how and where to look.

And the place to turn, like so many national companies have discovered, is to Targetbase Marketing from MARC. We've spent the last quarter of a century analyzing, understanding and predicting consumer behavior. So we can leverage both our knowledge and experience in improving your direct marketing results.

With Targetbase, how we target is just as important as who we target. For example, traditional direct marketing looks at your database as a whole. We see a number of segments, each one motivated by different reasons for purchase.

Through research and analysis, we identify profitable segments within your total audience. Then we determine the most important product benefit, appeal and message to stimulate purchase from each targeted segment.

By feeding the responses from those programs back into your database, you establish ongoing relationships with customers and prospects. You communicate with customers as individuals, not just as

Use-tax issue moving toward day in high court

By Steven W. Colford

TAX TROUBLE

In their continuing fight over sales taxes with revenue-hungry states, direct marketers appear to be winning.

Encouraged by recent court decisions denying states the right to collect sales tax on residents' mail-order purchases from direct marketers in other states, the Direct Marketing Association is looking to settle the matter for good, says Robert Levering, DMA VP-general counsel.

Mr. Levering says DMA and Multistate Tax Commission, a lobbying group composed of state tax officials that favors taxing advertising and other professional services, are near agreement on a test case they hope will work its way to the U.S. Supreme Court. If that happens—and it probably wouldn't until 1992 or 1993, Mr. Levering says—the court will have a chance to uphold or overturn its 1967 decision that largely precludes states from taxing mail-order purchases from out-of-state marketers.

The case will arise from Nevada, says Mr. Levering, declining to identify the direct marketer that will serve as guinea pig. The fight will determine whether individual states can recoup an estimated $3 billion annually in "lost" tax on direct-response sales. Direct-mail sales in 1988 were estimated at $35 billion.

Based on the U.S. Supreme Court's 1967 decision in *National Bellas Hess vs. Illinois*, states can't tax out-of-state mail purchases unless a marketer maintains a significant presence such as property or personnel—in legal parlance, a nexus—in the taxing state.

That decision remained unchallenged for years, but the growing use of techniques such as 800 numbers and home-shopping TV channels have led states to increase pressure to recoup what they see as lost tax revenue by questioning what constitutes nexus.

"Realistically, no state court is going to overrule the U.S. Supreme Court," admits Michael Mazerov, director of research for the tax group. "Ultimately, the only way to see if *Bellas Hess* remains good law is to challenge it in the Supreme Court."

That 1967 high court ruling so effectively prevented states from taxing mail-order sales that U.S. Rep. Jack Brooks (D., Texas) last year introduced legislation designed to alter the decision.

His measure would allow states to collect sales tax on purchases from most mail-order retailers. But that bill has foundered.

Prospects for the legislation appear slight, at least for now.

"Calling that bill dormant is being kind," says Mr. Levering, who notes that legislating a solution rubs some politicians the wrong way. "For one thing, it strikes people as a new tax."

With the legislation still awaiting consideration by Rep. Brooks' economic and commercial law subcommittee, the two warring factions are moving to settle the

(Continued on Page S-9)

USPS creates taxing situation

What is the impact of the following issues on the direct-response business?

	Very important	Somewhat important	Not important
Postal hike	70.7%	25.3%	1.3%
Use tax	57.3	29.3	2.7
Privacy-telemarketing	34.7	45.3	4.0
Privacy-database	41.3	37.3	12.0
Privacy-fax solicitation	26.7	38.7	20.0

Source: Advertising Age Graphic: Holly Seguine

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Direct-response ranking (Continued from Page S-2)

Rank '89	Rank '88	Agency, headquarters	Direct-response volume 1989	1988	% chg	Media billed as % of 1989 volume TV	Radio	Print	Direct mail	Top executive	Telephone	Signed
101	81	**Jiloty Communications**, Holly Hill, Fla.	$3,370	$4,308	(21.8)	5.5%	2.8%	19.3%	NA	Mike Jiloty, president	(904) 677-0673	
102	95	**James & Thomas**, Chicago	3,263	3,341	(2.3)	NA	2.6%	13.8%	0.7%	William J. Bloch, president	(312) 751-0520	✓
103	97	**Beaumont, Heller & Sperling**, Reading, Pa.	3,162	3,074	2.8	NA	NA	NA	NA	Robert D. Beaumont, president	(215) 375-4311	
104	NA	**Kobs Gregory & Passavant**, Chicago	3,152	NA	NA	NA	3.7%	5.2%	NA	James F. Kobs, chmn, ceo	(312) 819-2300	✓
105	99	**Lois/GGK New York**, New York	3,000	3,000	0.0	NA	NA	NA	NA	George Lois, chmn, cd	(212) 757-6700	✓
106	117	**Integrated Target Marketing**, Chicago	2,845	1,307	117.6	NA	NA	5.0%	55.0%	John M. Coe, president	(312) 527-4995	✓
107	102	**Mullen Advertising**, Wenham, Mass.	2,800	2,500	12.0	NA	NA	NA	NA	James X. Mullen, president	(508) 468-1155	
108	105	**MWA Direct**, Minneapolis	2,725	2,119	28.6	NA	NA	NA	97.1%	Michael Wikman, president	(612) 522-3673	✓
109	107	**Marquardt & Roche**, Stamford, Conn.	2,721	1,758	54.8	NA	NA	NA	NA	Jim Marquardt, president	(203) 327-0890	
110	104	**Keroff & Rosenberg Advertising**, Chicago	2,500	2,125	17.6	NA	NA	NA	NA	C.I. Rosenberg/W.B. Keroff, ptnrs	(312) 321-9000	✓
110	114	**McConnaughy Barocci Brown**, Chicago	2,500	1,400	78.6	NA	NA	NA	NA	Tom McConnaughy, president	(312) 321-8000	✓
112	NA	**Tucker Wayne/Luckie & Co.**, Atlanta	2,446	NA	NA	NA	NA	NA	NA	Matthew Connor, chmn exec comm	(404) 521-7600	
113	NA	**Sales Development Associates**, St. Louis	2,178	NA	NA	NA	NA	9.6%	11.6%	Ken Hieronymus, chairman	(314) 862-8828	
114	109	**G/R Direct**, Watertown, Mass.	2,091	1,725	21.2	1.6%	NA	2.2%	NA	Richard L. Warren, president	(617) 926-5030	
115	103	**Salthouse-Torre-Horton**, Rutherford, N.J.	2,000	2,200	(9.1)	NA	NA	NA	NA	Douglas Salthouse, chmn, ceo	(201) 933-7000	
115	106	**S.J. Weinstein Associates**, New York	2,000	2,000	0.0	NA	NA	NA	NA	Stephen J. Weinstein, ceo	(212) 206-0222	✓
117	120	**Aydlotte & Cartwright**, Atlanta	1,964	1,197	64.1	NA	NA	NA	NA	William Y. Aydlotte, president	(404) 438-7312	✓
118	101	**Barnum & Souza**, New York	1,916	2,553	(24.9)	NA	NA	NA	NA	Barbara J. Barnum, chmn	(212) 995-2990	
119	NA	**Direct Response Marketing**, Buffalo, N.Y.	1,698	NA	NA	NA	NA	NA	NA	Robert Travers, president	(716) 688-1177	

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Direct shops

(Continued from Page S-1)

growth, according to the agencies, was through data-base development, named as one of the top three choices by 83% of the agencies *(see story on P. S-10)*. Also listed among the top three in growth potential was international business (by 55%) and sales promotion (by 63%).

The crossover into sales promotion by direct-response agencies is not surprising (AA, April 30), given the interest in direct response by the sales promotion agency community.

Direct-response agency executives also indicate better utilization of direct response as a marketing method would stimulate growth, with many saying the industry strategy is underused by client companies.

> "Marketers haven't been making good use of direct response. There will be an explosion of growth in direct response in the 1990s as business realizes the value of repeat customers."

"Marketers haven't been making good use of direct response," says Harold Brierley, president of No. 38-ranked Brierley & Partners, Dallas. "There will be an explosion of growth in direct response in the 1990s as business realizes the value of repeat customers."

He sees this shift resulting from better utilization and greater sophistication of computer data bases—the lifeblood of direct response—and a realization among advertisers of the importance of creating and maintaining personal relationships with their customer base.

"Very few senior marketing executives understand direct-response marketing," Mr. Brierley says. "More precisely, the lack of broader use of direct response is because management doesn't understand it, and because it is much more labor-intensive, takes more time, costs more and is much more complicated than general media advertising." □

Kenneth Wylie is a frequent contributor to Advertising Age.

DIRECT MARKETING AGENCY REPORT

Rank '89	Rank '88	Agency, headquarters	Direct-response volume 1989	1988	% chg	Media billed as % of 1989 volume TV	Radio	Print	Direct mail	Top executive	Telephone	Signed
120	112	**Clarity Coverdale Rueff Advertising**, Minneapolis	$1,665	$1,580	5.4	NA	NA	NA	NA	Robert Rueff, ceo	(612) 339-3902	✓
121	110	**Launey, Hachmann & Harris**, New York	1,620	1,711	(5.3)	NA	NA	71.3%	NA	Robert E. Launey, president	(212) 679-1702	
122	118	**Fogarty & Klein**, Houston	1,610	1,250	28.8	NA	NA	NA	NA	William H. Fogarty, principal	(713) 528-3354	
122	133	**McKinney & Silver**, Raleigh, N.C.	1,610	750	114.7	NA	NA	NA	NA	Charles McKinney, chmn	(919) 828-0691	✓
124	115	**K.I. Lipton Inc.**, Doylestown, Pa.	1,406	1,370	2.6	NA	NA	NA	100.0%	Kenneth I. Lipton, president	(215) 345-4525	✓
125	NA	**Harris Brandt Advertising**, Woodmere, N.Y.	1,402	NA	NA	10.0%	NA	5.0%	85.0%	Harris Brandt, president	(516) 569-7266	✓
126	NA	**Kaufman & Maraffi Advertising**, New York	1,400	NA	NA	NA	NA	NA	NA	John Maraffi, president	(212) 867-0670	✓
126	NA	**TBC Direct**, Baltimore	1,400	NA	NA	28.6%	NA	NA	NA	Tom L. Burden, president	(301) 347-7500	
128	116	**Harold Warner Advertising**, Buffalo, N.Y.	1,396	1,361	2.6	NA	NA	NA	NA	Paul V. Offermann, president	(716) 852-4410	
129	119	**J.W. Prendergast & Associates**, New York	1,355	1,209	12.1	NA	NA	4.1%	14.8%	James W. Prendergast, president	(212) 687-8805	
130	113	**Eisner & Associates**, Baltimore	1,250	1,575	(20.6)	NA	NA	NA	NA	Steven C. Eisner, president, ceo	(301) 685-3390	✓
130	108	**Haddon Advertising**, Chicago	1,250	1,750	(28.6)	NA	NA	NA	NA	Harvey L. Haddon, president	(312) 943-6266	✓
132	121	**Smith/Greenland**, New York	1,230	1,101	11.7	NA	NA	NA	NA	Leo Greenland, chmn, ceo	(212) 757-3200	
133	NA	**Advertising, Boelter & Lincoln**, Madison, Wis.	1,214	NA	NA	35.8%	2.5%	18.8%	NA	Robert Boelter, president	(608) 251-3381	✓
134	111	**Liggett Stashower Direct**, Cleveland	1,200	1,700	(29.4)	NA	NA	NA	NA	David Stashower, president	(216) 348-8500	✓
135	124	**Great Scott Advertising**, New York	1,154	951	21.4	NA	NA	NA	NA	Lorraine Borden, ceo, president	(212) 826-2050	✓
136	128	**Quest Business Agency**, Houston	1,073	832	29.1	NA	NA	NA	NA	Alan D. Vera, president, ceo	(713) 956-6569	✓
137	127	**Ruhr/Paragon**, Minneapolis	1,048	873	20.0	NA	NA	NA	NA	Charles F. Ruhr, chmn	(612) 332-4565	
138	123	**Griffith & Coe Advertising**, Hagerstown, Md.	1,030	981	5.0	NA	NA	31.6%	2.9%	Jack Griffith, president	(301) 733-7286	
139	155	**Langworth Taylor Co.**, White Plains, N.Y.	1,000	200	400.0	NA	NA	NA	NA	Frank C. Langworth, president	(914) 946-7333	
139	NA	**Towne, Silverstein, Rotter**, New York	1,000	NA	NA	NA	NA	NA	NA	Leslie Towne, ceo	(212) 353-1700	✓
141	134	**MARC Direct**, Pittsburgh	980	734	33.6	NA	NA	NA	30.6%	Lou Cardamone, ceo	(412) 562-2000	

Delivery

(Continued from Page S-4)

pect list.

Pushing alternate delivery up in priority appears crucial to making it viable. "If alternate delivery is going to work, mailers need to be in it forever," says Howard Rosen, director of alternate delivery for Time Warner.

Despite agency executives' interest, alternate delivery is still far from becoming mainstream.

The volume of mail now being delivered by private means is negligible—only about 3%, according to the Association of Alternate Postal Systems.

Many of those companies specialize in delivering saturation, or non-addressed mail, which is exempt from the postal monopoly. But under the postal-rate proposal, saturation mail rates would decrease through new discounts—from 10.1¢ to 9.1¢ per mailed piece—discouraging mailers from using alternate delivery.

"We could be hurt [by the proposal]," says Ken Bradstreet, president of AAPS and VP-general manager of Advertisers Postal Service Corp.

Mailers of hefty catalogs and magazines stand to reap the greatest savings from alternate delivery. That's because alternate-delivery companies' costs are based more on the number of pieces mailed than on weight.

Alternate Postal Delivery, one of the largest private-delivery companies, is positioning itself for an expected increase in volume.

President-CEO Phillip Miller says the market potentially is worth as much as $500 million.

Mr. Miller intends to expand the network from its Midwest base. Targets include Greensboro, N.C., and Salt Lake City. The service delivers more than 1 million third-class pieces per month.

Time Warner, the nation's largest U.S. mailer, last year launched Publishers Express partly to gain clout with the Postal Service.

Time Warner has much at stake: Its postal bill is expected to jump 20% to $360 million after the 1991 rate change.

The service delivers magazines published or printed by Time Warner and equity partners R.R. Donnelley & Sons, Quad Graphics, Meredith, Murdoch Magazines, New York Times Publishing Co. and Times Mirror.

Publishers Express now delivers 85,000 magazines to 70,000 Atlanta-area households. By fall, Publishers Express will add catalog mail from Johnny Appleseed, Penney's and Sears. □

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DIRECT MARKETING AGENCY REPORT

Rank '89	Rank '88	Agency, headquarters	Direct-response volume 1989	1988	% chg	Media billed as % of 1989 volume TV	Radio	Print	Direct mail	Top executive	Telephone	Signed
142	139	**Partners & Shevack**, New York	$966	$632	52.8	NA	NA	NA	NA	Brett Shevack, president, ceo	(212) 245-7300	✓
143	149	**National Classified Network**, Dallas	944	323	192.3	NA	NA	100.0%	NA	Philip Kratzer, president	(214) 352-0612	
144	126	**Henderson Advertising**, Greenville, S.C.	936	876	6.8	NA	NA	NA	NA	Ralph W. Callahan Jr., chmn	(803) 271-6000	
145	125	**Dudnyk Co.**, Horsham, Pa.	900	900	0.0	NA	NA	NA	NA	Edward K. Dudnyk, president	(215) 443-9406	
146	140	**Larkin, Meeder & Schweidel**, Dallas	862	607	42.1	NA	NA	NA	NA	Carl Larkin, chmn, president	(214) 688-7070	✓
147	130	**Smith & Yehle**, Kansas City, Mo.	809	801	1.0	NA	NA	NA	NA	Karl J. Yehle, president	(816) 842-4900	
148	136	**Dorland Sweeney Jones**, Philadelphia	800	700	14.3	NA	NA	NA	NA	Harry A. Sweeney Jr., president	(215) 625-0111	✓
149	NA	**Media Consultants**, Lyndhurst, N.J.	780	NA	NA	NA	NA	NA	NA	Harvey Hirsch, president, cd	(201) 933-2015	
150	137	**Penny/Ohlmann/Neiman**, Dayton, Ohio	764	683	11.8	NA	NA	NA	NA	Walter Ohlmann, president, ceo	(513) 278-0681	✓
151	141	**Keyes Martin & Co.**, Springfield, N.J.	750	525	42.9	NA	NA	NA	NA	Daniel M. Gaby, chmn, ceo	(201) 376-7300	✓
152	122	**Waldbillig & Besteman**, Madison, Wis.	733	1,066	(31.2)	4.6%	9.3%	15.9%	NA	William J. Waldbillig, president	(608) 238-4767	
153	NA	**Saunders & Lyons Advertising**, Buffalo, N.Y.	729	NA	NA	NA	NA	NA	NA	Richard J. Saunders Jr., chmn	(716) 852-1700	
154	NA	**John Risdall Advertising**, New Brighton, Minn.	691	NA	NA	NA	NA	16.5%	11.7%	John Risdall, president	(612) 631-1098	
155	132	**Gray Kirk & Evans**, Baltimore	685	750	(8.7)	NA	NA	NA	NA	William G. Evans, chmn	(301) 727-4306	✓
156	143	**Pedone & Partners**, New York	550	450	22.2	NA	NA	NA	NA	Michael F. Pedone, president, ceo	(212) 319-2000	✓
157	138	**MarketAide**, Salina, Kan.	545	676	(19.3)	NA	NA	NA	NA	Russ Norwood, president	(913) 825-7161	✓
158	145	**Pool Communications**, Los Angeles	500	428	16.8	NA	NA	NA	NA	Harvey Pool, president	(213) 479-4166	
159	129	**Mintz & Hoke**, Avon, Conn.	450	830	(45.8)	NA	NA	NA	NA	Joseph Hoke, ceo	(203) 678-0473	✓
159	NA	**Tarlow Advertising**, New York	450	NA	NA	NA	NA	NA	NA	Dick Tarlow, president	(212) 826-0399	
161	144	**DFK Advertising**, New York	435	435	0.0	50.6%	28.7%	20.7%	NA	Herb Fried, president	(212) 696-0766	✓
162	148	**Kolon, Bittker & Desmond**, Troy, Mich.	400	400	0.0	NA	NA	NA	NA	John S. Kolon, president, coo	(313) 524-2500	
162	131	**Lyons Inc.**, Wilmington, Del.	400	800	(50.0)	NA	NA	NA	NA	William N. Spiker, chmn, ceo	(302) 654-6146	✓
164	146	**Ken Schmidt Co.**, Milwaukee, Wis.	390	425	(8.2)	NA	NA	NA	NA	Daniel H. Nelson, chmn, president	(414) 224-0210	✓
165	151	**Hallmark Advertising**, Pittsburgh	330	314	5.1	NA	NA	NA	NA	Marvin S. Jacobson, president	(412) 687-0400	✓
166	NA	**Goldberg Fossa Seid Advertising**, New York	325	NA	NA	NA	NA	NA	NA	Ira Goldberg, president	(212) 727-7400	✓
167	155	**Grant Marketing Communications**, Lafayette Hill, Pa.	300	200	50.0	NA	NA	NA	NA	Howard C. Grant, chmn, ceo	(215) 834-0550	✓
168	153	**Scharfberg & Associates**, Jenkintown, Pa.	290	209	38.8	NA	NA	NA	NA	Sheldon Scharfberg, president	(215) 885-7050	✓
169	162	**Capener Co.**, San Diego	280	145	93.1	NA	NA	NA	NA	Bob Capener, president, ceo	(619) 238-8500	✓
170	150	**Newmark Posner & Mitchell**, New York	240	320	(25.0)	NA	NA	NA	NA	Sidney Posner, president	(212) 867-3900	
171	157	**Letven/Diccicco Advertising & PR**, Horsham, Pa.	220	189	15.9	NA	NA	NA	NA	Edward M. Letven, chpsn, ceo	(215) 957-0300	✓
172	154	**Adelante Advertising**, New York	205	205	0.0	85.4%	14.6%	NA	NA	Sy Davis, president	(212) 696-0855	
173	160	**Arnold Advertising**, Boston	201	152	32.5	NA	NA	NA	NA	Ed Eskandarian, chmn, ceo	(617) 357-1900	✓
174	152	**McKinney Inc.**, Philadelphia	168	281	(40.3)	NA	NA	NA	NA	Frank W. Callahan, president	(215) 922-2635	
175	NA	**CTS Associates**, Detroit	159	NA	NA	NA	NA	NA	NA	Tom Scholl, president	(313) 965-0575	✓
176	163	**Laven Fuller & Perkins Advertising**, Chicago	132	137	(3.5)	NA	NA	65.7%	34.3%	James P. Perkins, president, cd	(312) 440-1818	
177	158	**MSA Advertising**, Philadelphia	130	175	(25.6)	NA	NA	NA	NA	Michael Schwartz, ceo	(215) 546-8000	
178	NA	**DK Group**, Hillsdale, N.J.	111	NA	NA	NA	NA	NA	NA	Richard Knei, president	(201) 358-6100	✓
179	165	**Reimel Carter Advertising**, Philadelphia	110	100	10.0	NA	NA	NA	NA	T.L. Reimel, president, ceo	(215) 735-3200	✓

How data were compiled

The rankings include returns from fully direct-response agencies and ad agencies with direct-response billings.

Data from both groups were solicited by questionnaire, although separately. Advertising agencies were surveyed at the beginning of the year for the Agency Income Report, published March 26.

Ad agencies were asked to list not only media placed by their direct-response units but materials and services and capitalized fees related to direct-response activity.

A number of agencies for various reasons still only identified direct response as a portion of their media total. Those numbers were used to determine their direct-response ranking in this report.

Purely direct-response agencies were mailed questionnaires that also contained additional questions relating to industry trends.

Both advertising agencies with direct-response billings and direct-response agencies were ranked together by their billings volume *(see charts beginning on Page S-2)*.

Excluded from billings in this report were returns from internal operations such as catalog production and data base and telemarketing operations. □

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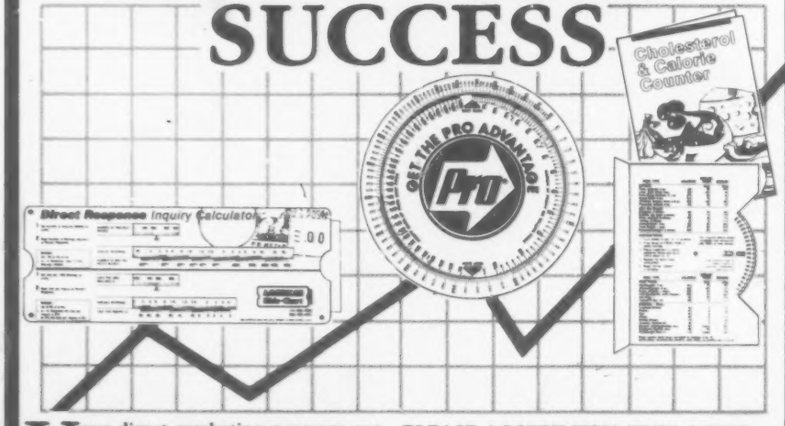

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DIRECT MARKETING AGENCY REPORT

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180	NA	**Price McNabb Advertising**, Asheville, N.C.	$109	NA	NA	NA	NA	NA	NA	Charles R. Price, chmn, ceo	(704) 255-2600	✓
181	164	**Gearon Hoffman Conlon & Nye**, Boston	100	$100	0.0	NA	NA	NA	NA	Bob Conlon, chmn, cd	(212) 688-2400	✓
181	161	**KK&M Advertising**, Boston	100	150	(33.3)	NA	NA	NA	NA	Dennis Kunian, chmn	(617) 787-0330	
181	168	**Nemer, Fieger & Associates**, Minneapolis	100	75	33.3	NA	NA	NA	NA	James D. Fieger, president	(612) 925-4848	✓
181	167	**Tri-State Advertising Co.**, Warsaw, Ind.	100	78	27.7	NA	NA	NA	NA	William L. Kreicker, president	(219) 267-5178	✓
185	166	**J. Malek Inc.**, New York	90	80	12.5	NA	NA	NA	NA	Judy Malek, president	(212) 465-9304	✓
186	NA	**Kopf Zimmermann Schultheis**, Melville, N.Y.	85	NA	NA	NA	NA	NA	NA	Arthur Zimmermann, president	(516) 293-6115	✓
187	173	**New-Venture Advertising**, Los Angeles	79	38	106.1	NA	NA	NA	NA	Doug Hedlund, president	(213) 473-1547	
188	NA	**Opus Group**, Ridgewood, N.J.	78	NA	NA	NA	NA	NA	NA	Joe Grasso, president	(201) 447-4824	✓
189	169	**Stiegler, Wells & Brunswick**, Bethlehem, Pa.	58	50	15.6	NA	NA	NA	NA	Ernie G. Stiegler, chmn	(215) 866-0611	
190	NA	**Cross Keys Advertising**, Doylestown, Pa.	56	NA	NA	NA	NA	NA	NA	Laura A. Thompson, president	(215) 345-5435	✓
191	NA	**Fischbein & Partners**, Minneapolis	50	NA	NA	NA	NA	NA	NA	Myles Spicer, ceo	(612) 542-9666	✓
192	NA	**Haller Schwarz Meade Ullman**, Agoura Hills, Calif.	49	NA	NA	NA	NA	NA	NA	H. Schwarz/S. Meade, co-chmn	(818) 889-2973	
193	171	**Shelly Berman Communicators**, Westerville, Ohio	45	45	0.0	NA	NA	NA	NA	Sheldon M. Berman, chmn	(614) 891-7070	✓
193	170	**Poindexter Associates**, Roanoke, Va.	45	49	(7.8)	NA	NA	NA	NA	Dale Poindexter, president	(703) 345-2400	
195	172	**Keating Magee Long**, New Orleans	42	43	(1.9)	NA	NA	NA	NA	Jennifer Keating Magee, ceo	(504) 523-2121	
196	174	**Harris & Love Advertising**, Salt Lake City	36	32	12.0	NA	NA	NA	NA	Donald G. Ware, president	(801) 532-7333	
197	176	**Meyer Jehs & Wallis**, Milwaukee	25	25	0.0	NA	NA	NA	NA	Robert L. Meyer, president	(414) 224-0212	
198	NA	**Phillips Marketing**, San Diego	20	NA	NA	NA	NA	NA	NA	Robert B. Phillips, president	(619) 223-5353	
199	175	**Tepe, Hensler & Westerkamp**, Cincinnati	19	27	(27.9)	NA	NA	NA	NA	John Tepe, president	(513) 241-0100	✓
200	159	**Communication & Design Agency**, Latham, N.Y.	16	159	(90.2)	NA	NA	NA	NA	Francis J. Lipari, president, ceo	(518) 783-0001	✓

Notes: Dollars are in thousands. See methodology Page S-8. ✓ indicates agency received signature of an independent accountant verifying figures supplied to AA.

Use tax

(Continued from Page S-5)

matter with a test case.

The decision to seek an ideal legal challenge comes as more states—28 at last count—pass laws "purporting to give the states the authority to collect taxes on mail-order purchases," Mr. Levering says.

"It's kind of like a protection racket," he says of states' legislative efforts to strong-arm direct mailers into compliance rather than risk losing a precedent-setting legal challenge.

Still, other legal battles continue. Mr. Mazerov says a case involving the state of North Dakota and Illinois-based Quill Corp. appears ripe to rise to the Supreme Court.

The case, now awaiting trial in the South Central District Court in Bismarck, N.D., raises the usual sales tax question—but with a twist, Mr. Mazerov says. The state will rely on a new argument: that the direct marketer's goods—in this case, office products and computer supplies—constitute nexus until the purchaser inspects them and officially takes delivery on the purchase. According to that argument, the goods themselves, at least for a time, remain the property of the sender and constitute nexus.

What encourages DMA about its chances before the Supreme Court are two recent state court rulings in Pennsylvania and Connecticut. In both, courts ruled in favor of direct mailers.

The Connecticut ruling was the most significant to DMA because it was rendered by the state Supreme Court. In its 6-1 decision March 28, the court held that a California marketer didn't have to collect the state's use tax because Cally Curtis Inc., a marketer of training videos, had only a nominal presence in Connecticut.

In the other case, the Commonwealth Court of Pennsylvania ruled that Bloomingdale's By Mail Ltd. isn't responsible for collecting use taxes on its mail-order sales to Pennsylvania residents.

Direct marketers continue to be reassured by the courts' definitions of nexus, which will remain the crux of the use tax issue.

"Once again, a state court has reaffirmed the 1967 national *Bellas Hess* decision of the U.S. Supreme Court . . . that an out-of-state direct marketer could not be required to collect taxes from in-state customers unless it has a physical presence, or nexus, in the taxing state," Mr. Levering says. □

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Data-base work arrives as direct's hot button

By Alison Fahey

SEARCH FOR GROWTH

Direct marketers are calling on the computer to help ring up revenues in the early 1990s.

Direct-response agency executives surveyed by *Advertising Age* identified data-base development as the technology representing the greatest revenue-generating potential for their businesses in 1990.

More than 45% of respondents say data-base marketing is the hot growth area. Growth from international activities and sales promotion functions were a distant second place with 16.9% of surveyed executives selecting each of these as areas with the greatest promise.

Agency executives say data-base marketing is becoming more important to their clients as they struggle to target consumers more effectively.

"I think data-base marketing has always been the domain of traditional direct marketers like insurance and financial services [companies], and now we're seeing tremendous growth from package goods," says Gary Blau, partner, Computerized Marketing Technologies. "The package-goods community has come to the harsh realization that mass media doesn't work."

Mr. Blau expects more package goods marketers to follow in the footsteps of Quaker Oats Co., a CMT client that will break in September a multi-year effort revolving around a customized direct-mail piece and including coupons for 16 Quaker brands. The initial data base contains the names of 18 million consumers.

Some say a result of the shift to data-base development will be growth in telemarketing's role as a direct-response device.

"As direct marketing has grown in sophistication with data-base building and management, people are realizing the telephone is a marketing communications medium [and not] an untargeted, unsophisticated way of selling," says Steven Idelman, chairman-ceo of the telemarketing company that bears his name.

While data bases are making telemarketing more efficient, new interactive telephone systems are helping to build data bases. For example, callers who leave their names and addresses for a 900 number phone-in sweepstakes provide advertisers with a ready-made mailing list.

"In that case, the marketer is collecting information at no additional cost," says Bob Lorsch, president of Teleline, a developer of telephone marketing programs.

Marketers that have experimented with interactive phone numbers include Anheuser-Busch Cos., Gannett Co.'s *USA Today*, Paramount Pictures and American Express Co.

Mr. Lorsch also says 900 numbers, which are sometimes ad-supported, can generate extra dollars for more advertising and promotional programs.

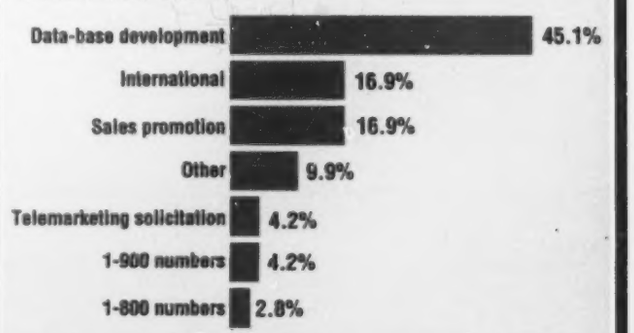
Brad Gillum, VP and partner of Lave & Associates Marketing, one of the agencies that listed telemarketing as the No. 1 growth area in the *Advertising Age* survey, says he sees more smaller companies using telemarketing as new hardware makes interactive voice response more affordable.

The key to telemarketing's growth, however, appears to reside in not only technological improvements in telecommunications but a desire to refine customer data bases to improve telemarketing's effectiveness.

"Clients used to have a lot of consumer information at their fingertips and just ignored it," says one agency executive who asked not to be identified. "Before, they didn't want to invest in it, but now they

The money in numbers

Growth will come from . . .



Note: Responses indicate percentage of respondents listing each area as having the greatest revenue-generating potential for direct-response agencies.
Source: Advertising Age Graphic: Holly Seguine

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Coupons go in-store

Growth trend shifts from media distribution

By Scott Hume

The pendulum has swung away from media-delivered coupons in favor of in-store promotions.

Package-goods marketers distributed 263 billion coupons through print media in 1989, up 4% from 1988, reported the Summary Scan! division of the Advertising Checking Bureau.

But the percentage growth of in-store and on-shelf promotions was higher, up 12%. Included were on-pack coupons, refund offers, bonus packs (such as buy-one-get-one), contests, sweepstakes and packages touting new or improved products.

In 1988, the number of media coupons (distributed by free standing inserts, newspapers, magazines and direct mail) rose 14.6% from 1987 to 252.7 billion, while use of in-store/on-shelf promotions rose 5%.

Summary Scan! Director Kermit Myers attributed the shift primarily to "pure economics."

"In 1987, when the number of coupons distributed rose 6%, I thought things had finally leveled off after several years of double-digit increases. But, surprise, the FSI companies dramatically reduced their prices in 1988 and boom, everybody raced back into couponing," he said.

"In the old days, you saw coupons for cookies and crackers but not coupons for everything, as you do now."

"Insert prices rose again in 1989 and manufacturers again shifted budgets, back away from coupons and into promotions," Mr. Myers added.

Another factor in last year's shift out of media couponing was renewed fears about "coupon clutter" as a result of 1988's large increase, he said.

"In the old days, you saw coupons for cookies and crackers but not coupons for everything, as you do now. [Categories] that never used to coupon now do it regularly, such as small-volume products like hemorrhoid treatments and allergy medication, and that's added to the clutter," he said.

It's too early to tell whether the balance between print media coupons and in-store/on-shelf promotions will again flip-flop in 1990, but early indications are that the growth of both "probably is leveling off," Mr. Myers said.

The face value of the coupons distributed in 1989 was about $115 billion, but because redemption rates stayed flat at less than 4%, the total redemption cost (including handling) was $4.5 billion, down 3.4% from 1988.

Although it's possible to track the number of promotional offers, it's impossible to give them a monetary value, Mr. Myers said.

FSIs remain the distribution vehicle of choice for package-goods marketers, accounting for 88.7% of all coupons distributed through print media in 1989. That's about even with 88% in 80% in 1986.

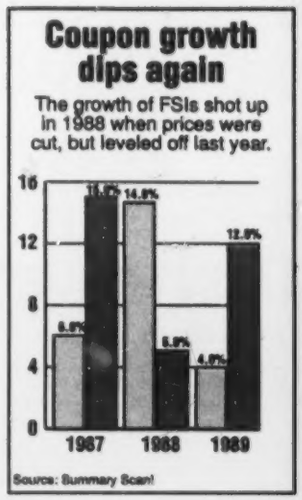
Other sources reported different numbers of coupons circulated last year. Carolina Manufacturer's Service estimated 273.4 billion coupons were distributed last year, up 9.4%. Mr. Myers noted that Carolina includes on-pack coupons and tracks only coupons distributed by marketers it serves as a fulfillment house.

Summary Scan! functions solely as a tracking service, monitoring newspapers in 57 markets for print ads and inserts, tracking 45 consumer magazines and examining every promotion distributed through direct mail. For in-store promotions, Summary Scan! examines every package and display in selected grocery stores in 10 major cities.

Marketers spent $979 million on print ads with coupons in 1989, and $207 million on print ads supporting promotions but not carrying coupons—such as ads for refunds, contests and sweepstakes.

Health & beauty aids again accounted for the highest share of all coupons distributed, 21.6%, up from 20.2% in 1988. □

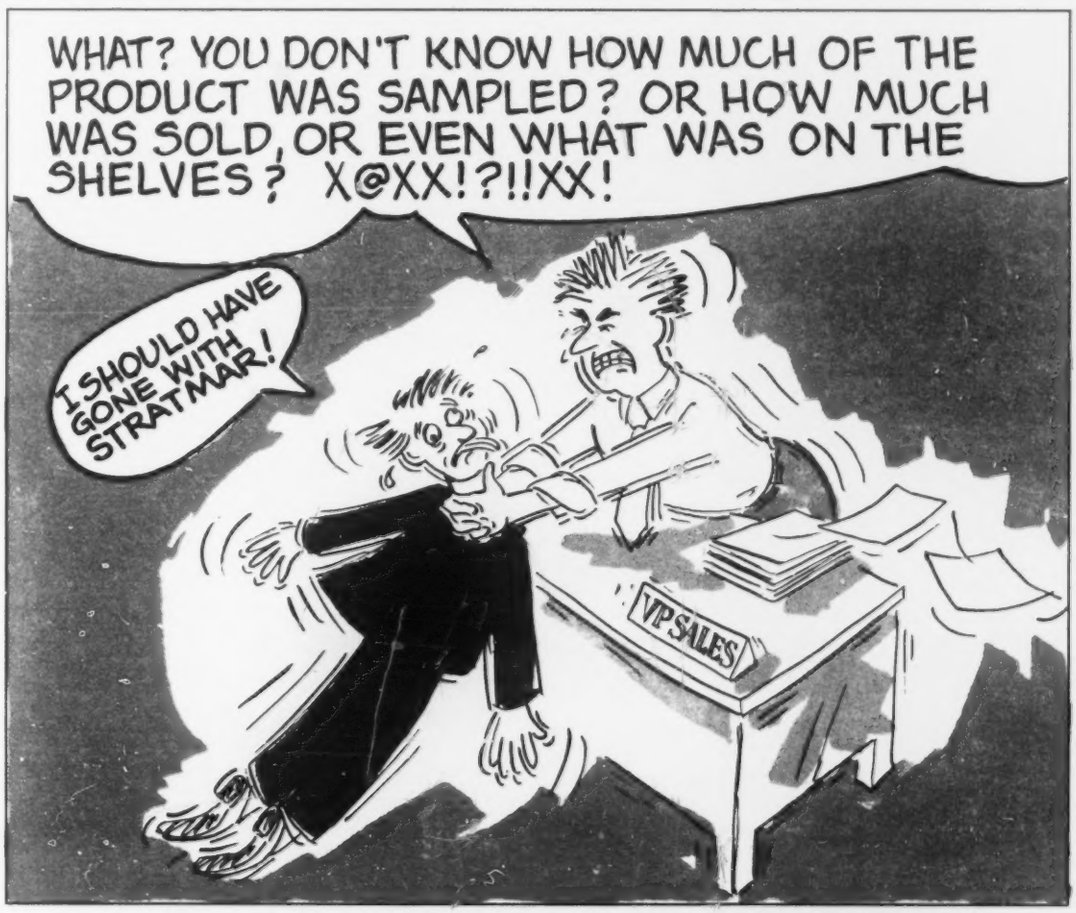
JOHN SMITHER



JOHN SMITHER

Sampling mistakes you shouldn't make.

#29 IN A LONG AND HORRIBLE SERIES.


WHAT? YOU DON'T KNOW HOW MUCH OF THE PRODUCT WAS SAMPLED? OR HOW MUCH WAS SOLD, OR EVEN WHAT WAS ON THE SHELVES? X@XX!?!!XX!
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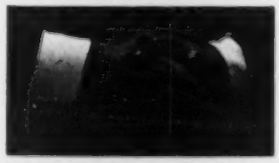

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MEDIAWORKS

PUBLISHING

Disney eyes 'Games Junior'

Editorial and business-side developments in print media.

Is Disney playing "Games"? PSC Publications, New York, may be close to a deal to sell *Games Junior* to Walt Disney Co. PSC is also seeking a buyer for *Games*, bought in 1987 from Playboy Enterprises; PSC launched the spin-off *Games Junior* in 1988. Both are every-other-monthlies. "There is a fair amount of interest in *Games Junior* and some interest in *Games*," said PSC President Jerry Calabrese. "There have been conversations, and still are, with Disney about *Games Junior*." PSC filed for Chapter 11 bankruptcy protection earlier this month.

In March, PSC sold *Creative Ideas for Living* to Sampler Publications, St. Charles, Ill. The every-other-monthly women's magazine has a rate base of 700,000.

Selling to Soviets. Amtorg Trading Corp. and International Delaware Corp., both New York, in November will jointly publish what they call the first directory of U.S. companies offering services to Soviet industry. *American Business Directory for the U.S.S.R.* will be distributed to 200,000 Soviet managers and government officials. The publishers have gathered at least 380,000 prepaid subscriptions for the estimated 350-to-400-page directory, said Basil Pegushin, Amtorg managing director. A b&w page is $10,000; a color page is $12,500.

"Penthouse" publisher adds "Compute!" General Media International, New York, publisher of *Penthouse* and *Omni*, bought *Compute!*, *Compute's Amiga Resource*, *Compute's Gazette* and *Compute's PC* from ABC Publishing, a division of Capital Cities/-ABC, New York. The frequency of monthly *Compute!* will be reduced, and the other titles are being evaluated to determine whether they will continue publishing, said Kathy Keeton, General Media vice chairman. At least one book is expected to survive.

New name, broader focus. ABC Publishing, New York, changed the name of its consumer magazine sales company to City Media from California City Magazine Network, as it expands into other cities and plans to develop more multiple-city buys. The network also added *Palm Springs Life* to its package buy, including *Los Angeles Magazine*, *San Diego Magazine* and *San Francisco Focus*.

Discount for animal lovers. Brant Publications' *Interview*, New York, will offer a 5% discount in its June, July and August issues to cosmetic and fragrance advertisers that stop using animal testing in product development. A regularly priced b&w page is $5,960; a color page is $9,940.

McGraw-Hill pushes print. McGraw-Hill, New York, formed a Magazine Publishers Council of executives from its 39 trade titles. The group, chaired by Joseph Dionne, chairman-ceo of McGraw-Hill, will meet quarterly and was formed "to reinforce McGraw-Hill's commitment to the business magazine industry," Mr. Dionne said. That commitment has been questioned by members of the industry in recent years following a series of restructurings that led to books being folded or sold.

"Sassy" plans readership control. Lang Communications' *Sassy*, New York, will publish in December an issue produced entirely by its teen-age readers. No advertiser tie-ins have been announced but *Sassy* executives hinted special programs may be made available to marketers. Ad close is Sept. 25. A b&w page is $10,160; a color page is $14,730. □

TRACKING SHARES

TV favorites affected by audience age

TV's most popular series usually have wide appeal, reaching different age groups. But more programs now seem to have targeted audiences, and are seeking lucrative niches in different demographics.

Adults 18-24 (25.2 million viewers)	% of group watching
1. Simpsons (Fox)	16.2%
2. Roseanne (ABC)	15.6%
3. Cheers (NBC)	14.5%
4. A Different World (NBC)	14.0%
5. America's Funniest Home Videos (ABC)	13.9%
6. Cosby Show (NBC)	13.6%
7. Married With Children (Fox)	13.3%
8. Wonder Years (ABC)	13.0%
9. Coach (ABC)	11.6%
10. Dear John (NBC)	11.4%

Adults 25-54 (104.9 million viewers)	% of group watching
1. Roseanne (ABC)	17.3%
2. America's Funniest Home Videos (ABC)	17.2%
3. Cheers (NBC)	16.0%
4. Cosby Show (NBC)	14.5%
5. Dear John (NBC)	13.8%
6. A Different World (NBC)	13.6%
7. Wonder Years (ABC)	13.1%
8. Chicken Soup (ABC)	12.9%
9. Coach (ABC)	12.8%
10. L.A. Law (NBC)	12.7%

Adults 55 and older (50.1 million viewers)	% of group watching
1. 60 Minutes (CBS)	28.1%
2. Murder, She Wrote (CBS)	27.4%
3. Matlock (NBC)	25.7%
4. In the Heat of the Night (NBC)	23.6%
5. Golden Girls (NBC)	22.8%
6. Empty Nest (NBC)	20.9%
7. Unsolved Mysteries (NBC)	20.0%
8. Jake & the Fatman (CBS)	19.6%
9. CBS Sunday Movie (CBS)	17.4%
10. Carol & Company (NBC)	16.8%

Percentages are averages for the 1989-90 TV season. *Source:* Nielsen Media Research

LAUNCHING PAD

New publication launches.

'Sound & Image'

Diamandis Communications Inc., publisher of *Stereo Review*, introduces with a June issue *Sound & Image*, a magazine aimed at upscale buyers of home entertainment systems. The publication is scheduled to appear twice this year and be expanded to quarterly publication in 1991. Initial paid rate base is 150,000. A b&w page is $5,600; a color page is $8,000. Winston A. Johnson is publisher, Michael Riggs is editor and Nick Matarazzo is ad director. Offices are at 1633 Broadway, New York 10019. Phone: (212) 767-6000.

'Business Travel Planner'

Maxwell Communication Corp. will introduce with a fall issue *Official Airlines Guide Business Travel Planner, North American Edition*. The quarterly directory is designed for business travelers and travel planners who organize trips in North America. Initial paid rate base is 72,000. A b&w page is $3,500; a color page is $4,600. Martin Shapiro is publisher-ad director. Offices are at 2000 Clearwater Drive, Oak Brook, Ill. 60521. Phone: (708) 574-6493.

'Images of Nashville'

Journal Communications has introduced with a spring issue *Images of Nashville*, a quarterly. Controlled circulation is 50,000. A b&w page is $5,758; a color page is $6,775. Bob Schwartzman and Robin Hood are publishers-editors, and Roland Gibbons is ad director. Offices are at 5123 Paddock Village Court, Suite C-23, Brentwood, Tenn. 37024-1385. Phone: (615) 371-0010. □

MediaWorks is coordinated by Wayne Walley.

SPOT CHECK

Source: Horizon Media John Hall

April showers brighten spring

Spot Check is a monthly survey of purchasing activity in the top 20 TV markets as a projection of future activity, compiled by Horizon Media, New York. Markets are ranked by spot availability after April sales.

Top 20 overlook: Markets are generally tight after a shower of sales in April. Denver, Los Angeles, New York, San Francisco and others have rebounded, said William Koenigsberg, Horizon president. He expects advertising for early June movie releases to increase future demand for spot TV.

(1) Very tight—Little time available.

Denver: Aggressive political races and heavy automotive, retail and fast-food spending mean near sellouts in most dayparts.

Los Angeles: Political spending is at an all-time high. Automotive spending leads the market despite lower levels than last year. Entertainment, home video and fast-food spending are strong.

San Francisco: Despite flat spending by financial institutions, the market is very tight. Retail, fast-food, political and foreign cars are fueling demand for time.

(2) Tight—Time available but demand keeps prices stable.

Atlanta: The market is primed to pick up dramatically from political spending. Financial institutions, local auto dealerships, retailers, fast-food chains and corporations also are spending heavily; time could be sold at a premium in June.

Cleveland: Fast-food, automotive and political spending leave few prime-time spots available. Early and late news time periods and sports are also in demand.

Dallas: Financial services spending is up from last year. Increases in retail and political spending keep the market tight despite decreased domestic automotive and fast-food spending.

Detroit: Newspaper advertisers keep flocking to local TV. Target Stores' entry has forced K mart Corp. to expand advertising.

Minneapolis: Automotive spending is up; the Minnesota State Lottery is advertising heavily in the second quarter. Sponsors for the July 1990 Olympic Festival have started campaigns.

New York: June movie releases will keep the market healthy; baseball has helped tighten inventory on WWOR and WPIX. Automotive, transportation and communications spending is heavy.

Philadelphia: Automotive and financial services spending will keep inventory selling at a premium through May. Airlines are fighting Midway Airlines' entrance. Movie spending is high.

Seattle: Nissan Motor Corp. USA's heavy spending has car marketers rushing for good positions. Nordstrom has boosted retail spending. Fast-food spending remains high.

Tampa, Fla.: Inventory is tight in early and late news, with stations already meeting budgets for second quarter. Spots for Lexus and Infiniti have helped push automotive spending.

Washington: Automotive and retail spending are very heavy. Also tightening the market are political spending and AT&T Co. and Bell Atlantic's ad war.

(3) Negotiable—Time available at negotiable rates.

Boston: Automotive and fast-food spending are flat, but some banks are expected to spend more in May and June to regain customer confidence after major financial setbacks.

Chicago: Tourism and fast-food spending are up, but corporate, local and automotive spending are down. Early political spending for fall races could tighten the market.

Houston: Financial and automotive spending are healthy, but retail is down, and the November gubernatorial race has yet to affect the market.

Miami: Movie, automotive and political spending are up marginally. Most demand is for selected prime-time programs, early and late news, and access time periods.

Phoenix, Ariz.: Foreign car spending is up, but financial and retail spending are flat, leaving a volatile marketplace.

Pittsburgh: Financial spending is rising. Automotive spending is healthy. Demand could be eased after this month's primary.

St. Louis: Automotive and retail spending are tightening the market, but pressure for time is expected to ease this month. □

May 28, 1990

Advertising Age

Crain's International Newspaper of Marketing · In Two Sections · Section 1 · $2.00

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LAST MINUTE NEWS

McD grills chicken

OAK BROOK, Ill.—McDonald's Chairman Michael Quinlan told shareholders Friday that domestic sales are running "essentially flat" compared with 1989 as a result of softer consumer spending and aggressive discounting by Burger King. McDonald's also is testing a grilled chicken sandwich that would compete with Burger King's BK Broiler *(see earlier story on Page 4)*.

United unions court exec

ELK GROVE VILLAGE, Ill.—United Airlines' three unions are courting Chrysler Corp. Vice Chairman Gerald Greenwald to run the carrier if an employee buyout succeeds, *Crain's Chicago Business* reported. If the unions convince Mr. Greenwald, 54, to succeed current Chairman-CEO Stephen M. Wolf, it would be a big breakthrough in their efforts to buy UAL. Sources described negotiations as "progressing well but not yet done," adding that if a deal with Mr. Greenwald is sealed, it probably would occur this week.

Parker, Reebok team

BEVERLY, Mass.—Parker Bros. will announce a tie-in with Reebok for a videogame at the June 2 Consumer Electronics Show. Parker said this is the first commercial tie-in with a Nintendo Entertainment System videogame. The game, called "Drac's Night Out," features a character who wears the Pump athletic shoe. Reebok will co-promote the game. Grey Advertising, New York, handles Parker; Hill, Holliday, Connors, Cosmopulos, Boston, is Reebok's agency.

New 'National' edition

NEW YORK—*The National*, the fledgling sports daily, plans to launch a "twilight" or early afternoon edition in New York and Chicago that will include West Coast and late scores. The move is in response to criticism that the newspaper prints too early to include many scores. The launch date of the new edition and circulation haven't been set.

'Playboy' mulls account

NEW YORK—*Playboy* is re-evaluating its relationship with Chiat/Day/Mojo, Toronto, less than two weeks after awarding the agency its

(Continued on Page 6)

INSIDE

Rance Crain answers Rupert Murdoch

Page 29

Cable tests revamp

Restructuring plans could turn off advertisers

By John McManus

ESPN, Cable News Network, MTV and other cable channels may soon see some of their hard-won favor among advertisers evaporate.

Cable systems, with re-regulation hanging over their heads, are recasting their program offerings so viewers pay only for the channels they want.

Cable networks fear that a new payment structure will cut into their coverage, diminish cable ratings and stall the medium's progress as a legitimate competitor for advertisers' mass media budgets.

Instead of grouping ad-supported channels into a single "basic" package, the leading cable systems are starting to restructure their offerings into optional clusters, known as tiering. Cable subscribers then pay separately for services that match their interests—sports, entertainment, information, comedy and adventure.

The restructuring—now being tested by industry leader Tele-Communications Inc., Time Warner's No. 2-ranked American Television & Communications and Cablevision Systems Corp.—is being strongly resisted by the cable networks.

"Tiering cuts down . . . the potential dollars the cable networks can get from advertisers."

"When you talk about diminishing the reach of cable networks, suddenly some of those networks become less viable options to broadcast television advertising," said Joseph Ostrow, New York-based exec VP-worldwide media director at Foote, Cone & Belding. "This may signal the end of that opportunity."

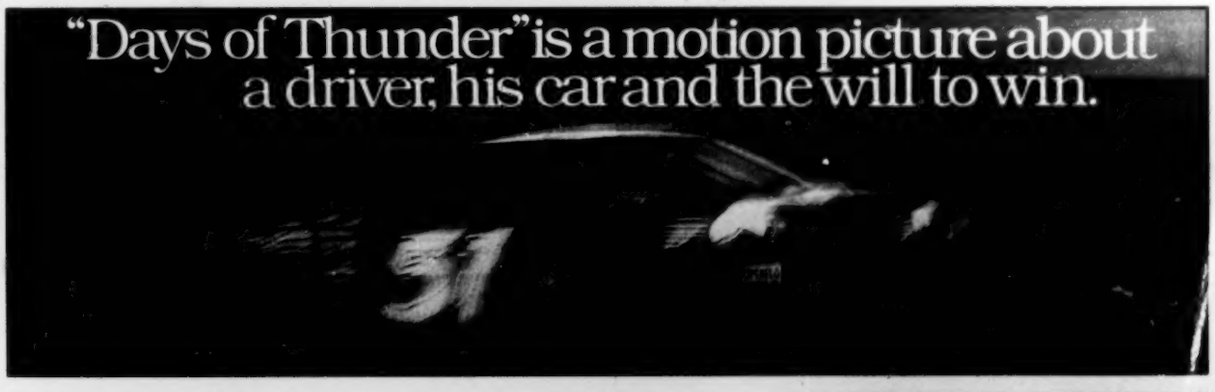
But viewer "choice is going to be where we go with this industry," said TCI President John Malone.

At last week' National Cable Television Association conference in Atlanta, Mr. Malone and other cable leaders said tiering is the only way a system can balance rising program costs with regulatory and consumer group demands to rein in rates.

"We can't continue to add expensive services to basic and increase the price of basic without encountering consumer problems," said Charles Dolan, chairman of Cablevision, the No. 8 U.S. cable company. "Nor do we want to paralyze basic services or remove services. What that says is, you need to let the consumer have access to cable, picking up the services that he really wants."

"Right now, we're trying to fit the whole

(Continued on Page 60)



Coming attractions: Movie tie-ins galore

By Marcy Magiera

LOS ANGELES—It's going to be a long, hot movie-marketing summer.

Such movies as "Days of Thunder" starring Tom Cruise, "Total Recall" with Arnold Schwarzenegger, "Jetsons: The Movie" and "Dick Tracy" are expected to produce the largest number of promotional tie-ins ever with major advertisers in a summer.

Last year, "Batman," "Ghostbusters II" and "Indiana Jones & the Last Crusade" spurred a large number of tie-ins, but as movie marketers strive to push ticket sales past last summer's $2 billion record the race for cross-promotions is heating up.

The three-month period between Memorial Day and Labor Day is the most competitive season at the box office. Close to 50 films will be released, representing about 40% of the year's ticket sales.

That competition and the escalating cost of movie marketing are making tie-in partners a necessity for studios with potential blockbusters to promote.

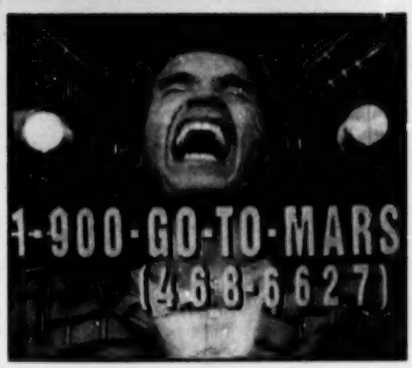
A program of marketing tie-ins, like that for "Days of Thunder" or last year's "Ghostbusters II," can add $20 million to $30 million to a studio's $8 million to $10 million marketing budget.

Walt Disney Co.'s "Dick Tracy" and McDonald's Corp. will team for what will probably be the summer's largest single cross-promotion (AA, Feb. 5). But the largest numbers of marketing tie-ins belong to "Days of Thunder" and "Jetsons: The Movie."

Here are some coming attractions:

■ In the "Dick Tracy" deal, McDonald's will spend $10 million to $12 million on advertising in support of an estimated $40 million game-and-premiums promotion. The McDonald's promotion starts June 15, the

(Continued on Page 58)



Hot flicks in the summertime (from top): "Days of Thunder," "Total Recall" and "Jetsons."

Saatchi puts heat on breakaway shop

By Laurel Wentz

LONDON—Saatchi & Saatchi Advertising's laid-back attitude toward eight staffers who broke away from the agency changed last week when Saatchi launched a flurry of legal action, apparently aimed at harassing the new agency and recovering property.

Writs were served May 23 on seven of the eight individuals who left Saatchi to form Cowan Kemsley Taylor (AA, May 21).

Managing Director Paul Cowan said the writs allege breach of conduct and theft of confidential information. He said unspecified damages were sought and Saatchi demanded all materials in their possession be returned by noon May 24.

"All the material we had has been returned, including personal televisions and stereos that were perks of our jobs," Mr. Cowan said.

"We returned show reels, press cuttings, used Magic Markers, three layout pads and a photograph of the Berlin Wall," he said. "We offered [Saatchi] the opportunity to come 'round and look at our office or our own personal homes."

Mr. Cowan added, "We are required to swear affidavits and submit them to the high court next Tuesday [May 29] regarding certain allegations about property removed" from Saatchi premises.

Saatchi declined to comment.

Since the new agency has taken no clients, Saatchi is expected to drop the legal action following compliance with the writs' request for return of property.

Saatchi has emphasized the eight weren't part of the agency's top management, and Charles Saatchi reportedly remarked he had never heard of any of them.

Sources speculate the new shop's first account could be Reckitt & Colman's $1.5 million Lemsip cold remedy. Reckitt & Colman is moving Lemsip and Disprin aspirin because of a conflict with Procter & Gamble Co., a Saatchi client. Disprin went to Leagas Shafron Delaney Chick last week.

Two other Saatchi executives quit last week to set up a business-to-business direct marketing and sales promotion company for Foote, Cone & Belding. Stephen Fox, managing director of Saatchi & Saatchi Business Communications, and Andy Blackford, creative director at Equator, a Saatchi sales promotion company, said they also aren't taking any accounts with them. □

Coke retools MagiCan

By Patricia Winters and Laurie Freeman

Coca-Cola USA last week told the Food & Drug Administration it's switching to paraffin in its promotional MagiCans to eliminate the possibility of consumers ingesting the chlorinated water originally used.

An FDA official said Coca-Cola contacted the federal agency after discovering some MagiCans had malfunctioned and that one Massachusetts youth drank the liquid (AA, May 21).

"From our point of view, we have no public health concerns with MagiCans," said Chris Lecos, an FDA spokesman.

Coca-Cola is "continuing to monitor and evaluate the situation. At this point, the promotion is proceeding," said Bob Bertini, manager of public relations, North American soft-drink business sector, at the company.

Mr. Bertini said Coca-Cola has found a way to correct the MagiCans that haven't yet been distributed to bottlers, though he declined to elaborate.

An estimated 120,000 of 750,000 MagiCans have already been distributed to bottlers, industry sources say. So far, Coca-Cola has had "fewer than 50" complaints about malfunctioning cans, Mr. Bertini said, compared with 15 complaints two weeks ago.

Robin Gendron, the mother of the youth who drank the liquid inside a MagiCan, declined to comment on whether she's considering legal action.

The MagiCans are specially designed so cash pops out when they're opened. The problem, as explained in TV and print ads the company broke May 23 in 50 newspapers, is that the prize mechanism in some cans is faulty and the money doesn't pop out.

The ads from McCann-Erickson Worldwide, New York, warn consumers not to drink the liquid inside the MagiCan because it's not meant for consumption.

Marketing analysts say that though the botched MagiCans probably won't hurt Coca-Cola's sales or long-term image, it's an embarrassment.

"I disagree that there's no such thing as bad publicity," said Tom Pirko, president of Bevmark beverage consultants. "There's a huge amount of negative attention. . . . It's embarrassing to Coke."

Still, Mr. Pirko and most other experts believe Coca-Cola can't cancel the promotion.

"To cancel would be an admission that something dreadful happened, and it didn't," Mr. Pirko said. "You have to remember that this is a company with a wound, and that is new Coke. They don't make an admission."

Coca-Cola launched the $100 million "Magic Summer '90" promotion for Coca-Cola Classic to top Pepsi in the annual summer marketing battle. Pepsi-Cola Co. has launched "Cool Cans"—with mod graphics and numbers printed inside—that can be redeemed for cash.

Leigh Curtin, manager of public relations for Pepsi, called Cool Cans "fun and non-threatening." She said in the Pacific Northwest, where the promotion was first launched and has just ended, "double-digit incremental growth" was generated. □

ABC wants auto ads early

By Wayne Walley

NEW YORK—ABC-TV is asking automakers to submit prime-time budgets by the week of June 4, an attempt to create the same two-tier marketplace that last year drove upfront network sales to a record $4.2 billion.

"A two-tier marketplace is developing, and it's unfair," said Paul Isacsson, exec VP-director of broadcast programming and purchasing for Young & Rubicam. "The package-goods companies get screwed."

The intense competition among automakers for TV time early on creates a higher tier that helps inflate prices and squeezes available time for non-automotive marketers, which wind up as second-tier players because they get to the market later.

Last year, automakers spent $700 million in the upfront market, which led to overall price increases of between 10% and 17% on a cost-per-thousand basis.

■ **Special Report on the Upfront TV Season starts on Page 33.**

By treating the automakers separately, ABC is hoping to again secure double-digit increases. CBS and NBC are expected to follow suit, industry sources say.

"Here we go again," said an agency executive who asked not to be identified. "So many automotives are out there. They are locked out of some good shows on NBC because of the General Motors deal, so ABC is trying to stampede the market."

General Motors Corp. earlier this month combined ad time on NBC's sports and prime-time programming with time on NBC's cable services in an estimated $500 million to $750 million three-year deal.

The pre-upfront pact has yet to beget more multiyear agreements or start a rush on advanced network sales, but industry sources say the Big 3 networks have quietly made some smaller prime-time deals with select advertisers, including Helene Curtis Industries.

None of the agreements have been near the magnitude of the GM buy, and neither the networks nor any advertiser and agency executives would discuss details.

But now that ABC and NBC
(Continued on Page 60)

IN THIS ISSUE

NEWS

- **Video commercials** get rated "annoying" from consumers in the latest *Ad Age*-Gallup survey **8**
- **Green Giant** aims for growth with a doubled ad budget and numerous new products **20**
- **Some MBA graduates** back away from investment banking careers in favor of marketing positions **54**
- **P&G** falls behind in the fat-free food battle while awaiting FDA approval for olestra fat substitute **55**
- **Hearst Corp.** teams up with Russian daily newspaper in the first U.S.-Soviet joint publishing venture **59**

VIEWPOINT

- Sid Bernstein: The religion/disease debate **24**
- Forum: A closer look at environmental claims **25**
- James Brady: Learning the photographer's craft **29**
- Rance Crain: Thanks Rupert, but no bet **29**

Editorials ..... **24** Letters **28**
Brady's Bunch ..... **25** The Next Trend **29**

The Upfront TV Season

- Phil Guarascio explains how multiyear NBC deal fit GM.
- A daypart-by-daypart examination of TV ad time, plus likely advertisers.
- Cable costs hitting marketer resistance.

INTERNATIONAL NEWS

- Henkel puts big money behind world relaunch **46**

MARKETING TO HISPANICS

- AT&T account shift puts shop out of business **47**

MEDIAWORKS

- Magazines see slight April upswing **48**
- Consumer Linage **49**

PEOPLE

- Victor Linnik does double duty for *Pravda* **50**
- People Moving **50**
- Photo Review **51**

- Snapple Natural Beverage Co.'s "So good, it makes people forget themselves" campaign really is forgettable.

U.S. NewsWatch **12**
Corrections & Clarifications **28**
Classified **52**
For the Record **57**
Index to Advertisers **62**

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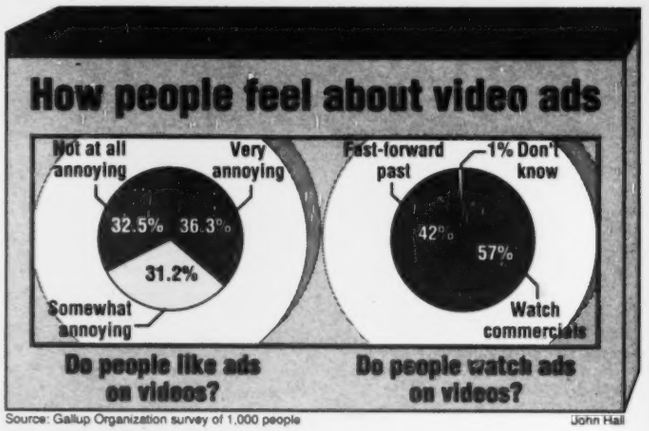
Consumers pan ads on video movies



Source: Gallup Organization survey of 1,000 people — John Hall

By Scott Hume

GALLUP SURVEY

Most consumers who buy or rent movies on video don't want to watch commercials.

That doesn't necessarily mean they *don't* watch the commercials that increasingly precede films on video. But a survey conducted for *Advertising Age* by the Gallup Organization shows that most consumers are at least a little annoyed by that extra 30- or 60-second wait for the feature presentation to begin.

Placing a commercial message on a videocassette seems like a good way to reach consumers: 78% of the 1,000 adults surveyed by phone said they own or at least occasionally rent a VCR.

More than a quarter of the sample (28%) said they had bought or rented a videocassette with a commercial message included on it during the previous three months.

Of those who watched such a video, 57% said they watched the commercial, while another 42% said they fumbled for the fast-forward button to speed through the ad. The remaining 1% weren't sure how they had handled the situation.

But while most may have watched the commercial, they likely weren't pleased about it. More than one-third (36.3%) of the respondents who watch prerecorded tapes described the inclusion of advertising on the tape as "very annoying."

A slightly smaller group held the other opinion: 32.5% judged ads on movie tapes to be "not at all annoying." In between were 31.2% of the sample, who think commercials on tapes are "somewhat annoying."

That's a slightly less forgiving reaction to the marriage of advertising and feature films than was given in a previous Gallup survey. For that poll (AA, April 23), consumers were asked their opinion of commercials airing in movie theaters, and 44% said the practice should be banned, while 35% opposed a ban and 21% were unsure.

Advertisers had the best chance of getting persons ages 18 to 34 to watch their videocassette commercials: 60% of survey respondents in this age group left the fast-forward button alone. Among those ages 35 to 54, 54% watched the commercial, while 59% of those 55 and older kept their seats during the ad.

That middle age group also proved highly critical of video ads as well as impatient with them. Nearly three-quarters of those ages 35 to 54 who rent or buy videos labeled commercials on videos as either "somewhat annoying" (32%) or "very annoying" (41%).

Only 57% of those ages 18 to 34 said they found commercials on videos either "somewhat (29%) or "very annoying" (28%).

Among those ages 55 or older, only 22% said video ads are "not at all annoying." More than three-quarters were either "somewhat" (34%) or "very annoyed" (44%) by them.

The Gallup survey was conducted by phone, using a randomly selected but nationally projectable sample. It has a margin of error of plus or minus 3.1%. □

Tiger breathes easier

Exxon Co. USA next week starts a multimillion-dollar campaign for its Exxon 93 Supreme and Exxon Plus gasolines reformulated to reduce hydrocarbon emissions. In this TV spot from McCann-Erickson Worldwide, Houston, the famous Exxon tiger is shown in a natural habitat to suggest the products' environmental benefits. The gasolines will roll out from Texas to the Southeast in June and to the East by mid-July.

Mercury thinks young

By Raymond Serafin

TEMPE, Ariz.—Lincoln-Mercury is counting on its sporty new Mercury Capri to fashion a more youthful image for the upscale division of Ford Motor Co.

But whether the same dealers who sell large luxury vehicles like the Lincoln Town Car to buyers in their mid-50s can also sell small cars to young buyers is a key marketing question. Ford executives acknowledged that during a press preview here for the Capri and a second small car, the new subcompact Mercury Tracer.

"A lot of our dealers don't like our advertising" for the Capri launch, said Ross Roberts, Lincoln-Mercury VP-general manager.

Some dealers have criticized the absence of a hard sell in the positioning of the Capri as "absolutely . . . a fun car," Mr. Roberts said.

Dissatisfaction with the advertising to selling big-profit automobiles, will be motivated enough to sell the lower-profit cars to prospects who may be the children of their usual customers. The Capri's base price is $12,588, compared with a $27,986 base price for the Lincoln Town Car.

Mr. Roberts and other divisional officials say attracting younger buyers now is the only way to ensure a continued flow of customers in the future.

Lincoln-Mercury will concentrate Capri marketing efforts in 19 cities, most of them on the coasts and in the Sun Belt. These are areas where small convertibles have been most popular. In addition, the automaker believes it can devote more attention to training dealers by limiting the number of markets where the car is available.

"It's the first time we've ever been able to say with the launch of a car that we're going to go regional with it," Mr. Roberts said.

The launch campaign from Young & Ru-

Chiat widens focus to int'l presence

Swedish agency in, S.F. office out

By Alice Z. Cuneo and Cleveland Horton

Chiat/Day/Mojo is turning its corporate eye to Europe while refocusing its U.S. operations.

The Venice, Calif.-based agency last week said it's entering into a joint venture with Hans Brindfors Advertising, a Stockholm-based agency with about $100 million in billings. The Swedish agency's clients include SAS Scandinavian Airlines, Ikea, Absolut, Volkswagen, Audi and Orrefors.

The so-called Pan European Agency Network will start by establishing as yet unnamed agencies in Italy, France and Spain. The joint venture will examine possible acquisitions as well as start-ups in those countries, said Peter de Vaux, Chiat exec VP-chief financial officer.

"Our intention is to develop the association [with Brindfors] further," Mr. de Vaux said, "perhaps leading to a full merger."

The two agencies have swapped "a modest amount of equity," as well as exchanging board memberships, he said.

At the same time, Chiat has agreed to sell its $100 million San Francisco office to local management. Chiat Vice Chairman Fred S. Goldberg, also president of the San Francisco office, is leading the negotiations.

Initially, Chiat will keep a minority interest in the office, though it expects the new managers ultimately to fully own the new agency.

Chiat officials said the agency's new international focus doesn't lend itself to maintaining two offices only 400 miles apart. The San Francisco office was "born out of a regional agency concept," said Bob Wolf, chairman of Chiat/Day/Mojo North America. "It's hard to see how it fits in now in an international network."

Sources suggest the decision to sell the San Francisco office grew out of increasing conflicts between Messrs. Wolf and Goldberg. Mr. Wolf acknowledged that Mr. Goldberg's entrepreneurial approach to running the office prompted the two men to end up "on different ends of an argument."

One of the issues said to precipitate the split was Chiat's decision to drop out of the view of its $20 million account, citing the brewery's shaky financial condition (AA, May 7). Mr. Goldberg apparently fought that decision and, last week, the San Francisco office re-entered the review.

Other observers say Mr. Goldberg lost an internal corporate struggle with Mr. Wolf, who was named Chiat North America chairman late last year. "They have been duking it out for control of the company," said one former Chiat executive.

"Wolf didn't want Goldberg to succeed," said one agency head. "Jay [Chiat] didn't want to cut and run, so he gave Fred a chance to do something with the office."

The San Francisco office has 100 employees and its client roster includes Golden Grain Marcaroni Co., Celestial Seasonings, Dell Computer Corp., Oracle Corp. and Atari Corp.

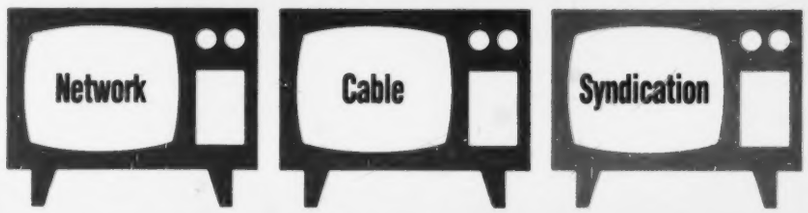
Chiat officials said the agency's new international focus doesn't lend itself to maintaining two offices only 400 miles apart.

Still in question is the future of three accounts Chiat/Day acquired in the merger with Australian agency Mojo MDA last year: Qantas Airways, the Australian Tourist Commission and Koala Springs Australia, each billing about $3 million. Chiat said it hopes to transfer those accounts to Venice; Mr. Goldberg said the disposition of the accounts is unclear.

The regional account group serving Chiat's large Nissan Motor Corp. USA business will remain housed within the new agency's office but will continue to report to Chiat's Venice headquarters.

This marks the second time Chiat has left San Francisco. An office that was opened in 1979 closed one year later. In 1980, Chiat reopened and grew through the acquisitions of Hoefer, Dieterich & Brown and Regis McKenna Advertising (which brought the Apple Computer account). With the Mojo merger, Chiat gained what had once been

Unusually big early deals will have a telling effect; here's a daypart-by-daypart look at how the market falls together



THE UPFRONT TV SEASON

Ante up for the big poker game

By Wayne Walley

The annual $4 billion poker game known as the network TV upfront selling season is beginning.

In June, at least two months of posturing by buyers and sellers come down to four frenzied weeks of serious negotiating and executing deals in network dayparts.

During the upfront selling season, advertisers buy time as much as a year in advance to lock in prices, programs and cost-per-thousand guarantees.

When it is over—probably no later than July 4—the Big Three networks and Fox Broadcasting Co. likely will have sold 85% to 90% of available inventory.

"Our first check of the marketplace shows advertiser budgets to be about the same as last year," a network executive says. "And spending levels in the upfront are almost always higher than our first check."

Movie studios, automobiles and package goods again are viewed as the big upfront players. But few believe these main categories will turn the market into another frenzy.

The automakers, by spending an unprecedented $700 million in upfront last year, caused a panic allowing the Big Three networks to reap cost-per-thousand increases of between 10% and 17%.

But General Motors Corp. already is locked into a three-year deal with NBC worth an estimated $500 million to $750 million for time in sports, prime time and its CNBC and SportsChannel America cable services. Many buyers are hoping that deal is a sign the automotive category will not drive upfront to record high CPM levels again.

"The deal means GM won't be screwing up the upfront market this year," says Paul Isacsson, exec VP-director of broadcast programming and purchasing for Young & Rubicam.

The pact heartened the selling community, however. "[GM] increased spending dramatically last year," a network executive says. "People said it couldn't continue. Then they canceled second-quarter options. This deal shows they're ready to spend at least as much as last year."

An agency executive says the impact of the GM/NBC deal is

(Continued on Page 42)

ONE ON ONE

Guarascio explains how NBC deal fit GM

Still plans to be busy in upfront, though

General Motors Corp. is earning a special place for itself in the annals of upfront TV sales, having signed an unprecedented three-year, $750 million package with NBC-TV just before the start of the upfront selling season.

Advertising Age *dispatched Detroit Bureau Chief Raymond Serafin to talk with Philip Guarascio, GM's executive director of advertising and strategic merchandising, about the NBC deal and other areas affecting the 1990 upfront selling season.*

Advertising Age: *Are you still going to be involved in the upfront market with the other networks?*

Mr. Guarascio: We expect to. We're going into it now with a big piece in place, and I think, frankly, that gives us a little more flexibility on how to deal with the balance of our needs.

AA: *Isn't [the GM-NBC package] a big endorsement of network TV?*

Mr. Guarascio: I think it's an endorsement of the fact that the way advertising is going to be conducted is continually to [seek] a mix. And it's an endorsement of network TV from the standpoint where it's hard for us to see a time when we're not going to require a base of targeted mass media.

But it's not an endorsement of network television to the detriment of any other media type. We have multiyear deals in other media, too.

The program also includes participation looking for indications of where there's a vote of confidence, we looked at those things fairly closely. Within the grand scheme of what's the right media mix, we felt confident about those things.

AA: *What was it about last year's upfront that spurred you on? Were you shut out of some properties you wanted?*

Mr. Guarascio: No, we got [what GM wanted], and we got it the year before, but it was tougher last year.

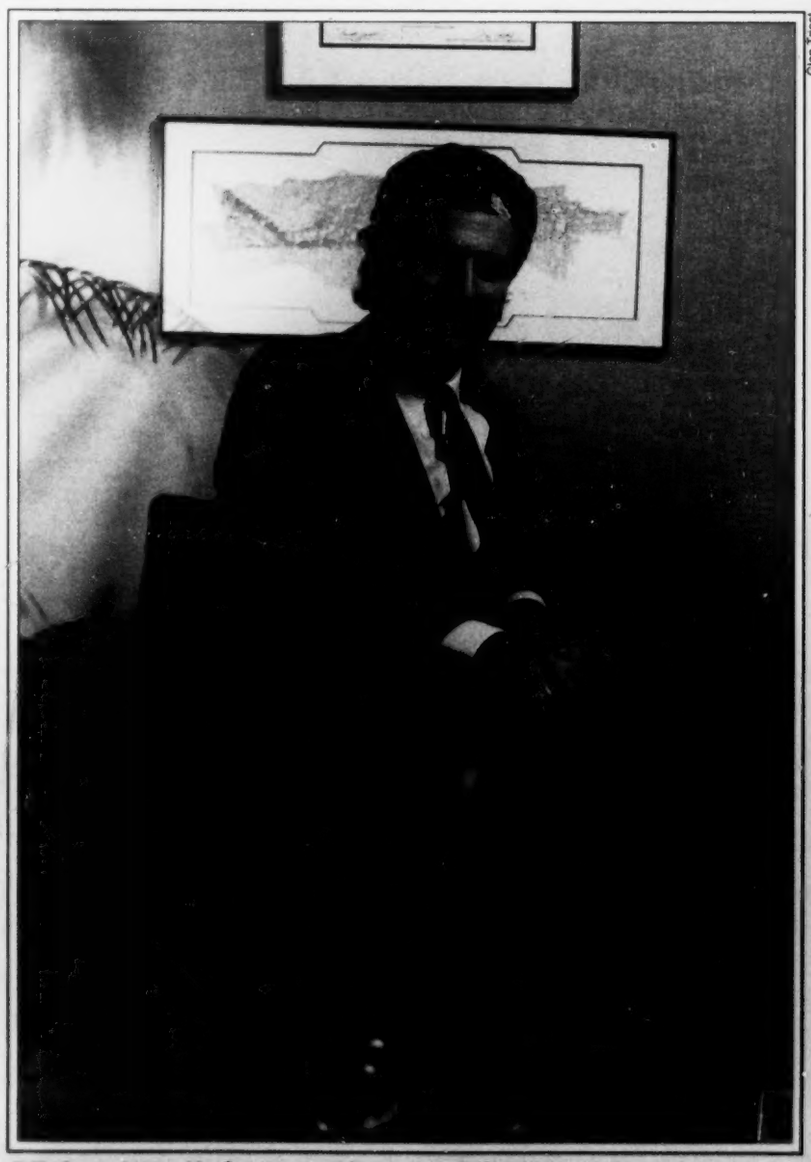
Last year we were cited as breaking the upfront market. We went earlier than anyone; we basically decided to make a very aggressive move and we made some major commitments.

The reason it made sense to make the deal this year, frankly, was that our mix with NBC is to a large degree predicated on the mix we have right now. Our base buy is very rich from the program standpoint.

AA: *You have said that having access to NBC's "selective, highly targeted" programming, which you feel does well against prospective new-car buyers, was a main reason for the deal with NBC. Was that the most important aspect?*

Mr. Guarascio: Intense competitive pressure within the automotive category for key shows triggered the aggressive exploration of ways to satisfy the needs of GM's divisions.

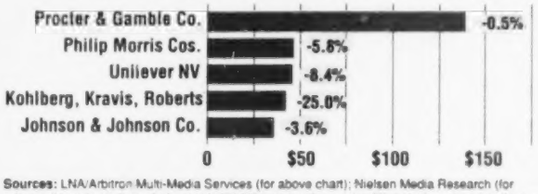
We started thinking about the issue after last year's upfront. We did a tremendous



Glen Treat

Daytime drama intensifies

Leading 1989 network daytime advertisers in millions of ad dollars spent; percent reflects change from previous year.



Sources: LNA/Arbitron Multi-Media Services (for above chart); Nielsen Media Research (for ratings of top shows in each daypart in '89-'90 season shown at right); industry estimates (for top shows' 30-second spot costs and CPMs). **Ad Age graphic:** Holly Seguine

No. 1 daytime show
"The Young and the Restless" (CBS)
Rating—8.0
Cost per 30-second spot—$17,200
CPM women, 18 to 49—$6.51

No. 2 daytime show
"General Hospital" (ABC)
Rating—7.4
Cost per 30-second spot—$19,200
CPM women, 18 to 49—$6.22

No. 3 daytime show
"All My Children" (ABC)
Rating—6.5
Cost per 30-second spot—$17,800
CPM women, 18 to 49—$5.70

Guarascio

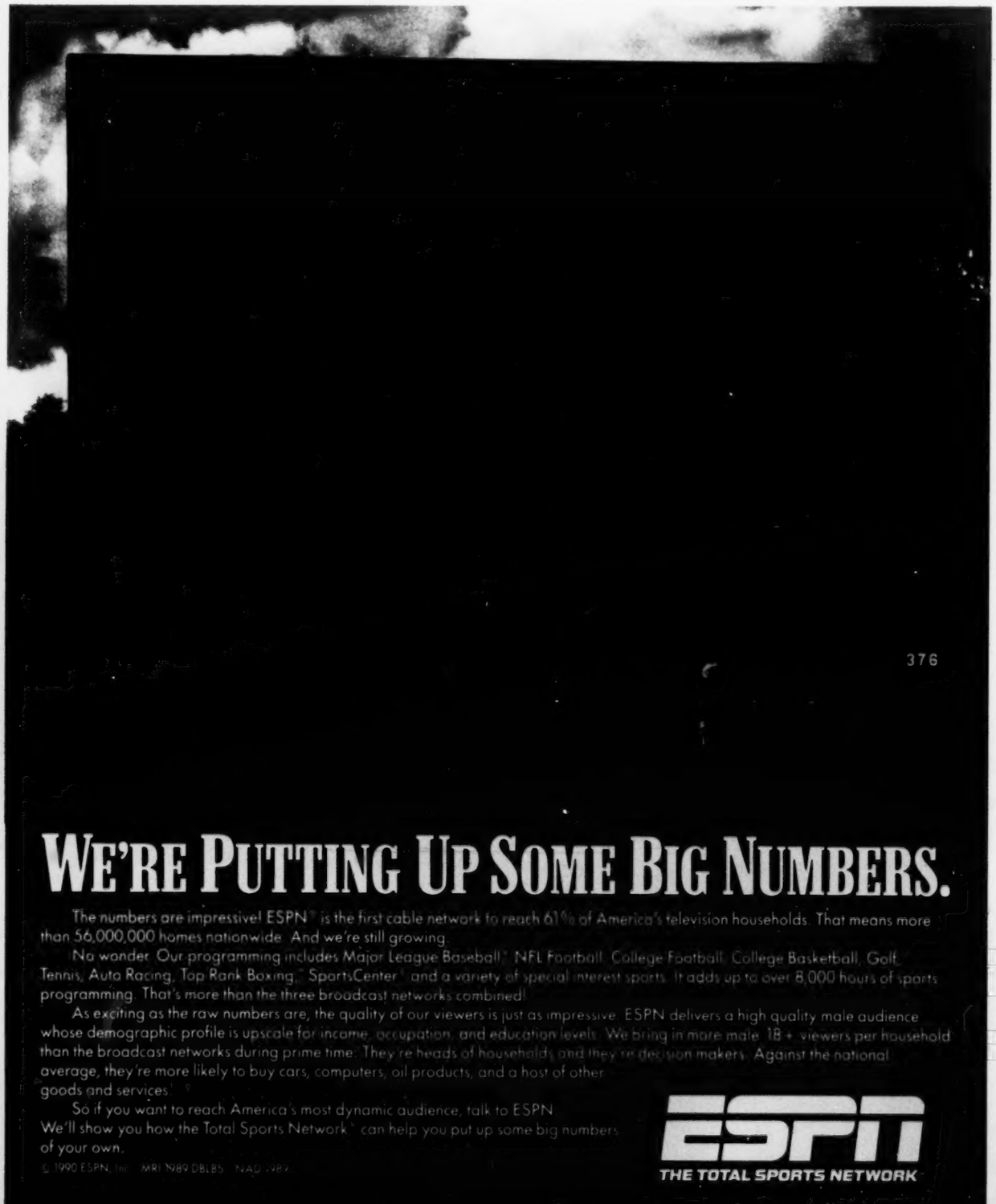
(Continued from Page 33)

amount of modeling and analysis, really looking at the long-term nature of the business, where it was going and what we had to do.

We knew that over the course of the next several years there may be some changes in pricing in the upfront market, and we had a very good indication it was going to happen to General Motors.

As a matter of fact, in the prime-time area, you can argue it could get more intense as we see automotives do more targeting even within their mass-media buys.

The big issue was we had to do all this in a way that enabled us to retain the flexibility our divisions needed in the event of strategic or budget changes. It was important [regarding] inventory, pricing, protection of the marketplace to make sure we had sufficient flexibility to meet whatever needs we couldn't foresee. □


376
WE'RE PUTTING UP SOME BIG NUMBERS.
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Daytime looks to car makers

By Eliot Tiegel

The networks are angling for fresh approaches to selling daytime.

So far, automotive marketers are daytime TV's brightest prospects for building a strong upfront launching pad.

The networks feel they need new product categories to join the backbone of package-goods companies that zero in on daytime's principal demographics: women ages 18 to 49 and 25 to 54.

"We expect to see more autos and some other product categories like sneakers and shoes—the nontraditional categories—coming into daytime," says Jerry Dominus, senior VP-entertainment marketing and sales for CBS-TV, which was No. 1 in daytime television last season, according to Nielsen Media Research.

Nike Inc. and agency Wieden & Kennedy admit to having discussed buying network daytime.

"Most of our business goes to sports programming, late night and some prime time," says a Nike spokeswoman, adding that a move to daytime to grab women viewers is not a foregone conclusion.

While automotives have been slow to enter daytime, things appear to be picking up. Most recently, Subaru of America and American Isuzu Motors have joined the daypart.

"Daytime is the last audience specialty the autos haven't staked out," says Mr. Dominus. "And [an increase in auto advertising] is inevitable when you look at [car] sales and registrations to women."

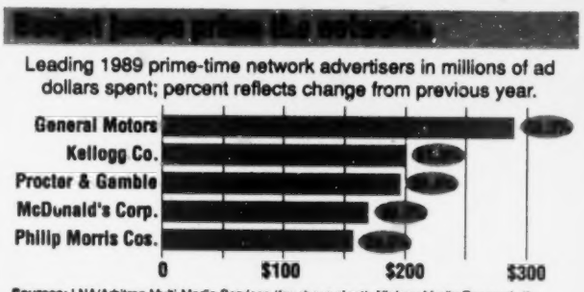
Isuzu recently became CBS' first automotive advertiser during daytime with spots on "The Young and the Restless," last season's top-rated daytime show.

Although soap ratings are down, Larry Hoffner, exec VP-network sales, NBC-TV, believes they are still an attractive buy.

"They skew into the two age groups food and drug people are looking to reach in daytime," he says. "And we do see some minimal interest by the automotives in this daypart."

Andrew Donchin, director of national broadcast for Subaru,

(Continued on Page 38)



Sources: LNA/Arbitron Multi-Media Services (for above chart); Nielsen Media Research (for ratings of top shows in each daypart in '89-'90 season shown at right); industry estimates (for top shows' 30-second spot costs and CPMs). Ad Age graphic: Holly Seguine

No. 1 prime-time show
"Roseanne" (ABC)
Rating—23.3
Cost per 30-second spot—$247,600
CPM, total households—$12.13

No. 2 prime-time show
"The Cosby Show" (NBC)
Rating—23.1
Cost per 30-second spot—$275,000
CPM, total households—$12.86

No. 3 prime-time show
"Cheers" (NBC)
Rating—22.9
Cost per 30-second spot—$316,000
CPM, total households—$14.83

Daytime

(Continued from Page 36)

agency Levine, Huntley, Schmidt & Beaver, uses daytime because it reaches females "who now equally help decide which car the family buys; because it costs less than a prime or news unit; because daytime is one of the few areas for autos where you can get an uncluttered environment; and to reach first-time buyers on college campuses."

With automotive advertising appearing to have limited potential, Mr. Hoffner says, NBC also is talking to beer, sporting goods and athletic shoe companies, which normally don't advertise in daytime.

Beer companies are a poor target for networks that are looking to expand their daytime ad base, says a media director on a large beer account.

Buying time: Daytime

Dan Riordan, broadcast manager, L&L Media, in-house media buying agency for Lever Bros. and Thomas J. Lipton Inc.

Unilever's 1989 U.S. daytime network TV spending: $46.5 million, down 8.4% from 1988.

On declining daytime ratings: "There's been a loss of strength in daytime's performance. The problem is the programming [is] serials and game shows.

"We haven't heard any rumbles about departures from daytime."

Daytime "has been a very successful daypart for us, and a lot of the brands are happy with it."

"The likelihood of beers branching into daytime is very, very remote because of demographics and research," he says. "Basically, the audience demographic for any and all beers is males 21 to 34."

"Beer brands don't want their 'badge' or image feminized with daytime programming," agrees another beer company executive. "We did a little bit of daytime advertising two years ago, but it was a scatter deal and they came to us with such a great offer we couldn't refuse.

"It would have to be a real deal to attract advertisers," he says.

Mr. Hoffner anticipates costs per thousand will continue to rise, although he would not specify how large increases might be.

The vulnerability of ratings is a major concern, concedes ABC-TV's Exec VP-Sales Jake Keever.

But he cites "strong demand for daytime" this season, which may keep costs up even in the face of

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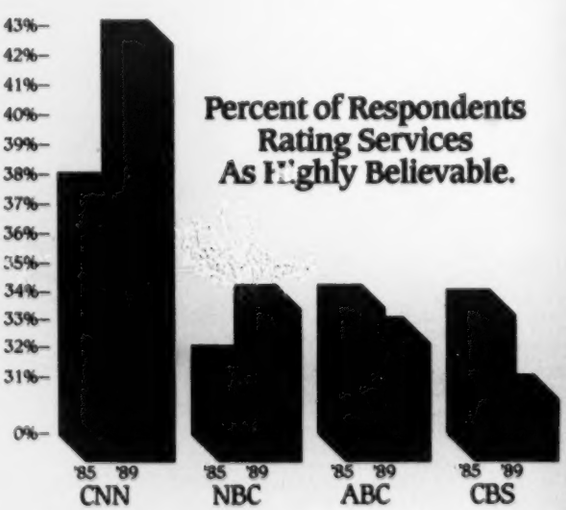
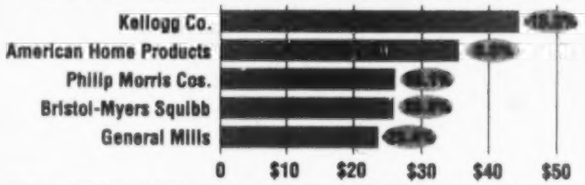
And you want to deliver your message when your audience is in a receptive frame of mind. That is, when they are actively searching for information.



*The Gallup Poll by Times Mirror Center for the People and the Press, November 1989. **1989 SMRB/TBS Projections. ***NHI Decile Analysis, February 1989.

Mixed news on the spending front

Leading 1989 network news advertisers in millions of ad dollars spent; percent reflects change from previous year.



Sources: LNA/Arbitron Multi-Media Services (for above chart); Nielsen Media Research (for ratings of top shows in each daypart in '89-'90 season shown at right); industry estimates (for top shows' 30-second spot costs and CPMs). Ad Age graphic: Holly Seguine

No. 1 network news show
"ABC World News Tonight"
Rating—11.0
Cost per 30-second spot—$58,100
CPM, total households—$5.64

No. 2 network news show
"CBS Evening News"
Rating—10.1
Cost per 30-second spot—$46,700
CPM, total households—$5.10

No. 3 network news show
"NBC Nightly News"
Rating—9.9
Cost per 30-second spot—$50,700
CPM, total households—$5.46

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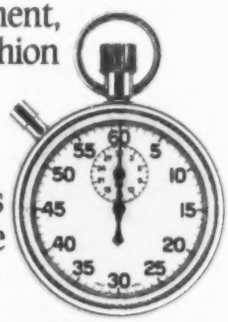

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There are many CNN viewers who watch virtually no other television. And 43% are elusive light viewers of primetime network.*** They may not have much time for TV, but they have the means. With a median income 21% higher than the U.S. average,** they're as prosperous a group as you can reach through television.

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Guarantees, pricing drive prime time

By Wayne Walley

Network ratings are down and the Big 3's share of audience continues to slide, but early evening programming on ABC, CBS and NBC is earning its moniker of prime time.

The cost of a 30-second spot averaged about $135,000 in prime time last year, according to industry sources, eclipsing the average price of a 30-second spot in other dayparts by as much as $120,000.

"Network prime time has the kind of audience that is not available in any other daypart," says Arnold Chase, director of network operations for Bozell, New York. "With prime time, you can reach every segment of the audience. No other medium compares."

While agency prognosticators say upfront spending in prime time will remain flat or drop this year, network surveys of the marketplace indicate upfront spending on ABC, CBS, NBC and Fox Broadcasting Co. will at least equal last year's record $4.2 billion for prime time.

The networks hope to get cost-per-thousand increases of between 8% and 12% unless the market is again pushed into panic buying.

Last year, when General Motors Corp. and other automakers nearly doubled upfront spending to an aggregate $700 million, other buyers rushed in and paid 10% to 17% increases to make sure their clients were in the prime-time programs they wanted.

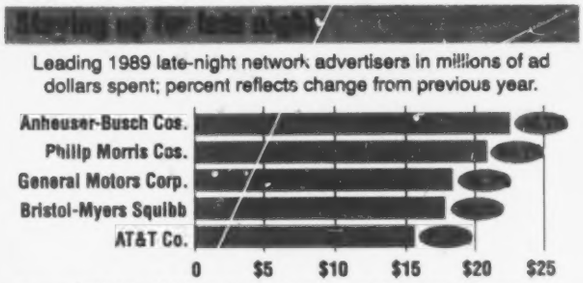
"The only thing worse than paying too much is being shut out," says one chagrined buyer.

This year, however, buyers are buoyed by GM's decision to strike an estimated $750 million, three-year deal with NBC at least a month before the prime-time upfront selling season starts.

"I like the idea that this happened before the upfront," says Allen Banks, exec VP-media director, Saatchi & Saatchi Advertising, New York. "Maybe now we can get beyond the feeding frenzy mentality and deals can be thought out."

NBC, however, could now push for higher prices. With a base laid in, some expect the top-rated network to be bullish in pricing.

It "could be beneficial to the entire upfront market," says Alan Gottesman, an advertising industry analyst with PaineWebber. The GM/NBC deal "accounts for a certain amount of the cream, which means there will be a scarcity of the cream of the crop in programming. It may not help



Sources: LNA/Arbitron Multi-Media Services (for above chart); Nielsen Media Research (for ratings of top shows in each daypart in '89-'90 season shown at right); industry estimates (for top shows' 30-second spot costs and CPMs). Ad Age graphic: Holly Seguine

No. 1 late-night show
"The Tonight Show" (NBC)
Rating—5.6
Cost per 30-second spot—$38,700
CPM, total households—$7.31

No. 2 late-night show
"Nightline" (ABC)
Rating—4.6
Cost per 30-second spot—$39,500
CPM, total households—$8.68

No. 3 late-night show
"Late Night With Letterman" (NBC)
Rating—3.4
Cost per 30-second spot—$23,700
CPM, total households—$7.32

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And if you're not part of our family, don't worry. All you have to do to reach the Heart of Country is call Peter Weisbard at (212) 916-1001.

TNN

THE NASHVILLE NETWORK®

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Prime time

(Continued from Page 39)

NBC as much as ABC and CBS, but it will help the networks."

While some have suggested other advertisers will pay higher prices than GM for the remaining NBC inventory, Arthur Kesteloot, manager of advertising & media relations for Chrysler Corp., says, "The network people have to be judicious."

GM competitors could show extra interest in top ABC and CBS programming, but the NBC deal means GM also can be tougher with those two networks.

"If prices from ABC and CBS don't suit GM's fancy, GM can go in the scatter market. There isn't as much pressure now to make a fast upfront deal," an agency source says.

Nevertheless, ABC, as the only network to maintain its average rating in prime time last year, could command increases of 12% or more on a CPM basis this year, sources say.

NBC, hurt the worst by a first-quarter ratings shortfall, might be able to get double-digit increases, but most buyers predict the network will get CPMs about 8% higher than last year.

Agency executives are unsure about CBS' future, waiting to see the first fall schedule from new CBS Entertainment President Jeff Sagansky. The lineup will be unveiled later this week.

Fox, by adding a weekly Wednesday night movie and a Friday prime-time schedule, will have a five-night lineup this year.

While pricing is always a concern in upfront negotiations, buyers and sellers of prime time predict ratings guarantees will be a key issue this year.

The networks, saddled with giving away about $150 million in make-goods because of a first-quarter ratings shortfall, want to

Buying time: Prime

Arthur Kesteloot, manager of advertising & media relations, Chrysler Corp.

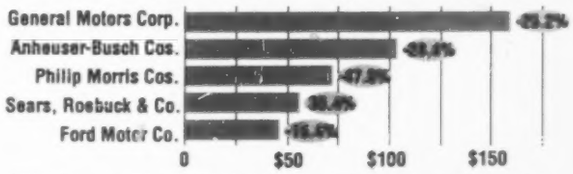
Chrysler's 1989 prime-time spending: $77 million, up 40% from 1988.

On Chrysler's growing interests in many dayparts:

"Prime time is more important now, but we're also planning to use more spot TV, and we're going to be more involved in specials and miniseries. We could even re-express some money into magazines," he says. "But it's not a dramatic shift. We buy network news, morning and late-night TV. I'm also a proponent of experimenting in daytime."

Not playing the game

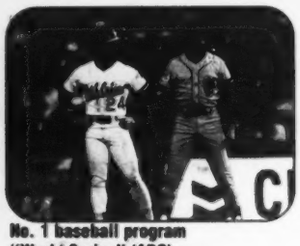
Leading 1989 network sports advertisers in millions of ad dollars spent; percent reflects change from previous year.



Sources: LNA/Arbitron Multi-Media Services (for above chart); Nielsen Media Research (for ratings of top shows in each daypart in '89-'90 season shown at right); industry estimates (for top shows' 30-second spot costs and CPMs). Ad Age graphic: Holly Seguine

No. 1 football program
"Super Bowl XXIV" (CBS)
San Francisco vs. Denver
Rating—39.0
Cost per 30-second spot—$700,000

No. 1 basketball program
"NBA Championship Final" (CBS)
Los Angeles vs. Detroit
Rating—15.1
Cost per 30-second spot—$147,900



No. 1 baseball program
"World Series" (ABC)
San Francisco vs. Oakland
Rating—16.4
Cost per 30-second spot—$310,000

Season

(Continued from Page 33)

still undetermined, but warns, "If panic sets in, we'll have the same frenzy. But if people look at it as easing the pressure, buyers could be more cautious and keep the market in check."

The networks expect movie companies to step up spending to support an expanded slate of new releases.

The movie category usually receives special treatment from networks because companies are willing to pay a premium and forgo guarantees in exchange for particular dayparts and shows that reach target audiences.

Sources say package-goods companies are likely to shift more money into network TV this year as part of a continued trend to cut promotional spending in favor of brand-building advertising.

While networks are optimistic that overall demand will outpace last year's record, advertiser and agency executives are predictably pessimistic, suggesting upfront spending will drop.

"There is significant potential for the upfront market to be less this year," says Arnold Chase, director of network operations for Bozell, New York. "One thing people want to do this year is try to avoid the burn from last year's unanticipated [CPM] increases."

Because most automotives consider TV the most effective medium for new-product introductions, anything is possible this year. Industry sources say a large portion of the GM/NBC deal is likely to encompass the Saturn introduction, and other automotive marketers may feel obliged to step up their pace.

Arthur Kesteloot, manager of advertising & media relations for Chrysler Corp., says the No. 3 automaker would likely spend "about the same as last year" in the upfront marketplace.

Ratings guarantees are a hot topic this season, after an unprecedented drop in TV usage and ensuing first-quarter ratings shortfalls forced networks to give advertisers extensive make-goods.

At the same time buyers are seeking reassurance that networks will deliver ratings during the upcoming season, networks are taking a hard line and contending that if buyers want network time, guarantees may have to be restricted.

"The case of disappearing viewers will haunt this year's upfront," warns one veteran marketer. "It's such a pervasive topic right now and everyone believes the networks will use this as leverage to change guarantees."

Initial network plans might include the resurrection of a controversial "share the risk" formula—in which advertisers assume part of the liability for a ratings shortfall due to changes in technology—used in upfront selling three years ago when Nielsen Media Research switched to people meters.

Networks also could respond by offering flexible pricing if buyers are willing to bend on guarantees.

" 'No guarantees' takes away the uniqueness of upfront buying," says Allen Banks, exec VP-media director, Saatchi & Saatchi Advertising, New York. "It would give us a reason to reconsider [spending upfront]."

"Guarantees come up every year," another marketing executive says. "You can get a cost break for lower guarantees. It's a poker game and it's merely a question of which side blinks first." □

Raymond Serafin in Detroit and Cleveland Horton in Los Angeles contributed to this story.

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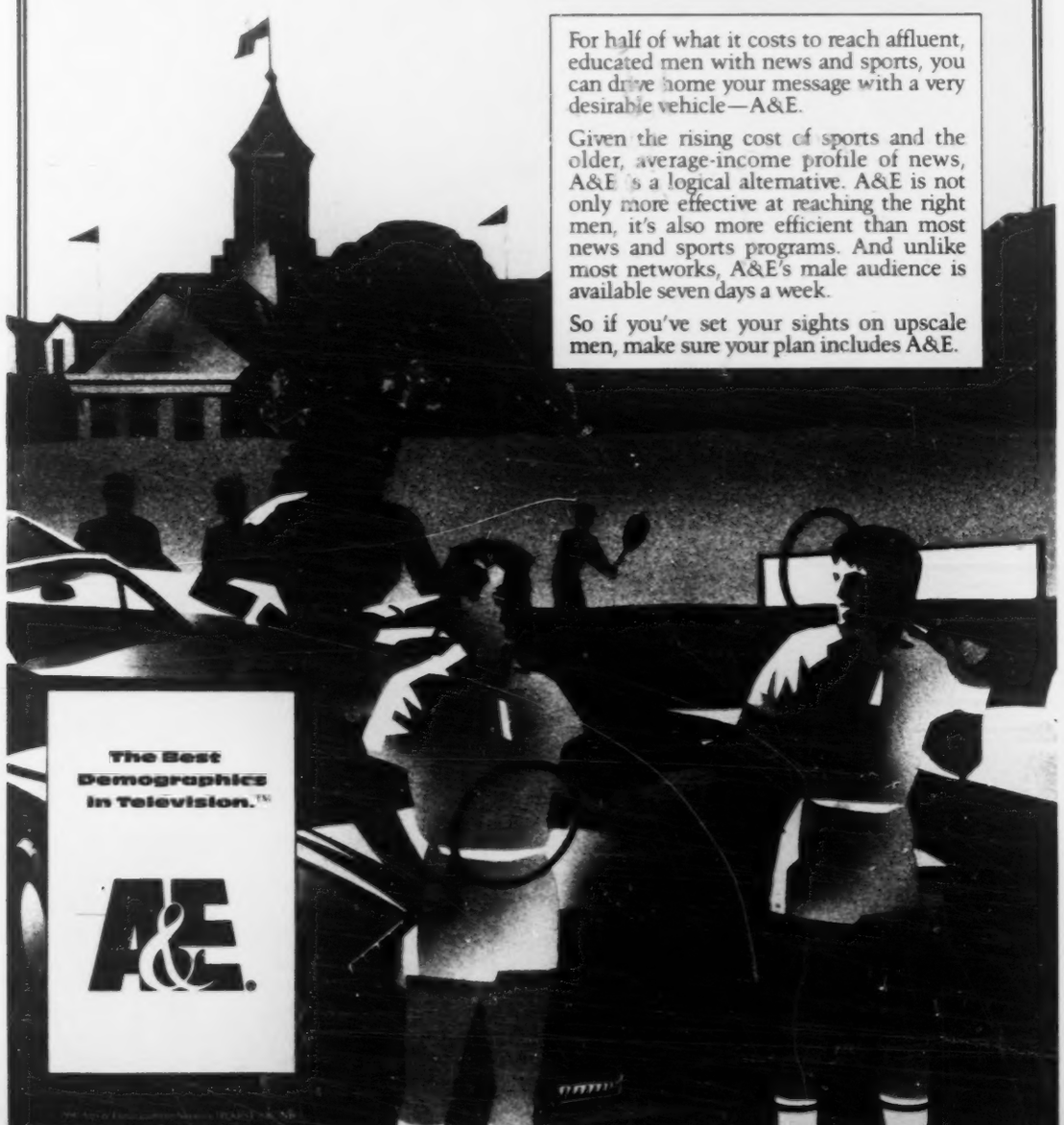

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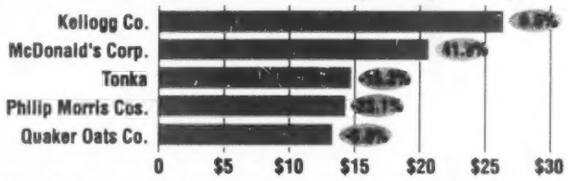
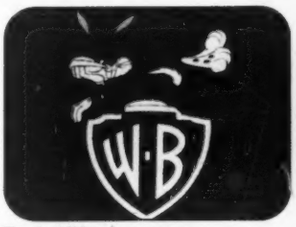


Sources: LNA/Arbitron Multi-Media Services (for above chart); Nielsen Media Research (for ratings of top shows in each daypart in '89-'90 season shown at right); industry estimates (for top shows' 30-second spot costs and CPMs). Ad Age graphic: John Hall



No. 1 children's program
"Bugs Bunny & Tweety Show" (ABC)
Rating—6.2
Cost per 30-second spot—$16,100
CPM children, 2 to 11—$5.17

No. 2 children's program
"Slimer! & Real Ghostbusters" (ABC)
Rating—6.0
Cost per 30-second spot—$11,500
CPM children, 2 to 11—$3.15

No. 3 children's program
"Beetlejuice" (ABC)
Rating—5.5
Cost per 30-second spot—$15,100
CPM children, 2 to 11—$4.35

Prime time

(Continued from Page 40)

protect themselves against what they believe is a problem with Nielsen Media Research's ratings.

But the issue of reported TV usage overshadowed the fact network prime-time ratings for the Big 3 this past TV season were the worst in history.

The three-network rating, the percentage of the nation's 92.1 million TV households watching network TV during the 1989-90 prime-time season, dropped to a low of 39.7. The three-network audience share, the percentage of TV sets in use tuned to network prime time, also dipped to 65%.

The drop, however, was not as severe as in previous years and the Big 3 could argue that with Fox added in, the four-network audience share has stabilized at 70%. □

Ratings may spell bad news

By Christine Bunish

While outwardly confident about upfront sales, networks admit plummeting ratings for their news programs could change the way they sell.

"Preliminary indications are that news spending will be up slightly," contends Bob Silberberg, CBS-TV's VP-news marketing and sales.

ABC-TV, ranked No. 1 in news with "World News Tonight" and "Good Morning America," "expects to do very well this season,"

(Continued on Page 44)

Buying time: News

Peggy Kelly, director-media and programming services, Bristol-Myers Squibb Co.

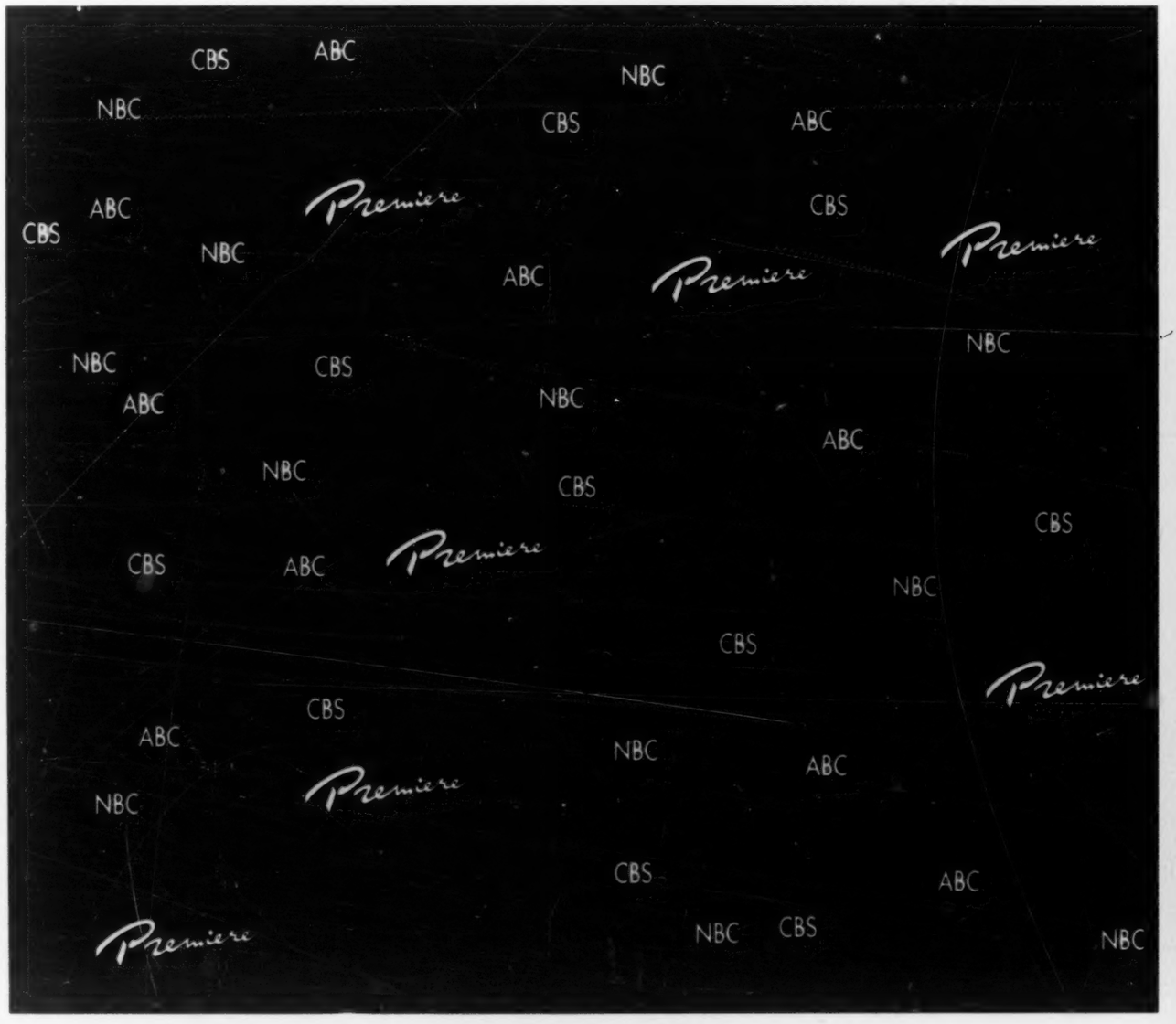
Bristol-Myers' 1989 network TV news spending: $25.8 million, up 28.6% from 1988.

On alternatives to the Big 3:

"There are an increasing number of unwired network alternatives that represent a place for advertisers to go. They're being looked at more seriously this year."

On ratings guarantees:

"Advertisers feel a strong need for guarantees," she says, rejecting networks' plea for easing their guaranteed viewing levels for shows.



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THE CHOICEST NEWS BUY IN A UNIVERSE OF NEWS BUYING CHOICES.

With all the available alternatives for news buys these days, it's good to know there's one buy that stands out above all.

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Why settle for a lot of quantity or a little quality when Premiere offers you the best of both—a quantity of quality. In today's news buying environment, that's the best news of all.

For information, rates and schedules, call Nick Langone, Director of Sales, at (212) 856-8121.

Premiere
ANNOUNCEMENT NETWORK *The Best News in Media*

Cable costs hit resistance

By John McManus

The dance of the tail feathers has begun" is how one major cable network's top ad sales executive puts it.

While cable networks are pleased they are increasingly on advertisers' minds during the upfront season, they're also learning advertisers won't hesitate to back off if costs are too high.

Many advertisers continue to think of cable as a low-cost alternative to over-the-air TV, and early indications show they will resist network attempts to significantly hike costs-per-thousand.

"You've got to remember that although cable's increasing its total viewership numbers and penetration, most of the best-rated shows on cable [earn] only 1 and 2 [ratings]," says one media director. "There's no way cable channels can charge advertisers at a parity level with the broadcast networks."

The cable networks "have come to us looking for aggressive commercial cost increases, and I don't blame them for it," says Bart McHugh, senior VP-director of national radio and television programming at DDB Needham Worldwide, New York.

"Still, it's our job to get the best deal we can for our clients, and we're going to hold the line as well as we can."

Most of the top-ranked cable networks are expecting advertisers to pay double-digit rate increases on a CPM basis.

"When you compare our double-digit CPM increase to a broadcast network's 9% or 10% increase, the actual out-of-pocket dollar increase is lower for cable," says Lou LaTorre, senior VP, Turner Broadcasting Sales.

Advertisers are expressing long-term interest, perhaps best exemplified by the five-year, $120 million renewal of Anheuser-Busch's ESPN deal.

If the A-B deal is a barometer for advertisers' ever-increasing enthusiasm for cable, estimates that advertisers will increase their upfront cable commitments to $700 million this year from $450 million in 1989 seem conservative.

What's more, advertisers seem anxious to get cable spending plans set early, striking "pre-upfront" and multiyear deals.

Two traditionally big cable spenders recently did just that: Procter & Gamble Co. has committed to spend $50 million with MTV over the next six years; General Mills will spend between $30 million and $50 million on 10 different cable networks over the next two to three years. There are also inklings that McDonald's Corp. is structuring a significant deal.

"If advertiser-supported cable networks represent a 36% share in 70% of the households, that equates to 25% of total viewing," says Steve Kubinsky, director of advertising services for Nestle Foods Corp. Mr. Kubinsky has charged Nestle's agencies to direct 25% of the company's TV budget to cable.

In addition to P&G and General Mills, network ad sales executives believe cable's other big spenders—Time Warner, A-B and Kraft General Foods—again will be active players in cable's upfront, with some hefty increases coming from companies such as Sears, Roebuck & Co.

Sears executives, having indicated a desire to focus on quality program selection, are expected to make upfront buys to get in on the limited desirable inventory.

"We're directing more of our media budget into cable so our marketing is more targeted," says Scott Harding, Sears' national retail advertising manager. "We want to reach more people and different audiences. Cable is perfect for that." □

Kate Fitzgerald contributed to this story.

Auto accessory chains that ignore New York's Hispanics are in for a bumpy ride.

New York's Hispanics spend more than $31 million annually on auto accessories—everything from anti-freeze to oil filters, from tires to mufflers.

Want to reach these car-minded consumers?

Advertise on WNJU 47, New York's #1 Spanish-language station.

It's as simple as that!

WNJU 47
Telemundo in New York

For more information, call
Rosemarie Lieberman (212) 492-5603

Source: SRC's "1988 New York Hispanic Market" report.

News

(Continued from Page 43)

according to Jake Keever, exec VP-sales.

Mr. Silberberg believes double-digit cost-per-thousand increases are likely. But because CBS "is not the demographic leader," he says, "we're not in the position to determine how high is up."

"News has been steady and stable and we expect it to be solid again," says Larry Hoffner, NBC-TV's exec VP-sales.

Bill Hadlock, exec VP-director of media for Leo Burnett USA, says clients will balk at any double-digit increases.

Price and value will have to be in line to keep advertisers from turning to other media.

"We've been making network buys for a number of years based on price-value relationships," states David Braun, VP-media services. Kraft General Foods, whose parent Philip Morris Cos. ranked third in news-time advertising in 1989 by spending $25.9 million.

"If the price-value equation is out of line, it represents an option to change," he says.

Nevertheless, Mr. Hadlock says, "I wouldn't be surprised if there's an increased demand for news above and beyond other dayparts."

Mr. Hadlock doesn't think news programming will draw new advertiser categories. Last year's big spenders are likely to return as major players, he says.

The segment's top advertisers in 1989 were Kellogg Co. with $44.3 million and American Home Products at $35.4 million.

Network sources agree that food products and pharmaceuticals are expected to remain leading advertisers in evening news programming. Mr. Keever believes automotives and household products will spend extensively.

Executives at the Big 3 are concerned with what they see as an aberration in the first-quarter Nielsen numbers, showing decreases in news viewership across the board.

In early evening news during the 1989-90 season, CBS' ratings were down 9% to 10 and NBC's were down 4% to 9.9. ABC showed the only ratings increase, with a 1% rise bringing them a 10.9 rating, according to Nielsen Media Research.

Combined with other changes, a new method of determining or the elimination of guarantees could scare off news advertisers.

"If advertisers get a unit-cost increase on top of a non-guarantee, you're talking about a humongous increase [in CPMs]," Mr. Hadlock says. "Gobs of dollars are going to flow out of news." □

Christine Bunish is a New Jersey-based free-lance writer.

Late night feeling the pinch

By Steve Viuker

CBS is trying to rebound from Sajak; NBC is confident with Carson, Letterman and Costas; ABC is upbeat with Rick Dees; advertisers are high on Arsenio and cable is looming as a major late-night player.

But the picture advertisers paint isn't all rosy.

"Late night is facing the same problem prime time is," says Tony Ponturo, director of media services at Anheuser-Busch Cos., which last year spent $22 million in late night as the daypart's biggest spender. "Alternative viewing habits are taking away from the four networks, Fox included.

"In the last year or two, advertisers [have concentrated on] making sure they cover all their bases," he says.

Non-network competition isn't likely to increase costs-per-thousand, Mr. Ponturo says.

"The main factor for advertisers shifting to late night is the high CPM for prime time. Late night is a cheaper buy than prime."

A-B's track record indicates it may look again to cable during late night.

"We are unique due to our all-inclusive deal with ESPN. Our brands are advertised on most of the key ESPN programming," says Mr. Ponturo.

With the drop in overall network TV viewership, advertisers are looking for low CPM increases.

"We are not going to expect [the networks'] prices to increase any unless the numbers Nielsen reported for the first quarter are not indicative [of true viewer levels]," says Charles Fruit, A-B's VP-corporate media and sports marketing.

Mr. Fruit suggests some advertisers may wait for new data and attempt to get lower prices in the scatter market.

As for new advertisers expected to join the beer and automotive companies that traditionally dominate late-night advertising, sources look to movie companies.

"It runs in 2-to-3-year cycles," says Helen Tocheff, senior VP and associate buying director at Saatchi & Saatchi Advertising, New York. "The next two years will see many new releases, especially in the summers. These films must be heavily promoted to rise above the din. Shows like 'Arsenio Hall' have an attractive audience, but the movie companies will have to move quickly to get a low CPM for 'Arsenio.' "

The movie industry spends $1 billion a year in advertising, says Dick Macedo, president of Wells, Rich, Greene, which handles the MGM/UA account. "Approximately 40% is earmarked for television," he says.

"We go where the bodies are. If Rick Dees is delivering our audience, then we'll go to him. We're looking for avid moviegoers who range in age from 18 to 34."

Mr. Ponturo believes the networks will be aggressive during upfront.

"In late night, you have many advertisers attempting to reach the same target, and the avails are limited. Late night will remain competitive due to the high-demand/limited-supply factor."

Commenting on the late-night viewer drop-off, Mr. Ponturo says, "We have not noticed a drop in late night, but we haven't noticed an increase, either. That may in itself say something." □

Ira Teinowitz contributed to this story. Steve Viuker is a New York-based freelancer.

Buying time: Late night

Robert Ward, exec VP-director of advertising services, Miller Brewing Co.

Philip Morris Cos.' total 1989 late night network spending: $21 million, up 59.1% from 1988.

On cable's late-night potential:

"There are not many cable properties that reach the 21-to-34-year-old target that we are looking for. The reach potential is still small, as are the ratings."

Sports' love affair with the car

By John McManus

Many a network sports sales executive has a similar wish list for the upfront season, starting with General Motors, Ford, Chrysler, Toyota, Honda, Mazda, Nissan and Mitsubishi.

The biggest sports advertisers—automobiles and breweries—customarily make multiyear commitments for sports packages. Consequently, there isn't the same rush for limited weekly series commercial inventory that there is in prime time.

Sports anthology shows, such as "Wide World of Sports," typically aren't programs in which advertisers feel a need to lock in positions; they generally are bought in the scatter market.

That limitation hasn't prevented broadcast and cable networks from mounting an all-out blitz on the auto industry. The goal, in part, is to channel ad dollars into sports rather than other media, including those for upfront dayparts.

Networks hope to strike the ul-

timate upfront deals: four-year commitments that run the length of the newly signed sports TV rights contracts.

Automotive advertisers poured $362.3 million into ABC, CBS and NBC sports in 1989—that's 21% of last year's $1.7 billion network sports ad revenue.

The auto-contributed largesse represents the difference between profitability and calamitous losses for network sports divisions in the first part of the new decade. The Big 3 networks, ESPN and Turner Broadcasting System have to recover the roughly $1 billion they will spend annually over the next several years for broadcast rights.

Advertisers already are grousing the networks should not attempt to pass on those high costs. If advertisers don't bite at high price increases, it's possible a lot of inventory will remain unsold.

The multiyear commitment craze started last year when CBS signed GM and Toyota to a combined $275 million deal for Major League Baseball telecasts through 1993. Others followed.

But while networks expect 20% to 25% of inventory this year to be bought by automotives, there is still uncertainty about which companies will buy the other 75% of sports commercial time.

For this year's fourth quarter, broadcast and cable networks now are selling commercial time for more NFL and college football games than ever before available. In addition, there's the usual complement of baseball playoffs, World Series games, pro and college hoops, the U.S. Tennis Open and the anthology shows.

"The networks need us right now," says Steve Leff, vice-chairman, director-media and administration services at Backer Spielvogel Bates, New York. "And with more channels showing more sports, we don't need the networks. I think there's going to be a lot of unhappy people at the networks. They overpaid.

"Sports is a way of reaching a target, and we may be there," Mr. Leff adds. "The point is, there is a finite price advertisers can pay to reach that target."

One category that has paid the price in the past is beer companies. Anheuser-Busch Cos., Miller Brewing Co. and Adolph Coors Co. last year accounted for $208.4 million of the ad revenues put into network sports.

A-B already has committed $100 million to $120 million to ESPN over the next five years. Historically, Miller has been the first to lock in a position on major sports packages with multiyear commitments, followed by A-B.

But sources indicate Miller may hold back on long-term commitments as it has done on CBS baseball, waiting for prices to come down. If so, A-B will have little reason to make large-scale commitments at premium prices.

For other sports advertisers, "the inventory is going to be out there," says William Sherman, McCann-Erickson's VP-network supervisor. Sports media buyers are talking about "opportunities" as there haven't been in sports since 1985. To the networks, that word translates into "recession."

"I'd make a deal right now at a 0% increase," he says. □

Ira Teinowitz contributed to this story.

Buying time: Sports

Charles Fruit, VP-corporate media and sports marketing, Anheuser-Busch Cos.

Anheuser-Busch's 1989 network sports spending: $103 million, down 28.4% from 1988.

On networks passing on rights fees to advertisers:

"I don't think [CBS] entered into the [Major League Baseball] contract thinking the preponderance of costs could be passed on to advertisers in unit pricing increases." To help make up cash shortfalls from skyrocketing rights fees, Mr. Fruit suggests the networks may be better off creating additional units.

Children's daypart puts on the heat

By Therese Kauchak

The children's upfront market often sets the pace for the wheeling and dealing that follows in other dayparts.

Judging by this year's activity, the pace will be blistering.

Media buyers are trying to put the high cost-per-thousand increases seen in children's upfront —some of which reached 28% on the Big 3 networks—behind them.

"It's a lot more fun when you can decide who you want to do business with and grind out a price," says one agency media buyer. "[Children's] is behind us now. I want to concentrate on the potentially positive situations in the future."

On Saturday morning television, fourth-quarter CPMs to reach kids ages 2 to 11 will be about $10; a 30-second unit will cost an average of $25,000. Last year, the top-rated Saturday morning program, ABC's "Bugs Bunny & Tweety," commanded an estimated $32,000 in the fourth quarter.

"It was a brutal marketplace," says one media buyer. "There was a lot of money and it was expensive. The networks seem to have new categories and a lot of demand on a finite amount of inventory."

The syndication market was kinder, he says.

"It was aggressive, but you have so many alternatives within it that you could pick the best deal on the best show that you wanted. You have far fewer selections to make on networks."

New advertisers include Burger King Corp., which has been absent from the daypart for two years, ConAgra Frozen Foods, Tyson Foods and Nike Inc.

McDonald's Corp., which spent $20.7 million in children's programming during 1989, is believed to have increased spendings, along with veteran kid's advertisers Kellogg Co., Tonka Corp., Quaker Oats Co. and Mattel Inc.

Total expenditures in children's upfront—including network, cable and syndication—reached about $390 million; a 30% increase over last year's total spending. Much of that growth came from syndicated television and Fox Broadcasting Co.'s upfront debut.

The $390 million was split roughly between the Big 3 networks plus Fox on one hand, and syndication on the other.

Of the Big 3, ABC came out on top with about $65 million, while CBS had $55 million and NBC $40 million to $45 million. Fox, with lower ratings for its new shows, rang up $30 million.

Industry sources say syndication accounted for about $190 million, up about 58% from last year.

"That may be off by as much as $10 million on either side, but it means we have had a big jump," says Tim Duncan, president of Advertiser Syndicated Television Association. "We're talking about a 30% to 50% increase in the [children's] syndication upfront market."

The most surprising thing about this year's upfront children's market, he says, "is that we caught up with the networks so quickly." □

Buying time: Kid shows

Michael Evans, media relations representative, Burger King Corp.

On re-entering the children's daypart:

Burger King reportedly spent a multimillion-dollar sum during the upfront sales of children's programming, where the Big 3 networks' CPMs jumped as much as 28%.

Executives didn't cringe at the high network prices, says Mr. Evans. "There weren't any surprises, nothing we hadn't expected," he says. "[Burger King focused] on a mix of [network] Saturday morning, syndicated and cable programming. We'll go with a balance."

Syndicators see 'torrent'

By Eliot Tiegel

Syndicators are being upfront about the broadcast networks' troubles, happily envisioning a robust upfront selling season for their products as network numbers falter.

"It's the marketplace," says Karl Kuechenmeister, senior VP-media sales for Warner Bros. domestic TV distribution. "Advertisers realize it makes good sense to put their money into syndication, which is where network viewers are going."

Last year's run to syndication fare could turn into a torrent, some believe.

"Syndication has arrived as the direct alternative to the networks in terms of clearances, ratings and daypart viewing," says Tim Duncan, executive director of the Advertiser Syndicated Television Association.

"Last year we had $1 billion in advertising revenue, which was a 20% increase, and we'll get a higher share of the dollars this year. We're close to having 30% of the viewers," he says.

Mr. Duncan feels upfront cash is moving to syndication because of networks' precipitous drop in overall viewership.

"We are one of the leading causes for the decline," he says.

The movement of viewers to syndicated fare has led to syndicator optimism about price increases. Mr. Kuechenmeister expects a 5% to 10% increase in syndication costs-per-thousand.

Kraft General Foods "is not taking CPM increases lightly," says VP-Media Services David Braun. Parent Philip Morris Cos. was syndication's top spender in 1989, dishing out $106.8 million, according to Arbitron's Broadcast Advertisers Report.

"We can look for opportunities where there are less increases, like in spot, print and radio," he says.

Mr. Duncan says network TV lineups before 1 p.m—consisting mostly of game shows and reruns—are weaker than syndicated fare.

"A lot of affiliates opt for syndicated shows, and the talk programs have good advertiser acceptance," he says. "Daytime has been a strong growth area for our members."

Advertisers are aware of syndication's draw.

"We see budgets moving from network to syndication, but there's always been a certain amount of that," says Dan Riordan, broadcast manager for L&L Media, the in-house buying agency for Lever Bros. and Thomas J. Lipton Inc.

Parent company Unilever U.S. was one of the top spenders in 1989's syndication market. Agencies are "examining alternatives from painted rocks to local radio and cable," he adds.

Erosion of network shares has gone on for years, agrees Terry Loftus, a Procter & Gamble Co. public affairs rep who nevertheless points to the dropping figures as a reason P&G buys syndication, spot and cable.

Mr. Loftus is unsure whether P&G will spend more this year than the $87 million spent in syndication during 1989.

"We'll continue to be a major player and buy programs that follow our audience," he says.

Mr. Duncan says package goods continue to be the primary syndication advertising category but adds that automotive is starting to make its mark.

"Detroit never bought syndication until recently," says Mr. Duncan, citing General Motors Corp. and Ford Motor Co. as examples. "Detroit is still a big underspender."

"It's evident that automotive spending in syndication is on the rise," says Randall Schroeder, exec VP-media management director at Campbell-Mithun-Esty, which has the Jeep/Eagle account. □

Eliot Tiegel is a Los Angeles-based free-lance writer.

Drugstore chains that ignore New York's Hispanics are in for a big headache.

New York's Hispanics spend more than $44 million annually on drug store items, everything from aspirin to hair spray, from tooth paste to nail polish.

Want to reach these health and beauty-minded consumers?

Advertise on WNJU 47, New York's #1 Spanish-language station.

It's as simple as that!

WNJU 47
Telemundo in New York

For more information, call Rosemarie Lieberman (212) 492-5603

Source: MOR 1987, New York Market.

MEDIAWORKS

APRIL AD RESULTS

Magazines find sales still cool through April

By Scott Donaton

The second quarter has begun just a little bit better than the first quarter ended.

Magazine ad pages were flat for April and down 2.2% for the year to date, the Publishers Information Bureau reports. April ad pages for magazines tracked by PIB were up 0.4% to 16,786.22.

Overall, 65 of the top 100 magazines in ad volume posted declines for the first four months; 35 registered gains.

April ad revenues rose 7.2% to $653.5 million. Year-to-date revenues were up 3.3% to $2.1 billion, PIB reports.

Weeklies are among those worst hit by the ad page slowdown. McGraw-Hill's *Business Week* carried 1,182.28 ad pages through April, down 10.6%. News America Publishing's *TV Guide* was off 14.4% to 1,033.64 ad pages.

Time Warner's *People* was down 4.9% with 1,061.64 pages. *Sports Illustrated* had 815.19 ad pages, down 16.4%, and *Time* carried 801.41 pages, a 3.6% decline.

Other newsweeklies didn't fare much better. *Newsweek* was down 6.6% with 689.67 ad pages; *U.S. News & World Report* saw pages dip 2.5% to 581.66 pages.

The New Yorker, with a modest first half last year, remained one of the few weeklies on the plus side through April, up 12.8% with 741.96 ad pages.

Among business titles, every-other-weekly *Forbes* bucked the industry trend and stayed tight on *Business Week's* heels, jumping 33.3% with 1,157.91 ad pages. *Fortune* was down 3.6% with 952.8 pages.

Most business monthlies continued to perform well. *Entrepreneur* was up 7.5% with 677.11 pages. *Financial World* carried 356.02 pages, a 38.8% increase, and *Business Month* was up 8.1% with 137.43 pages.

Personal-finance title *Money* was flat with 401.02 pages, a 0.9% decline; *Changing Times* was down 4.6% with 217.84 pages.

Every-other-monthly *Bride's* led the field with 1,294.98 ad pages, up 5.5%. Rival *Modern Bride* ranked No. 6 with 1,025.24 pages, also a 5.5% increase.

Among fashion magazines, *Vogue* carried 1,000.01 ad pages, down 9.5%, and *Elle* declined 5.7% with 685.55 pages. *Harper's Bazaar* was up 2.2% with 477.8 ad pages; young *Mirabella* had 369.72 ad pages, a 1,000% increase.

Women's service magazines posted mixed results. *Family Circle* led the category with 537.8 ad pages, down 17.7% from last year. *Good Housekeeping* ranked second with 524.47 pages, a 10.5% jump. *Ladies' Home Journal* was also up 1.9% with 498.05 pages.

Rounding out the category were: *Woman's Day*, 450.7 pages, down 20.1%; *Better Homes & Gardens*, 379.2 pages, down 16.9%; *Redbook*, 359.04 pages, up 2.4%; and *McCall's*, 305.64 pages, down 11.5%.

Woman's Day was put on the block by owner Diamandis Communications Inc. earlier this month, partially as a result of the soft advertising environment (AA, May 21).

Ebony led all black-oriented magazines with 370.02 ad pages, down 2.8%. *Jet* had 338.79 pages, down 7.5%, and *Essence* was off 10.3% with 272.72 pages. *Black Enterprise* posted a 5.3% increase with 280.91 ad pages.

Straight Arrow Publishers' *Rolling Stone* carried 552.37 ad pages, down 5.9%. Its *US*, with 225.32 ad pages, was up 8.6%.

Among magazines posting gains through April:

Architectural Digest carried 580.05 ad pages, up 5.5%; *Town & Country* had 492.45 ad pages, up 1.6%; *Vanity Fair*, with 446.09 pages, was up 8.2%; *Metropolitan Home* was up 8.3% with 419.65 pages; *Gourmet* was up 6.3% with 396.83 pages; *Conde Nast Traveler* had 367.77 ad pages, up 17.4%; and *Reader's Digest* rose 2.9% with 350.43 pages. □

35
Of the top 100 magazines in ad volume, 35 showed increases in April . . .

. . . while 65 showed declines, according to Publisher's Information Bureau.

65

John Heiland

Magazine ad-page leaders

Publishers Information Bureau figures through April 1990.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Bride's	1,294.98	5.5	22,900,540	14.9
2	Business Week	1,182.28	(10.6)	69,458,131	(4.1)
3	Forbes	1,157.91	33.3	50,438,893	43.4
4	People	1,061.64	(4.9)	100,960,813	4.2
5	TV Guide	1,033.64	(14.4)	111,363,737	(6.6)
6	Modern Bride	1,025.24	5.5	16,979,500	10.4
7	Vogue	1,000.01	(9.5)	36,476,165	14.1
8	Fortune	952.80	(3.6)	46,917,561	3.8
9	The Economist	857.71	14.8	7,353,867	30.4
10	New York Magazine	829.62	(7.1)	12,936,556	(2.2)
11	Sports Illustrated	815.19	(16.4)	103,012,827	(6.4)
12	Time	801.41	(3.6)	111,390,241	(1.4)
13	The New Yorker	741.96	12.8	18,868,511	25.8
14	Newsweek	689.67	(6.6)	76,543,904	2.6
15	Elle	685.55	(5.7)	20,282,433	1.0
16	Entrepreneur	677.11	7.5	6,404,860	37.1
17	Cosmopolitan	635.02	(12.9)	37,434,647	(7.3)
18	GQ	621.81	(6.7)	15,092,445	1.7
19	U.S. News & World Report	581.66	(2.5)	46,828,274	6.6
20	Architectural Digest	580.05	5.5	15,538,616	14.6
21	Yachting	574.18	(2.3)	3,453,328	(2.1)
22	Glamour	553.15	(13.0)	28,278,532	(7.1)
23	Rolling Stone	552.37	(5.9)	19,506,202	(3.3)
24	American Way	540.32	(9.7)	7,255,733	14.8
25	Family Circle	537.80	(17.7)	43,940,443	(5.1)
26	W	529.69	(2.7)	12,132,620	12.0
27	Good Housekeeping	524.47	10.5	49,177,267	23.4
28	Travel & Leisure	500.00	(7.6)	20,028,231	15.6
29	Ladies' Home Journal	498.05	1.9	35,088,418	14.3
30	Town & Country	492.45	1.6	11,982,005	19.0
31	Golf Magazine	490.76	(12.4)	14,283,522	(1.0)
32	Sunset	487.32	(5.2)	15,038,084	6.5
33	Mademoiselle	479.84	(8.7)	15,782,708	1.8
34	Harper's Bazaar	477.80	2.2	12,725,288	11.1
35	Golf Digest	476.76	(0.2)	23,075,007	(0.5)
36	Salt Water Sportsman	473.69	(21.9)	3,082,595	(21.0)
37	Woman's Day	450.70	(20.1)	33,134,519	(15.4)
38	Seventeen	449.48	3.3	12,906,213	3.4
39	Vanity Fair	446.09	8.2	15,417,471	31.0
40	Skin Diver	445.36	1.0	4,113,381	4.1
41	Parents	441.65	(1.7)	18,103,189	2.8
42	Southern Living	435.37	(8.4)	21,367,509	(2.1)
43	Texas Monthly	429.14	8.6	4,700,360	8.6
44	Metropolitan Home	419.65	8.3	13,025,931	9.5
45	Muscle & Fitness	417.00	(24.2)	7,121,966	(6.6)
46	Self	410.09	(3.8)	15,517,302	15.9
47	Money	401.02	(0.9)	24,482,627	(1.4)
48	Popular Photography	396.91	23.8	9,507,961	39.7
49	Gourmet	396.83	6.3	10,587,297	19.0
50	Esquire	387.48	(0.8)	11,584,466	3.5
51	Better Homes & Gardens	379.20	(16.9)	42,476,556	(11.1)
52	Car & Driver	376.63	(4.3)	14,300,942	(6.9)
53	Ebony	370.02	(2.8)	12,892,747	6.6
54	Mirabella	369.72	1,000.0	5,637,279	100.0
55	Conde Nast Traveler	367.77	17.4	10,316,310	44.2
56	San Francisco Focus	359.62	(8.7)	2,385,920	0.4
57	Redbook	359.04	2.4	22,264,753	3.6
58	Country Living	356.10	(7.4)	14,505,634	(1.5)
59	Financial World	356.02	38.8	8,324,442	69.6
60	Bon Appetit	350.63	11.1	10,634,421	17.8
61	Reader's Digest	350.43	2.9	36,663,031	14.0
62	Bicycling	349.08	(8.4)	4,830,322	7.5
63	House & Garden	346.92	22.6	8,572,381	27.2
64	Jet	338.79	(7.5)	5,689,172	2.8
65	Smithsonian	332.12	(5.3)	14,221,345	(0.8)
66	Working Woman	330.06	(5.2)	9,956,491	0.9
67	Road & Track	329.18	(10.0)	9,740,578	(11.7)
68	Bassmaster	319.61	(20.6)	6,239,605	(9.6)
69	Inc.	308.95	(18.1)	12,997,373	(7.9)
70	McCall's	305.64	(11.5)	21,684,841	(5.3)
71	New Woman	301.35	(13.0)	7,432,568	(7.0)
72	Art & Antiques	295.64	13.8	1,721,489	21.5
73	Ski	292.79	(13.0)	5,885,012	(3.2)
74	Field & Stream	292.15	(14.6)	11,901,847	(15.2)
75	Four Wheeler	288.52	(5.4)	2,177,054	2.6
76	Delta Sky	285.81	(7.9)	7,293,395	(1.6)
77	Sports Afield	282.27	(8.2)	5,173,837	3.9
78	Black Enterprise	280.91	5.3	3,740,190	14.4
79	Essence	272.72	(10.3)	6,646,785	1.1
80	Outdoor Life	269.63	(25.5)	7,933,764	(17.6)
81	Motor Trend	268.85	(14.2)	9,779,788	(6.7)
82	M	267.65	(8.8)	3,312,014	3.8
83	Yankee	257.87	(1.2)	3,031,776	5.1
84	Premiere	257.64	8.9	4,461,969	32.0
85	Hot Rod	257.40	(26.7)	5,962,307	(23.9)
86	Popular Mechanics	256.47	(16.9)	8,114,016	(9.3)
87	California	247.10	8.8	3,246,653	11.7
88	Working Mother	243.09	0.8	5,237,367	14.5
89	1,001 Home Ideas	242.74	7.9	7,172,882	29.6
90	Connoisseur	238.13	(21.7)	4,280,377	(12.6)
91	House Beautiful	236.43	(8.2)	8,642,642	2.0
92	Popular Science	235.99	(30.6)	6,682,915	(27.2)
93	Southern Accents	235.29	18.4	2,318,990	29.1
94	Home	232.14	(3.8)	6,662,763	6.1
95	Tennis	230.17	(10.4)	7,112,238	32.2
96	Skiing	230.01	6.3	4,738,530	(0.6)
97	US	225.32	8.6	8,285,301	1.8
98	Playboy	223.00	(10.3)	14,781,004	(1.1)
99	National Journal	222.83	(14.0)	1,516,165	(6.5)
100	True Story	221.58	5.2	3,115,971	(1.4)

Percent change comparison information based on 1989 with 1988. Source: Publishers Information Bureau

NEWSSTAND

Print advertising opportunities.

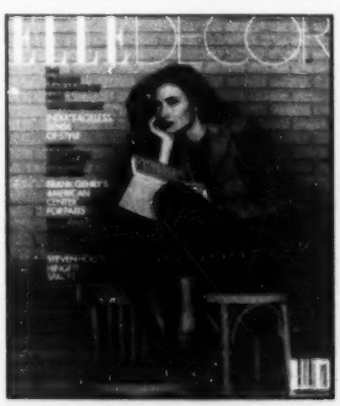
Design News, Newton, Mass., "Design engineering in the 1990s" special editorial section, July 9 issue; ad close: June 4. B&w page: $6,915.

ABA Journal, Chicago, "Product catalog" special advertising insert, August issue; ad close: June 5. B&w ¼-page: $2,000.

Town & Country, New York, "Fall fashion" special editorial section, August issue; ad close: June 5. B&w page: $21,125; color page: $27,190.

Self, New York, "The shoe fits" special ad section, September issue; ad close: June 7. B&w page: $25,860; color page: $38,620.

Philadelphia, Philadelphia, "Best of Philly" special advertising section, August issue; ad close: June 8. B&w page: $6,295; color page: $9,380.



September issue; ad close: June 10. B&w one-ninth page: $950.

New York, New York, "Summer pleasures" special editorial section, July 2 and 9 double issue; ad

Village Voice, New York, "Summer film" special editorial supplement, June 19 issue; ad close: June 11. B&w page: $6,300; color page: $7,150.

Decorating Remodeling and **Kitchen & Bath Business**, New York, "Renaissance" special ad sections, October issues; ad close: June 15. Color page: $316,000.

Parade, New York, "It's too hot to cook!" special editorial section, July 29 issue; ad close: June 15. Color page: $316,000.

Atlanta Business Chronicle, Atlanta, "Metro market report" special editorial section, July 16 issue; ad close: June 18. B&w page: $2,370; color page: $2,970.

Mother Earth News, New York, "Catalog corner" special advertising section, September issue; ad close: June 19. Color one-ninth page: $1,875.

CONSUMER MAGAZINE AD LINAGE

	April		Year-to-date	
	1990	1989	1990	1989
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	177.9	156.7	588.6	551.8
Car & Driver C	110.5	116.9	376.6	393.7
Car Collector & Car Classics	16.2	15.3	64.6	67.7
Car Craft	78.7	69.3	253.0	269.7
Circle Track	81.8	92.4	347.9	340.1
Cycle	65.8	56.4	156.2	177.2
Cycle World	63.8	57.0	180.3	182.3
Dirt Rider	40.2	36.9	147.6	127.0
Dune Buggies & Hot VWs	71.0	68.0	267.9	269.6
Family Motor Coaching	159.9	166.4	654.4	725.2
4 Wheel & Off-Road	85.4	92.5	283.7	299.3
Four Wheeler C	81.5	86.6	288.5	305.1
Hot Rod C	79.5	121.1	257.4	351.1
Motorcyclist	53.8	62.2	148.8	171.5
Motor Trend C	77.8	74.0	268.9	313.5
Motorhome	101.4	104.6	375.5	376.2
Rider	46.3	51.8	122.3	141.5
Road & Track C	105.0	105.8	329.2	365.9
Trailblazer	61.0	87.0	185.0	231.0
Trailer Life	93.2	92.6	358.0	378.1
Total Group	**1,650.5**	**1,713.4**	**5,654.5**	**6,037.3**
% change	**-3.7%**		**-6.3%**	
■ Boating & yachting				
Boating	142.1	173.4	621.0	734.4
Chesapeake Bay	49.0	58.1	164.2	199.9
Cruising World	154.0	159.2	473.7	488.3
Lakeland Boating (11X)	90.5	110.5	350.0	400.0
Motor Boating & Sailing	130.4	158.6	514.7	703.4
Sail	109.4	126.4	500.5	497.3
Trailer Boats (11X)	77.7	100.3	317.5	355.5
Western Boatman	31.4	50.8	127.1	101.8
Yachting C	120.9	127.7	574.2	587.9
Total Group	**905.4**	**1,065.0**	**3,642.9**	**4,068.5**
% change	**-15.0%**		**-10.5%**	
■ Civic/fraternal				
Elk (10X)	16.0	13.1	66.2	64.8
Kiwanis	15.3	18.0	71.7	61.2
Lion (10X)	5.3	3.2	16.2	15.7
Rotarian	20.0	10.1	66.5	52.5
V F W (11X)	27.6	25.6	107.3	124.3
Total Group	**84.2**	**70.0**	**327.9**	**318.5**
% change	**20.3%**		**3.0%**	
■ General				
American Health (10X) C	60.8	90.2	211.4	256.6
American Heritage (8X) C	36.7	46.1	113.3	126.3
American Legion	38.1	42.0	155.2	201.5
American West (6X)	29.7	54.1	51.8	75.6
Art & Antiques (10X) C	72.9	63.2	295.6	259.8
ARTnews (10X)	109.0	156.7	455.4	463.0
The Atlantic A C	69.8	77.4	207.0	224.4
Bon Appetit A C	99.6	85.1	350.6	315.7
Cable Guide C	29.0	39.9	117.9	138.3
Changing Times C	54.4	69.8	217.8	228.3
Conde Nast Traveler C	103.6	96.7	367.8	313.2
Connoisseur C	74.3	92.1	238.1	304.0
Consumers Digest (6X) C	—	—	48.1	50.4
Cooking Light C	—	—	131.5	112.2
Ebony C	77.5	92.4	370.0	380.8
European Travel & Life C	70.6	53.5	170.4	148.0
Food & Wine C	65.3	71.7	213.6	232.9
Games (6X) C	—	—	34.1	27.0
Golden Years (6X)	—	33.3	74.0	125.9
Gourmet C	122.2	127.7	396.8	373.5
Harper's Magazine A C	28.6	30.4	123.0	134.3
Harrowsmith (6X)	—	—	105.0	123.0
Islands (6X)	—	—	112.5	120.7
Let's Live	53.0	42.0	201.0	190.0
Life C	30.8	88.6	178.1	282.3
Modern Maturity (6X) C	35.1	41.5	76.9	83.3
Money C	114.2	126.1	401.0	404.6
Mother Earth News C	—	—	146.8	162.6
National Geographic C	27.0	21.2	97.7	85.5
National Geographic Traveler (6X) C	—	—	98.9	62.8
Natural History C	65.2	54.2	184.0	196.5
New Choices C	48.8	37.0	126.2	152.9
Prevention C	56.5	52.7	211.5	224.8
Reader's Digest A C	88.3	85.9	350.4	340.7
Saturday Evening Post (9X) C	35.9	42.4	113.8	135.6
Smithsonian C	101.8	87.7	332.1	350.5
Town & Country C	133.3	139.7	492.5	484.7
Travel-Holiday C	59.9	52.3	172.6	174.6
Travel & Leisure C	164.4	186.9	500.0	541.1
Travelhost	1,367.3	1,316.1	4,963.7	4,931.1
Vanity Fair C	150.7	146.8	446.1	412.3
Yankee C	68.3	59.9	257.9	261.0
Total Group	**3,742.4**	**3,903.1**	**13,932.0**	**14,212.1**
% change	**-4.1%**		**-2.0%**	
■ Home				
Americana (6X)	—	—	21.6	45.9
Architectural Digest A C	185.7	154.9	580.1	550.0
Better Homes & Gardens C	104.3	134.7	379.2	456.3
Colonial Homes (6X) C	51.5	68.5	98.3	124.3
Columbus Monthly-Homes (4X)	30.5	31.1	57.2	60.9
Country Home (6X) C	83.1	113.0	114.4	157.1
Country Living C	109.4	114.3	356.1	384.7
Family Handyman (10X) A C	32.2	58.2	127.6	183.0
Florida Home & Garden	64.5	77.8	275.0	365.9
Flower & Garden (6X) C	43.8	54.8	94.2	110.6
Home C	76.8	74.6	232.1	241.4
Home Mechanix C	65.8	76.0	167.2	208.8
Homeowner (10X) C	36.8	37.3	96.9	113.5
Horticulture	51.8	47.7	192.4	179.3
House Beautiful C	75.2	73.5	236.4	257.4
House & Garden C	112.9	82.1	346.9	283.0
Metropolis	54.1	57.8	164.9	198.6
Metropolitan Home C	145.8	135.8	419.7	387.5
Midwest Living C	87.5	84.4	128.5	136.6
1,001 Home Ideas C	77.2	57.7	242.7	224.9
Organic Gardening (10X) C	42.2	43.9	184.8	198.6
Phoenix Home/Garden	75.8	77.5	285.9	299.2
Practical Home-owner (9X) C	42.4	26.1	157.8	98.1
San Diego Home/Garden	74.0	75.2	264.3	265.3
Southern Accents (6X) C	100.8	0.0	235.3	198.7
Southern Living C	129.9	141.1	435.4	475.1
Sunset Magazine A C	161.4	159.8	487.3	514.0
Workbench (6X)	37.6	52.7	68.9	92.4
Total Group	**2,152.9**	**2,110.7**	**6,451.3**	**6,811.0**
% change	**2.0%**		**-5.3%**	
■ In-flight & other passenger				
Aboard Group (6X)	—	—	77.5	71.1
Air Group One:				
TWA Ambassador B	41.7	—	156.2	—
Alaska Airlines	67.5	63.7	261.3	238.6
America West Airlines (6X)	70.0	57.0	300.0	259.2
American Way (24X) C	132.7	191.7	540.3	598.6
East/West Network:				
Continental Profiles	60.2	76.8	207.1	252.4
Eastern Review	35.2	62.8	130.4	265.9
Pan Am Clipper	56.8	54.3	185.9	183.6
Southwest Spirit	54.1	79.6	195.3	270.6
Vis A Vis	76.8	89.6	272.2	347.4
Halsey Publication:				
Delta Sky C	76.1	86.1	285.8	310.3
Pace Communications:				
US Air Magazine	61.3	61.9	233.4	210.4
Spirit of Aloha	33.8	23.0	136.4	96.4
Total Group	**724.5**	**846.6**	**2,825.7**	**3,104.5**
% change	**-14.4%**		**-9.0%**	
■ Men's				
Esquire A C	105.5	108.7	387.5	390.5
Firehouse Magazine	45.3	33.7	140.8	138.5
Gentlemen's Quarterly A C	173.6	198.7	621.8	666.1
M Magazine C	65.7	77.2	267.7	293.5
Muscle & Fitness C	117.6	131.5	417.0	550.1
Penthouse A C	52.3	43.9	206.4	194.7
Playboy A C	59.3	52.0	223.0	248.6
Salute (10X)	42.7	22.0	132.7	78.3
Total Group	**661.8**	**668.1**	**2,396.8**	**2,560.3**
% change	**-0.9%**		**-6.4%**	
■ Metropolitan				
Aloha (6X)	—	—	87.8	56.8
Atlanta	83.8	82.5	266.6	244.6
Baltimore	81.9	58.1	243.7	253.1
Boston	110.4	137.4	396.9	523.7
California C	81.2	63.5	247.1	227.2
Chicago	90.8	117.3	355.3	434.3
Chicago's North Shore	90.5	96.0	351.6	384.7
Cincinnati	54.0	51.9	153.3	190.3
Cleveland	53.0	57.6	167.4	204.9
Columbus Monthly	92.3	72.1	242.7	270.8
Connecticut	86.4	129.5	350.2	411.1
D/Magazine	62.6	78.2	216.5	278.2
Detroit Monthly	74.5	77.3	222.8	237.0
Grand Rapids	35.3	43.0	109.1	137.3
Honolulu	50.4	42.3	204.3	295.0
Houston Metro. Mag	111.8	69.0	240.9	198.5
Inside Chicago (8X)	—	—	51.9	78.7
Los Angeles	123.1	149.5	488.0	575.7
Louisiana Life (6X)	—	—	57.3	60.7
Madison	42.0	42.0	149.0	162.0
Memphis	50.0	64.0	207.1	248.8
Mid Atlantic Country	70.0	44.5	169.8	140.9
Milwaukee	79.0	66.2	230.5	202.7
Minneapolis/St. Paul	117.9	114.6	426.6	437.7
Minnesota Monthly Mag	75.1	47.7	250.1	174.3
Nashville	12.1	21.8	50.2	103.3
New Jersey Monthly	82.9	100.9	268.0	342.4
New Mexico	39.4	38.7	167.6	178.2
Ohio	35.8	46.8	185.1	187.3
Orlando	110.0	110.0	396.7	377.7
Pacific Northwest	71.0	65.2	195.9	192.0
Palm Beach Life	68.1	73.2	351.6	387.5
Palm Springs Life	105.1	113.8	594.4	611.3
Philadelphia	146.6	151.4	493.1	539.3
Phoenix	35.2	47.3	160.0	215.1
Pittsburgh	67.3	73.2	248.1	239.2
Rhode Island Monthly	59.4	53.1	202.7	194.8
Sacramento Magazine	72.0	60.2	225.1	205.7
St. Louis	69.5	49.5	195.7	172.7
San Diego	134.2	148.1	498.6	497.8
San Francisco Focus C	111.0	110.8	359.8	394.3
Sarasota	75.0	99.0	405.0	411.0
South Florida Magazine	107.9	114.0	387.1	469.9
Texas Monthly C	114.6	101.5	429.1	395.2
Ultra	49.5	44.2	127.0	179.0
The Virginian (6X)	—	—	46.0	88.0
Washington (10X)	33.8	—	100.0	146.0
Washington-Dossier	50.8	42.5	160.5	142.5
The Washingtonian	149.2	170.3	515.6	663.2
Total Group	**3,516.1**	**3,539.4**	**12,648.4**	**13,762.3**
% change	**-0.7%**		**-8.1%**	
■ Music/entertainment				
Audio	73.3	87.9	325.8	372.1
Dance Magazine	58.3	60.2	256.6	238.0
Playbill	44.3	45.9	169.9	199.1
Video Magazine	71.5	51.3	273.3	236.0
Total Group	**247.3**	**245.3**	**1,025.7**	**1,045.2**
% change	**0.8%**		**-1.9%**	
■ Outdoor & sport				
Alaska	51.8	45.0	174.0	172.8
The American Handgunner (6X)	—	—	113.0	105.0
American Hunter	14.2	15.5	71.5	88.1
American Rifleman	17.8	26.9	86.3	88.5
Backpacker (7X) C	41.8	—	65.4	49.2
Bass Master (10X) A C	75.2	102.4	319.6	402.5
Bicycling (9X) C	135.0	153.9	349.1	381.2
Cross Country Skier (5X)	—	—	73.6	70.5
Ducks Unlimited (6X)	—	—	49.6	51.7
Field & Stream C	67.3	113.5	292.2	342.3
Fishing World (6X)	—	—	128.0	108.3
Florida Sportsman	138.3	141.2	597.5	608.0
Golf Digest C	120.5	137.1	476.8	477.5
Golf Illustrated C	63.1	62.7	179.9	175.7
Golf Magazine C	95.6	110.8	490.8	560.2
Gun Dog (6X)	—	—	72.2	88.2
Guns	35.0	37.0	161.0	144.0
Guns & Ammo	39.4	42.7	185.3	186.1
In-Fisherman (7X)	82.0	94.0	322.5	389.5
Outdoor Life C	75.7	112.8	269.6	361.8
Outside Magazine	81.7	90.1	238.0	237.8
Petersen's Hunting	38.2	39.8	136.7	161.4
Runner's World (12X) C	43.8	58.3	124.7	144.7
Salt Water Sportsman C	90.6	119.3	473.9	606.8
Shooting Times	28.3	32.5	124.1	129.6
Sierra (6X)	—	—	69.5	103.6
Ski (8X) A C	45.0	51.2	292.8	336.4
Skiing (7X) A C	—	—	230.0	216.4
Skin Diver C	120.1	117.8	445.4	441.1
Southern Outdoors (9X)	41.0	56.9	193.0	262.7
Southern Saltwater (8X)	47.9	51.1	188.0	234.6
Sport Magazine C	27.6	28.5	114.0	139.5
Sports Afield C	76.9	80.3	282.3	307.4
Surfing	69.7	76.7	276.7	294.9
Tennis C	64.6	90.0	230.2	256.8
Waterski (9X)	83.6	94.3	244.0	267.3
Western Outdoors (10X)	43.4	45.6	166.6	184.4
Wildfowl (6X)	—	—	41.8	39.8
Wing & Shot (6X)	—	—	31.5	31.5
World Tennis C	48.8	76.4	141.3	195.3
Total Group	**2,003.8**	**2,304.2**	**8,521.2**	**9,423.6**
% change	**-13.0%**		**-9.6%**	
■ Photography				
American Photo (6X) C	—	48.3	86.7	129.1
Petersen's Photographic	27.7	36.8	88.8	107.0
Popular Photography C	104.2	92.9	396.9	320.7
Total Group	**131.9**	**177.9**	**572.4**	**556.8**
% change	**-25.9%**		**2.8%**	
■ Science/electronic/mech				
Discover C	32.4	31.5	146.3	162.7
Home Office Computing C	39.0	44.5	206.9	186.1
Omni C	45.3	61.5	210.1	244.9
Personal Computing	101.0	177.0	519.0	713.0
Popular Mechanics C	75.8	99.0	256.5	308.6
Popular Science C	76.6	123.4	236.0	340.3
Scientific American C	35.6	50.0	138.3	160.4
Spectrum C	47.6	53.3	207.0	247.7
Total Group	**453.4**	**640.2**	**1,920.1**	**2,363.6**
% change	**-29.2%**		**-18.8%**	
■ Woman/fashion/service				
Beauty Magazine (10X)	13.2	25.5	43.7	40.7
Bride's Magazine (6X) A C	504.3	489.8	1,295.0	1,227.1
Cosmopolitan A C	192.1	222.6	635.0	728.7
Elle C	241.6	224.2	685.6	726.7
Essence C	73.5	71.5	272.7	304.0
Family Circle (17X) A C	184.9	213.2	537.8	653.5
Glamour C	194.4	230.4	553.2	635.9
Good Housekeeping A C	156.2	127.3	524.5	474.6
Harper's Bazaar C	127.6	149.7	477.8	457.5
Health C	39.7	35.2	143.9	126.2
Images	133.0	107.4	384.1	296.1
Ladies' Home Journal C	148.7	149.0	498.1	489.0
Lear's C	53.5	43.9	220.5	214.7
Mademoiselle C	166.9	178.5	479.8	525.4
McCall's C	72.5	87.8	305.6	345.2
Military Lifestyle (10X)	45.6	32.1	169.2	167.7
Mirabella	84.2	0.0	369.7	0.0
Modern Bride (6X) C	393.8	360.2	1,025.2	972.1
New Woman C	91.8	112.2	301.4	346.5
Parents Magazine A C	138.0	124.0	441.7	449.1
Redbook C	92.6	97.2	359.0	350.7
Savvy C	34.3	49.0	140.0	188.8
Self C	117.9	132.4	410.1	426.2
Seventeen C	153.9	138.1	449.5	435.1
Shape C	54.1	77.5	199.1	255.3
Soap Opera Digest (26X) C	39.5	43.3	135.7	142.5
Soap Opera Update	11.8	11.0	27.0	36.0
Teen Magazine	44.3	50.6	173.1	151.7
True Story A C	56.2	50.5	221.6	210.6
Vogue C	289.3	330.4	1,000.0	1,104.9
W Magazine (26X) C	136.1	115.0	529.7	544.5
Weight Watchers C	37.3	40.3	150.6	140.6
Woman (10X) C	24.0	29.7	95.4	114.5
Woman's Day (15X) A C	119.4	138.6	450.7	564.0
Workbasket	25.0	21.9	87.0	101.2
Working Mother C	66.6	72.2	243.1	241.1
Working Woman C	79.4	102.7	330.1	348.0
Total Group	**4,436.9**	**4,484.8**	**14,365.9**	**14,546.2**
% change	**-1.1%**		**-1.2%**	
■ Youth				
Boys' Life C	15.2	19.9	73.8	77.6
Campus Life (10X)	37.8	37.7	177.8	190.7
Total Group	**53.0**	**57.6**	**251.6**	**268.3**
% change	**-7.9%**		**-6.2%**	
■ Business/national				
Barron's	149.4	138.7	560.0	540.7
Black Enterprise C	50.5	49.0	280.9	266.8
Business Month C	29.2	49.1	137.4	127.1
Business Week (52X) A C	426.3	430.3	1,182.3	1,321.9
Entrepreneur C	166.4	161.5	677.1	629.8
Financial World (26X) C	111.0	82.7	356.0	256.5
Forbes (26X) C	479.0	240.4	1,157.9	868.9
Fortune (26X) C	327.9	386.3	952.8	985.7
Frequent Flyer	39.7	52.9	152.7	172.2
Futures	54.5	53.1	204.2	207.1
Inc. Magazine C	72.2	140.9	309.0	377.3
Income Opportunities	71.1	84.4	243.5	271.5
Industry Week (23X) A	99.8	97.4	353.6	325.6
Nation's Business (12X) A C	20.1	39.1	103.0	144.6
Total Group	**2,096.9**	**1,985.7**	**6,670.3**	**6,498.6**
% change	**5.6%**		**2.6%**	
■ Business/regional				
Advantage-Nashville's Bus. Mo	29.8	36.3	89.7	128.8
Baltimore Bus. Jrnl	77.9	75.9	264.9	291.5
Bus. First of Buffalo	98.4	70.9	308.4	297.6
Bus. Jrnl.-Milwaukee	169.0	117.1	603.1	581.2
Bus. Jrnl.-Sacramento	107.6	82.3	351.8	310.3
Bus. North Carolina	44.2	53.0	144.8	147.7
Capital Dist. Bus. Review (52X)	104.9	73.9	282.3	273.8
Caribbean Business	120.1	133.0	387.0	428.4
Corporate Rpt. Minnesota	47.7	59.6	180.3	226.9
Crain's Chicago Bus. (52X)	185.0	147.5	536.1	515.3
Crain's Cleveland Bus. (52X)	131.3	87.1	292.7	280.4
Crain's Detroit Bus. (52X)	105.8	73.1	349.8	284.0
Crain's New York Bus. (52X)	93.5	63.5	247.6	207.7
Florida Trend (13X)	95.5	111.5	204.8	257.5
Georgia Trend	51.2	62.3	169.3	203.6
Grand Rapids Bus. Jrnl.	57.7	41.4	214.3	176.6
Hawaii Business	54.0	39.8	195.0	167.6
Houston Bus. Jrnl. (52X)	94.0	92.0	293.0	279.0
Indianapolis Business Journal (52X)	164.9	167.1	549.6	585.4
Manhattan Inc. C	46.6	47.3	148.7	170.3
New England Bus. (12X) A	40.0	41.0	135.8	179.3
New Orleans City Bus.	43.4	36.3	193.4	161.0
Pacific Bus. News (52X)	146.1	105.3	406.3	394.3
Philadelphia Bus. Jrnl.	161.8	135.3	504.1	490.5
Pittsburgh Bus. Times (52X)	102.9	132.2	383.5	432.5
Providence Bus. News	80.9	86.8	276.3	308.2
Regardie's/Washington	175.0	179.0	565.0	621.0
St. Louis Bus. Jrnl. (52X)	134.4	118.9	436.7	430.6
Warfield's Monthly Baltimore	69.8	86.2	231.0	240.0
Total Group	**2,833.3**	**2,555.8**	**8,945.1**	**9,071.1**
% change	**10.9%**		**-1.4%**	
■ National Sunday mags				
Parade (52X) C	71.3	65.4	213.3	233.9
USA Weekend (52X) C	65.4	60.6	220.0	212.3
Vista Magazine (52X)	24.1	23.4	66.9	80.5
Total Group	**160.8**	**149.4**	**500.3**	**526.7**
% change	**7.6%**		**-5.0%**	
■ Newspaper Sunday magazine				
Boston Globe	192.2	236.3	707.9	825.2
Chicago Tribune	153.9	109.0	402.0	397.9
Cleveland Plain Dealer	94.5	93.9	230.5	252.4
The Dallas Morning News	71.3	107.7	204.5	265.2
Detroit Free Press	92.0	85.0	195.0	184.0
L.A. Times C	140.4	119.5	351.5	422.1
Louisville Courier-Jrnl.	24.0	29.0	84.0	113.0
New York Times Mag. C	443.6	461.1	1,262.2	1,331.8
Philadelphia Inquirer	133.1	137.0	357.4	361.0
Seattle Times	109.0	79.0	300.0	254.0
St. Louis Post Dispatch	102.2	116.1	296.0	335.3
Toledo Blade Magazine	51.2	37.8	138.0	132.8
Washington Post	130.3	173.3	406.5	532.7
Total Group	**1,737.7**	**1,784.7**	**4,935.5**	**5,407.4**
% change	**-2.6%**		**-8.7%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	122.0	132.6	517.3	610.6
Army Times Military Group:				
Air Force Times (52X)	185.6	162.2	604.4	604.0
Army Times (52X)	178.9	162.0	593.0	583.1
Navy Times (52X)	196.7	180.7	628.6	667.3
Capper's (26X)	27.8	30.3	127.8	153.7
Commonweal (22X)	13.5	7.9	44.7	36.8
Golf World (40X)	152.5	125.0	600.0	490.3
Grit (52X) A	50.8	40.6	160.3	153.5
National Journal (50X) C	94.3	115.2	222.8	259.0
National Review (25X)	35.9	28.1	102.9	95.6
New Republic (48X)	42.1	39.6	161.2	176.2
New York Mag. (50X) C	308.5	271.5	829.6	893.3
New Yorker C	252.6	202.5	742.0	657.7
Newsweek (52X) A C	216.2	191.2	689.7	738.3
People (51X) C	405.2	312.4	1,061.6	1,116.5
Rolling Stone (25X) C	165.8	175.3	552.4	586.8
Sporting News (52X) C	60.7	63.5	178.3	193.7
Sports Illustrated (52X) A C	236.5	270.9	815.2	975.1
Time (52X) A C	272.2	227.3	801.4	831.5
TV Guide (52X) A C	231.0	314.4	1,033.6	1,207.4
US Magazine (26X) C	80.6	61.9	225.3	207.4
U.S. News & World Report (50X) A C	185.4	154.9	581.7	596.3
Total Group	**3,515.0**	**3,270.0**	**11,273.7**	**11,834.1**
% change	**7.5%**		**-4.7%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. Ad Age makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

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NEWSPAPER

Advertising Age

June 4, 1990

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Nintendo zaps McCann

By Cleveland Horton and Kate Fitzgerald

Nintendo of America, facing stepped-up competition, this week will name Leo Burnett USA or Foote, Cone & Belding to replace McCann-Erickson Worldwide on the videogame giant's $35 million ad account.

The announcement on the winning agency—in what might be called an agency-generated pitch—could come today.

"We've been driven crazy with agencies large and small coming to us literally on a weekly basis over the last two years," Peter Main, Nintendo senior VP-marketing, said from Chicago, where the Consumer Electronics Show opened June 2.

Nintendo, fighting off the aggressive Sega of America and NEC Technologies in the steadily maturing videogame industry, will unveil multiple new game titles at the summer show, along with enhancements to its basic Nintendo Entertainment System and hand-held Game Boy unit.

"The videogame market as a whole is maturing, and Nintendo's new agency will give it a new focus."

Conspicuously absent, however, is a Nintendo version of the upgraded "16-bit" systems that have become the most important weapon in major new offensives by Sega and NEC.

Nintendo is expected to unveil its enhanced new system, offering more sophisticated graphic and audio capabilities than its existing "8-bit" system, in Japan later this year and in the U.S. next year.

The task of creating advertising for that system will fall to the new agency, but its most important job will be preserving Nintendo's edge.

"Nobody's saying what went wrong between McCann and Nintendo, because the results of their partnership have been very successful," said David Leibowitz, a toy industry analyst with American Securities Corp. "But the videogame market as a whole is maturing, and Nintendo's new agency will give it a new focus."

Nintendo is still the far-and-away leader of the $3.4 billion market, owning 80% of the industry along with its 70 software licensees. Sega's share is estimated at 10% with NEC's share believed to be even smaller.

But the competition is coming on stronger than ever.

At the show, Sega announced a major tie-

(Continued on Page 53)

Capitalists warm up to Gorby

Ads put Soviet leader's image to work

By Gary Levin

Glasnost is proving a godsend for marketers looking to latch onto Mikhail Gorbachev's latest U.S. visit.

The Washington summit last week between the Soviet leader and President Bush prompted a round of print ads celebrating warmer relations between the two superpowers.

Hawking everything from vodka to carpeting, marketers aimed for opportunistic publicity ploys, while Minneapolitans and San Franciscans rolled out the red carpet for President Gorbachev's first visits there.

Monsieur Henri Wines ran its fourth

(Continued on Page 52)

LAST MINUTE NEWS

IBM taps Lintas for new account

PARIS—IBM Corp. has selected Lintas:Worldwide for a new pan-European assignment, expected to be the launch of a personal computer. A Lintas source said that though no one knows budgets yet, the account may start out at about $30 million and is expected to grow. Others said the assignment could be worth up to $60 million.

An IBM spokesman confirmed the selection but wouldn't give details. Lintas' Paris office, the lead agency on the pitch, wasn't allowed to comment.

In the U.S., Lintas:New York shares IBM's estimated $125 million account with Wells, Rich, Greene, New York. Lintas handles IBM's PC products.

Also pitching for the new assignment were GGK International and Backer Spielvogel Bates Worldwide.

Lintas' victory is a major blow for Swiss-based GGK, IBM's main European agency. Although IBM said in a statement that adding Lintas to the roster in Europe wouldn't affect GGK's status, there's been speculation the agency's IBM business could come under review.

GGK has been rumored to be for sale, though the company has repeatedly denied owner Paul Gredinger, 65, intends to dispose of the agency net-

(Continued on Page 8)

INSIDE

Hold on 'Monday Night' ..... P. 2
Anheuser-Busch and Miller Brewing hold out for better "Monday Night Football" ad terms from ABC.

Taco peddling ..... P. 51
Taco Bell teams up with champion cyclist Greg LeMond for summer promotion.

Coca-Cola pulls promo ..... P. 52
Sales promotion execs analyze why huge MagiCan promotion was halted.

ABC ratings plan risks advertiser exit

Rival TV networks could reap ad windfall

By Wayne Walley

NEW YORK—ABC fired the first volley in the network TV upfront sales season but may have shot itself in the foot.

Late last week, ABC issued a precedent-setting proposal to change the way the network guarantees ratings for its shows. The new system would soften ABC's liability for ratings shortfalls.

Media buyers generally denounced the plan, while advertisers and agencies scrambled to avoid doing business with ABC for the coming fall prime-time season.

If any such action materializes, it could mean a windfall for rival networks NBC and CBS.

"There's a groundswell in the industry," a top-level agency source said. "Everyone is off the wall ready to hold back spending on ABC. If enough buyers hold out, ABC will have to cave in."

The uproar could also give ABC's rivals cause to rethink any ideas of establishing similar guidelines. If CBS and NBC smell an opportunity to make sales instead of new policies, it could leave ABC out on a limb.

"There is a real opportunity for CBS and NBC to stand by Nielsen numbers and gain from it," said Alison Danzberger, senior VP-director of national broadcast for Foote, Cone & Belding. "They can retain good will and maybe steer some money in their direction, since advertisers aren't forced to buy all three networks."

"Everyone is off the wall ready to hold back spending on ABC. If enough buyers hold out, ABC will have to cave in."

First-quarter figures from Nielsen Media Research showed a severe and unexplained 4% drop in the percentage of households using TV and a corresponding drop in ratings at the Big 3 networks.

The drop forced the nets to provide advertisers with as much as $150 million in free "make-good" ad units to make up for shortfalls of guaranteed ratings.

The networks blame the reported drop in TV use on Nielsen's measurement system. But several investigations by the ratings company uncovered no system flaws, and separate studies by various agencies and organizations said first-quarter results appear accurate.

The networks have been frantically seeking new ways to alter the ratings guarantee system.

Under the ABC plan, audience ratings will be adjusted upward or downward according to "persons-using-TV" figures for the 1990-91 season by comparing monthly PUT data with a base three-year PUT average.

The plan provides ratings guarantees for demographic groups but incorporates PUT levels so adjustments are made if the PUT level in a given month differs from the average PUT level from the previous three years.

Most media buyers predict PUT levels during the 1990-91 TV season will be lower than the three-year average, which means ABC would automatically adjust audience delivery figures above reported Nielsen levels.

ABC described the new formula as a safeguard against instability and uncertainty in TV usage. If the three-year average PUT level is lower it would benefit advertisers because it makes it likely the network would owe more make-goods, ABC said.

Past attempts to change the ratings guarantee system have been thwarted by buyers flocking to other networks willing to give guarantees. So far, only Fox Broadcasting Co. has vowed to give advertisers "hard number" guarantees in upfront negotiations this year.

NBC sales executives couldn't be reached for comment last week, but the network issued the following statement on Friday: "The recently announced ABC sales guarantee plan seems, at first look, to be both actionable and equitable."

CBS officials simply said they're not happy with the existing ratings system but haven't determined a course of action.

"The key to this issue is what NBC does. If they come in with hard numbers, then ABC is hard-pressed to push this policy," said an agency executive who asked to remain anonymous. "In the meantime, thank God Fox will guarantee ratings this year."

"If ABC is the only network to have this, then it gives the others a tremendous sales advantage," said Paul Schulman, president of Paul Schulman Co., a subsidiary of Advanswers. "It's a tough policy. I'm sure there are other wrinkles subject to negotiation as to where the money falls and the shows involved. But the first network that needs money will break the rules."

Philip Guarascio, executive director of advertising and strategic merchandising for General Motors Corp., called the ABC proposal a "takeaway" from advertisers and said the network's attempts to put it into effect open up other areas for negotiation.

"If ABC wants to put more risk

(Continued on Page 53)

A-B, Miller balk at ABC price hike for Mon. football

By John McManus

Anheuser-Busch and Miller Brewing Co. rejected ABC's terms for "Monday Night Football"—four-year commitments for nearly $100 million each—industry sources said.

The brewers' rejection of ABC's terms is a new sign they might trim their network sports ad buys, a move that would leave ABC, CBS and NBC scrambling.

The rebuff resulted from an impasse over commercial-unit pricing, the length of the commitments and the number of beer units in each telecast.

ABC and Miller declined comment; A-B said it was still negotiating with the network. Executives close to both brewers said the companies would wait as long as it takes for ABC to come up with more favorable terms.

Other sports advertisers are closely watching developments between ABC and the nation's No. 1 and No. 2 brewers to see whether their stance leads to hard bargaining on all National Football League telecasts.

"Why the brewers haven't moved on 'Monday Night Football' is the question of the hour," said an executive close to one of the breweries. "Is ABC being overly bullish? Have they miscalculated the market? And where are the other advertisers going to be if the brewers won't pay the kind of money ABC wants? [Other advertisers are] going to sit back and wait."

ABC wants to renew A-B and Miller on "MNF" with the same alternating-game exclusivity, 10 commercial-unit basis as under the previous three-year contract priced at $41.8 million for each brewer. That contract expired at the end of last season.

ABC sought a first-year rate of $260,000 per 30-second spot and a 4% increase each year.

At that rate, starting at about 20% higher than last year's average regular season commercial unit, A-B and Miller would each pay $96.7 million for the four-year period.

Neither the previous nor the proposed commitments included preseason games, and the new plan doesn't include two playoff games set for "Monday Night Football." It's estimated preseason and post-season buys would put the brewers' tab at more than $100 million.

Brewery executives said they believe ABC will meet their demands and change the beer category exclusivity requirement to eight units and come down to well below $260,000 per unit.

A-B and Miller also are said to be concerned about the length of the commitments. □

IN THIS ISSUE

NEWS

- **General Motors'** "lean and mean" approach to second-half ad budgets dashes hopes 4
- **Major League Baseball** pitches star players in a campaign to strike up fan interest 16
- **Burger King** follows teens' advice for new "stay in school" campaign 18
- **Japan** lifts newspaper coupon ban to the benefit of U.S. marketers 30
- **Automakers**, including Pontiac and Jeep, play up third-party endorsements to boost credibility 36
- **Walt Disney's** Buena Vista Television brings brand management tactics to syndicated TV shows 38
- **China's** ad market rebounds and expands with U.S. favored-nation status 41
- **Lego** builds children apparel line from "Jack the Lego Maniac" plastic building-toy ad theme 46
- **Crowley Webb & Associates** gets Best of Show Obie for a local restaurant's outdoor campaign featuring a fictional romance 48

VIEWPOINT

- Sid Bernstein: Puncturing a beer ad myth 20
- Forum: Agencies sell products, not services 24

Editorials ..... 20 Brady's Bunch 24
Letters 28

Conquering the new Hollywood

- Commercials producers have turned their sights toward Hollywood, but can they make the sale? Creativity examines the commercial-to-feature crossover trend.

MARKETPLACE NEWS

- Coupon coup in Japan may help U.S. marketers 30

PEOPLE

- Melinda Sweet is on the green team at Lever Bros. 32
- People Moving 32
- Photo Review 34

- Southland Corp.'s new 7-Eleven image campaign uses a refreshing but bizarre style to stimulate powerful baby-boomer memories.

U.S. NewsWatch 12
Classified 44
For the Record 48
Index to Advertisers 84

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ABP MPA

Ringing up recall

Heavy advertising puts AT&T in top 10

By Kate Fitzgerald

AT&T Co. was the "right choice" among consumers polled last month, returning the telecommunications company to the ranks of the top 10 best-recalled ads.

In its first appearance on the list since last July, AT&T tied with Toyota Motor Sales USA for eighth in *Advertising Age's* monthly ad-Watch survey of top-of-mind ad awareness for April.

GALLUP SURVEY

The AT&T awareness surge likely was due to a heavy TV and print campaign launched in late March for its new Universal credit card.

Lord Einstein O'Neill & Partners, New York, created the campaign in partnership with Young & Rubicam, one of AT&T's key agencies.

Other campaigns contributing to AT&T's awareness last month included TV spots from N W Ayer, agency for the company's service and equipment advertising, and Ogilvy & Mather's TV spots for the Reach Out America long-distance discount plan.

For the third straight month, Pepsi, Coca-Cola and Ford were the three top advertisers in unaided awareness, with Pepsi holding the No. 1 spot and Coca-Cola and Ford tied for second.

Chevrolet moved up to fourth from ninth in March, bumping Anheuser-Busch's Budweiser and Bud Light down a notch to fifth.

Nike, which made its first-ever appearance on the top 10 list at No. 9 in March, moved up to No. 6, tying McDonald's Corp.

Chrysler fell to a 10th-place tie with Nissan Motor Corp. USA's Infiniti. Chrysler's No. 8 finish in March, fueled by Chairman Lee Iacocca's Japan-bashing TV campaign, marked the first time the company had appeared in the top 10 in a year.

In aided awareness, the status quo reigned in most categories. An exception was Black Velvet's return to the top three among **liquor** advertisers for the first time in a year.

Brown-Forman Corp.'s Jack Daniel's led with a 6.6% share of first mentions, followed by the Seagram brand with 3.5% and Heublein's Black Velvet with 2.6%.

AdWatch is a joint project of *Ad Age* and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is plus or minus 3.1%. □

For more information, contact the Gallup Organization, 301 S. 6th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness Top 10 for April

In April, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind?

Rank 4/90	Rank 3/90	Advertiser	Agency
1	1	Pepsi-Cola	BBDO Worldwide
2*	2	Coca-Cola	McCann-Erickson Worldwide
2*	3	Ford	J. Walter Thompson USA
4	9*	Chevrolet	Lintas:Campbell-Ewald
5	4	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles
6*	6*	McDonald's	Leo Burnett USA
6*	9*	Nike	Wieden & Kennedy
8*	—	AT&T	N W Ayer/Ogilvy & Mather/Young & Rubicam
8*	—	Toyota	Saatchi & Saatchi DFS/Pacific
10*	8	Chrysler	Bozell
10*	6*	Infiniti	Hill, Holliday, Connors, Cosmopulos

*Indicates tie. Source: Gallup Organization, Lincoln, Neb.

Spam tries out breakfast item

AUSTIN, Minn.—Spam for breakfast?

Geo. A. Hormel & Co. thinks it will work. The meat marketer this month starts testing Spam breakfast strips, promoted as a bacon substitute with 50% less fat.

The product, which can be fried or microwaved, will be tested in Detroit; Houston; Memphis, Tenn.; and Minneapolis. Although ad support hasn't been finalized, Hormel likely will test print ads, radio spots and in-store demonstrations in various combinations.

BBDO Worldwide, Minneapolis, is the agency.

As it continues to make convenient forms of familiar meats a corporate priority, Hormel is also introducing Jennie-O Turkey Express.

A microwaveable 1-pound turkey roast that produces its own gravy, Turkey Express is testing in Colorado, Iowa, Minnesota, Nebraska and Wisconsin markets, as well as in Seattle.

An animated TV spot, radio commercials and free standing inserts support from Chuck Ruhr Advertising, Minneapolis. □

Be Seen and Heard by the People Who Decide What Is Broadcast News in this Country

There is an easy and cost-effective way to reach TV and radio news directors from both large and small markets, as well as news executives from the major networks and news services. In other words, the people who decide what is broadcast news in this country.

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For more information, contact Jeff Reisman, executive producer, (212) 210-0748, or any *Electronic Media* sales representative.

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Advertising Age

June 11, 1990

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War rages over ratings

Advertisers resist ABC; wait for CBS, NBC

By Wayne Walley

NEW YORK—An all-out war over the explosive issue of ratings guarantees is breaking out between advertisers and the Big 3 TV networks, bringing the upfront sales season to a grinding halt.

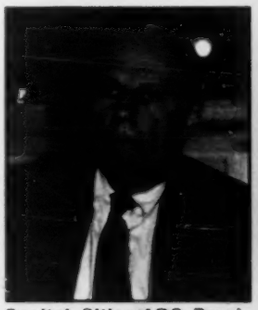
At least one advertiser is threatening to shift its network TV budget into alternative media, while other leading advertisers are refusing to comment while mulling their options.

Determined to stand its ground, ABC last week adopted a tough policy by withholding prime-time pricing proposals from advertisers that refuse to accept the network's controversial new formula for ratings guarantees, which was revealed in late May (AA, June 4).

"Are we at war? The feeling here is that if we let [the networks] do this, we're going to regret it for a long time," said a major network advertiser who asked to not be identified. "They're going to have demonstrated more power than even they knew they had."

"As a client, I'm confused. I can only interpret that there's another underlying motivator behind ABC's actions," said Ron Cox, group VP-marketing for Wm. Wrigley Jr. Co., which last year spent about half its measured media dollars, or $54 million, on

(Continued on Page 54)



Capital Cities/ABC President-CEO Daniel Burke approved the controversial ratings guarantee policy.

Third-rated CBS, led by President-CEO Laurence Tisch, will likely follow ABC's or NBC's lead.

Robert Wright, NBC's president-ceo, said NBC will have to do something because "Nielsen has let us down."

Diaper image damaged: poll

By Laurie Freeman

The nation's two major disposable diaper marketers—Procter & Gamble Co. and Kimberly-Clark Corp.—have their work cut out for them in fighting the perception that their diapers are causing big landfill problems.

In a national survey conducted last week for *Advertising Age* by the Gallup Organization, a surprising number of consumers say they favor taxing or even banning disposable diapers to protect the environment.

Many environmentalists allege disposable diapers are a major landfill problem and that reusable cloth diapers are better. Disposable diaper marketers say their products represent a minuscule portion of landfills.

At least 20 states are considering taxes or bans on disposable diapers, a $3.5 billion market in the U.S.

GALLUP SURVEY

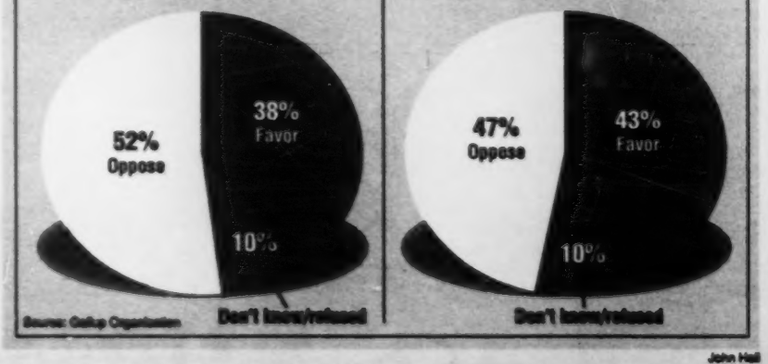
The sample of 1,029 adults, contacted by phone June 6, found 38% "strongly favor" or "favor" a tax on disposable diapers. But more than half (52%) oppose the concept.

The respondents were asked: "Some states are concerned with the environmental impact of disposable diapers and have suggested

(Continued on Page 57)

The disposable diaper dilemma

A surprising 38% of 1,029 people surveyed say they favor a tax on disposable diapers and 43% favor a ban.



P&G seeks to defend its diapers

By Laurie Freeman

Procter & Gamble Co., whose Pampers and Luvs disposable diapers are a prime target of environmentalists, this month is starting a publicity drive to accentuate the positive aspects of disposable diapers.

The campaign, by Burson-Marsteller, Chicago, is intended to counter environmental claims by cloth-diaper services, and convince state legislatures that bans or special taxes on the sale of disposable diapers won't solve the problem of overloaded landfills.

P&G is sending to legislators, media and other groups nationally the results of an Arthur D. Little Inc. study that was completed March 6. The study, commissioned by P&G, found "in terms of environmental considerations, neither disposable nor reusable diapers are clearly superior."

Disposable diapers do, however, provide fewer opportunities for the spread of infection and are generally less costly than their reusable counterparts, the study found.

While the manufacture and use of disposable diapers consume about seven times the raw materials of cloth diapers, reusable diapers use more than three times more non-renewable

(Continued on Page 57)

LAST MINUTE NEWS

Tobacco bill set to surface

WASHINGTON—U.S. Rep. Henry Waxman (D., Calif.) this week is expected to introduce his omnibus tobacco bill that includes severe restrictions on advertising and promotion (AA, May 21). Even before the bill's official introduction, the American Advertising Federation, at its national conference this week, called on members to start lobbying against the measure.

Sorrell's salary tops $1M

LONDON—WPP Group Chief Executive Martin Sorrell's salary last year was more than $1 million, up 24.5% from 1988, according to the WPP 1989 annual report distributed last week. In addition, WPP for the first time valued Ogilvy & Mather as a brand at $294 million and added the brand valuation to the company balance sheet as an intangible asset. Valuing a company's brands improves its consolidated balance sheet but doesn't affect profits and losses. WPP added a $294 million brand valuation for J. Walter Thompson Co. and Hill & Knowlton to its balance sheet at the end of 1988.

Ivana scent deal ahead?

NEW YORK—Ivana Trump may be thinking of getting into the fragrance business. "She's had many offers to license her name [including for fragrance], and it's likely in the future she will do something of that nature," said a spokesman for Ms. Trump, "but, at this point there are no plans." Her appearance at this year's Fragrance Foundation awards plus a complaint against cosmetics marketer Pavillon for the unauthorized use of her name on a cosmetics shade set the rumor mill in motion.

Ralston taps Fallon

ST. LOUIS—Ralston Purina Co. named Fallon McElligott, Minneapolis, to handle an estimated $25 million consolidated umbrella campaign for Dog Chow, Puppy Chow, Hi-Pro and Fit & Trim dog food brands. Ally & Gargano, New York, remains agency

(Continued on Page 8)

INSIDE

Donald Trump's classic marketing blunder—Page 56

Maybelline buyer has global vision

By Pat Sloan

Maybelline Co. is expected to take another run at fragrance and skincare, and embark on a global expansion under new owner Maybelline Holdings.

The unit of merchant banker Wasserstein Perella Partners last week agreed to a $300 million buy of the cosmetics company from Schering-Plough Corp., after an earlier deal led by Playtex Family Products CEO Joel Smilow fell through.

Wasserstein Perella has an equity fund with more than $1 billion in capital and last week also completed an acquisition of Yardley/Lentheric toiletries from SmithKline Beecham.

"Maybelline, together with our acquisition of Yardley/Lentheric, creates a strong strategic platform in the U.S. and European toiletries and cosmetics industry," said Robert McKeon, co-president of Wasserstein Perella Management Partners, the general partner of Wasserstein Perella Partners.

He said Maybelline has excellent distribution in the U.S. but a minuscule presence outside the country. It's just the opposite for Yardley, which is stronger internationally but weak in U.S. distribution.

"We could use the Maybelline sales force to sell Yardley in the U.S., and we could use the Yardley system to sell Maybelline products overseas," Mr. McKeon said. Maybelline has been "in the U.K.," he said, "so we could start there and then move to Europe. We also see potential in Japan."

Maybelline ranked No. 2 last year in the $3 billion-plus U.S. mass cosmetics market, following Cover Girl from Procter & Gamble Co.'s Noxell Corp. Maybelline's sales were $285 million; it had a 17.3% dollar share and an 18% unit share, according to an April report from First Boston Corp.

"There has been no discussion about [an agency change] and we wouldn't impose anything."

Current Maybelline management, including President Gary Mulloy, will hold an equity stake in the company.

DDB Needham Worldwide, Chicago, is the principal agency on Maybelline, which spent more than $50 million in advertising in 1989. The Bloom Agency, Dallas, has some Maybelline assignments, and no changes are expected.

"There has been no discussion about [an agency change] and we wouldn't impose anything," Mr. McKeon said.

He said potential new products could include skincare and fragrance items.

"It's the group's view they're worth another try," Mr. McKeon said. Maybelline once unsuccessfully launched a fragrance called Daydreams and more recently has tested various skincare concepts.

More acquisitions may be in the offing, too. "There are some other things around we think might be interesting," Mr. McKeon said.

The executive acknowledged that his group was one of the contenders for Maybelline earlier this year when Mr. Smilow's group "came in right behind us" (AA, April 9).

"We were in negotiations to acquire Yardley from SmithKline Beecham" at the time of the first Maybelline deal, Mr. McKeon said. "We were anticipating buying Maybelline [then], so we were disappointed."

The Playtex contingent, known as MBP Acquisition Corp., was supposed to close its $300 million deal last week, but sources said bank financing didn't come through and the agreement was terminated. □

Eastern chief's debut

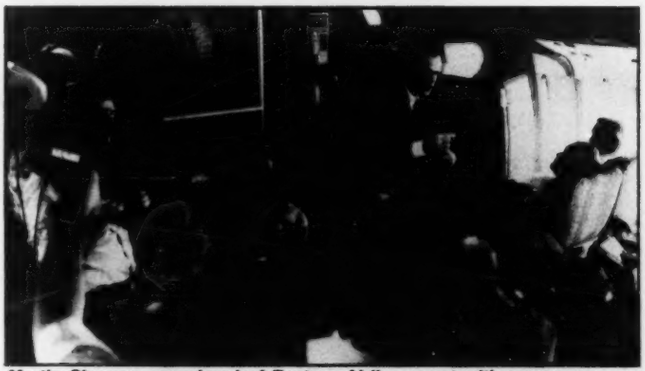
Shugrue, employees, travelers star in new ads

By Jennifer Lawrence

Eastern Airlines on June 17 launches its marketing turnaround with a $10 million to $15 million ad campaign that depends on the communication skills of Martin Shugrue.

Mr. Shugrue, a veteran airline executive appointed in April by a federal bankruptcy judge to run troubled Eastern, spent several days last week answering tough questions from employees and former passengers and a group of business travelers on board an Eastern flight.

From that unscripted footage, four to six commercials will be edited this week to kick off the campaign, internally dubbed "100 Days."



Martin Shugrue, new head of Eastern Airlines, met with passengers on board a flight to Atlanta while a film crew captured the unrehearsed exchange that will be used in the carrier's upcoming campaign.

The TV commercials, scheduled for at least 33 spot markets, are meant to authentically illustrate how Eastern's new head will lead the No. 9 carrier back to prosperity.

The participants were told they were being filmed for market research so the spots could portray unbiased and unrehearsed dialogue.

The campaign is the first major creative work from new agency Ogilvy & Mather, New York, which grabbed the $45 million account from Lintas:New York (AA, May 14).

Sources say O&M won the account by presenting Mr. Shugrue and Eastern's marketing staff with a believable and doable repositioning strategy.

"Our marketing strategy is to reposition Eastern as a dependable airline," said George Brennan, VP-marketing at Eastern. "It was very important to demonstrate [in the ads] through reality and authenticity that a flight on Eastern was a good one. . . .

"We knew it was a mistake to script Marty Shugrue. He's not a spokesman per se. His experience and [the] confidence that he shows in spontaneous situations help to communicate the direction he brings to Eastern."

Mr. Brennan believes the strategy goes beyond the Lee Iacocca formula, which centered on Mr. Iacocca's corporate spokesman role to help turn around Chrysler Corp.

As the Shugrue campaign proceeds, employees and passengers will assume the limelight, also in unscripted situations.

Although TV will dominate the media buy, a print ad is scheduled to run later this week to introduce the campaign.

Eastern has been under federal bankruptcy protection since March 1989 when a machinists strike crippled the unit of Texas Air Corp. Mr. Shugrue's appointment as trustee meant that Texas Air Chairman Frank Lorenzo would no longer run the Eastern unit.

Separately, Texas Air today changes its corporate name to Continental Airlines Holdings, to reflect that the company's principal business is Continental Airlines, Mr. Lorenzo told shareholders at last week's annual meeting. □

IN THIS ISSUE

- **Dentsu, Publicis FCB and McCann** top the list in *Ad Age's* ranking of international agency networks **16**
- **The Cannes** ad festival field is tough, but some predict daring Reebok and British Airways spots will rank high .. **18**
- **Fred Goldberg** looks ahead as he leads the management buyback of Chiat/Day/Mojo's San Francisco shop .. **22**
- **Coors** fights Anheuser-Busch's false-advertising claim, saying A-B's letter to the FTC "smacks of paranoia" .. **26**
- **NPD Group** President Joel Rubinson predicts a lull in brand extensions in the 1990s **29**
- **American Advertising Federation** Chairman David Bell hopes to promote the positive side of advertising in his second term in office **53**

VIEWPOINT

- Sid Bernstein: On what's killing us **32**
- Forum: DDB Needham's guarantee **34**
- James Brady: The new direction of rowing **40**
- Joe Winski: The write stuff for greeting cards **40**

Editorials ..... **32** Brady's Bunch **38**
Letters ..... **36** The Next Trend **40**

Research Business Report

- Research revenue gains slow to a trickle.
- Bloodletting severe in scanner wars.
- Research powerhouses tear down Europe borders.

MEDIAWORKS

- The youth boom bodes well for teen magazines **41**

- Global Gallery **42**
- Western agencies march into Hungary **43**

- Thomas H. Carey, the new man in town for BBDO .. **44**
- People Moving **44**
- Photo Review **45**

- PepsiCo's Slice ads feature a delightful celebrity endorser with only eight hairs on his head: Fido Dido, the squiggly line-drawing licensing sensation.

U.S. NewsWatch ..... **12** For the Record **53**
Corrections & Clarifications .. **36** Index to Advertisers **53**
Classified **48**

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Dentsu dominates Asia/Pacific

Publicis FCB leads in Europe, McCann first in Latin America

By Nancy Giges

Dentsu, Publicis FCB and McCann-Erickson Worldwide emerged as the leading networks in *Advertising Age's* ranking of three international geographical regions.

As the world's largest agency and with most of its income derived from its home market, Tokyo-based Dentsu dominated the Asia/Pacific region with 1989 gross income of $1.3 billion on billings of $10.1 billion.

Publicis FCB, Paris, the alliance between Publicis Communications and Foote, Cone & Belding Communications, was the leading network in Europe, with $354.8 million in gross income on billings of $2.4 billion.

In Latin America, New York-based McCann-Erickson Worldwide held the No. 1 position with $73.5 million in gross income on billings of $490 million.

Rankings are based on gross income in dollar amounts that a network derives from the region. The figures reflect the percentage of equity the network owns. Several large Japanese and Brazilian agencies didn't qualify for the rankings because they don't have offices outside their home countries.

The Japanese agencies continued to dominate the 12-country Asia/Pacific region because of their strengths in their homeland and the power of the yen against the dollar.

However, a slight decline in the yen against the dollar over 1988 opened the door for more Western-based agencies to qualify for the top 15.

Among Western-based agencies doing business in the Asia/Pacific region, Backer Spielvogel Bates Worldwide edged past McCann to rank No. 7, while HDM strengthened its position in the region with the acquisition of Mattingly in Australia.

This year, a South Korean agency, Cheil Communications, Seoul, also qualified for the chart, ranking No. 11.

In Europe, Young & Rubicam edged out Saatchi & Saatchi Advertising as the No. 2 network during an all-around tough year for Saatchi. HDM, experiencing a strong year, also moved up a slot to No. 8, pushing J. Walter Thompson Co. down to No. 9.

The year 1989 was another period of economic instability in Latin America. Because of the volatility of Latin American currencies, percentages of change from 1988 to 1989 weren't calculated.

Five networks—McCann, JWT, Ogilvy & Mather, Leo Burnett Co. and Saatchi—made the listing in all three regions. Only one of those—McCann—captured a No. 1 slot, and one, JWT, held a No. 2 position. Two, O&M and Saatchi, held No. 3 positions.

As a group, the top 20 agency networks in Europe accounted for gross income of $4 billion on billings of $27.4 billion. The top 15 in Asia had gross income of $3.1 billion on billings of $22.5 billion, and the top 15 in Latin America had gross income of $370 million on billings of $2.3 billion. □

Who's on top in Latin America

Rank	Agency	'89 Lat. Amer. gross income by equity	'89 Lat. Amer. gross income as % of worldwide	'89 Lat. Amer. billings by equity	'89 Lat. Amer. billings as % of worldwide
1	McCann-Erickson Worldwide	$73,464	10.3	$490,005	10.3
2	J. Walter Thompson Co.	58,092	9.3	342,795	7.8
3	Ogilvy & Mather Worldwide	42,888	6.1	295,622	6.1
4	Lintas:Worldwide	40,698	6.9	271,453	6.9
5	Duailibi, Petit, Zaragoza	34,616	NA	139,550	NA
6	Young & Rubicam	25,887	3.0	172,142	2.8
7	Leo Burnett Co.	24,732	5.1	190,568	5.9
8	Foote, Cone & Belding	17,695	3.5	118,024	3.5
9	BBDO Worldwide	14,533	2.2	73,843	1.6
10	Saatchi & Saatchi Advertising	12,645	1.4	89,276	1.5
11	Grey Advertising	8,999	1.8	55,005	1.7
12	D'Arcy Masius Benton & Bowles	4,580	1.0	29,408	0.8
13	Scali, McCabe, Sloves	4,364	3.4	24,935	2.9
14	Bozell	3,317	1.7	22,110	1.6
15	DDB Needham Worldwide	1,516	0.3	10,113	0.2

Figures are in thousands. Percentages of change from 1988 to 1989 are not given for gross income and billings because of the volatility of the Latin American financial markets; J. Walter Thompson Co.'s figures include data for CBBA/Propeg, Sao Paulo, 100% owned by JWT; since a requirement to be listed as a network is at least one office outside the home country, the following four Brazilian shops do not appear in the chart: **MPM Propaganda**, Sao Paulo, No. 1 in Brazil, affiliated with Grey Advertising. Gross income and billings in 1989 $83.9 million and $220.7 million. **ALSAP/BBDO**, Sao Paulo, No. 2. BBDO holds 19.9% equity. Gross income and billings $38 million and $144.1 million. **Norton Publicidade**, Sao Paulo. No. 7. Gross income and billings $24.2 million and $86.8 million. **Salles/Inter Americana**, Sao Paulo. No. 8. Gross income and billings, $22 million and $110 million. *Source:* Advertising Age

Who's on top in Europe

Rank	Agency	'89 European gross income by equity	% change over 1988	'89 European gross income as % of worldwide	'89 European billings by equity	% change over 1988	'89 European billings as % of worldwide
1	Publicis FCB	$354,773	10.2	98.9	$2,374,738	9.4	98.7
2	Young & Rubicam	337,494	20.6	39.0	2,345,992	26.7	37.5
3	Saatchi & Saatchi Advertising	332,708	14.6	37.4	2,269,871	7.9	37.5
4	McCann-Erickson Worldwide	278,082	10.5	38.9	1,854,826	10.5	38.8
5	Backer Spielvogel Bates	264,626	3.9	34.8	1,796,142	10.2	34.9
6	Ogilvy & Mather Worldwide	260,999	12.6	37.3	1,822,075	18.2	37.7
7	Lintas:Worldwide	226,516	7.3	38.2	1,510,880	7.3	38.2
8	HDM	222,618	15.0	60.5	1,489,328	15.6	58.3
9	J. Walter Thompson Co.	210,725	8.8	33.6	1,479,152	8.1	33.6
10	Grey Advertising	197,349	14.5	59.6	1,333,566	16.1	40.8
11	EWDB	195,574	14.5	51.3	1,316,274	15.6	48.7
12	D'Arcy Masius Benton & Bowles	185,239	7.7	39.3	1,382,369	11.1	36.3
13	DDB Needham Worldwide	174,238	48.0	31.5	1,204,325	50.3	29.4
14	BBDO Worldwide	156,267	12.8	23.8	1,018,844	13.9	22.4
15	Lowe International	142,391	11.4	62.1	949,266	11.4	62.1
16	RSCG Group	121,444	11.5	69.3	839,010	9.0	68.0
17	Leo Burnett Co.	108,265	13.1	22.4	721,954	14.1	22.2
18	TBWA	90,378	21.7	73.1	605,043	16.8	73.2
19	BDDP Group	84,931	37.4	71.4	566,233	29.5	71.6
20	Collett Dickenson Pearce	67,888	47.3	85.1	479,525	48.5	83.9

Figures are in thousands. Publicis FCB, headquartered in Paris, is a combination of the mutual European holdings of the two organizations into a single, jointly owned network; Young & Rubicam's European percentage ownership in HDM is not included in Y&R's totals; EWDB is Eurocom WCRS Delta Femina Ball, a network created late in 1989. *Source:* Advertising Age

Who's on top in Asia/Pacific

Rank	Agency	'89 Asia/Pacific gross income by equity	% change over 1988	'89 Asia/Pacific gross income as % of worldwide	'89 Asia/Pacific billings by equity	% change over 1988	'89 Asia/Pacific billings as % of worldwide
1	Dentsu	$1,314,400	11.9	NA	$10,063,184	12.6	NA
2	Hakuhodo	585,457	12.1	NA	4,449,166	12.9	NA
3	Dai-Ichi Kikaku	155,795	9.8	NA	1,052,953	7.7	NA
4	Daiko Advertising	152,064	8.9	NA	1,214,107	7.8	NA
5	Asatsu	113,879	10.8	NA	837,272	13.1	NA
6	I&S Corp.	94,734	13.9	NA	770,203	11.2	NA
7	Backer Spielvogel Bates Worldwide	93,908	26.7	12.4	627,702	30.7	12.2
8	McCann-Erickson Worldwide	93,637	12.6	13.1	624,561	12.6	13.1
9	HDM	86,834	88.7	24.1	618,445	82.7	24.2
10	J. Walter Thompson Co.	66,562	26.2	10.6	439,326	25.6	10.0
11	Cheil Communications, Seoul	64,018	43.1	NA	247,471	27.5	NA
12	Ogilvy & Mather Worldwide	55,617	36.1	7.9	379,580	43.6	11.5
13	Leo Burnett Co.	55,386	34.0	11.4	396,153	34.6	11.3
14	Saatchi & Saatchi Advertising	51,906	20.5	5.8	327,614	36.4	5.4
15	Chuo Senko Advertising	50,618	7.8	NA	376,386	8.9	NA

Figures are in thousands. Since a requirement to be listed as a network is at least one office outside the home country, the following three Tokyo-based shops were not listed. Tokyo Agency, Tokyo, No. 3 in Japan, with gross income and billings in 1989 of $105.2 million and $1.3 billion, respectively; Yomiko Advertising, Tokyo, No. 7, with gross income and billings of $100.3 million and $753.5 million; and Asahi Advertising, Tokyo, No. 10, with gross income and billings of $66.6 million and $669.4 million. Young & Rubicam did not qualify for the chart because it uses HDM's network in Asia and maintains separate offices only in Australia and New Zealand. *Source:* Advertising Age

BULLETIN
Act now to schedule the strongest game-show line-up ever, with WHEEL OF FORTUNE and JEOPARDY ranking 1 and 2 in syndication plus the return of MATCH GAME, TO TELL THE TRUTH, and a glossy new version of LET'S MAKE A DEAL. Call or write for details.

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RESEARCH BUSINESS REPORT

Numbers don't lie: Research woes grow

Revenues flat; companies cut costs, fight for share in the decade of data overload

By Joseph M. Winski

These aren't good times for the market research business.

The heady days of the 1980s, when double-digit industry growth generated higher sales for most companies, are over.

Research revenues of the research companies in *Advertising Age's* 16th annual industry review rose just 7.1% last year, down from gains of 13.9% in 1988 and more than 16% in both 1986 and 1987.

Expectations for this year are modest indeed. Companies participating in the survey say they expect revenues to grow this year by an average of 5%. Adjusting for inflation, that amounts to virtually no growth at all.

As a result, the early years of the 1990s will be marked by a new era of unusually intense competition for business.

Issues for the '90s

"Communicating that research is a wise investment, not an overhead expense."

—Elliott Young, president Perception Research Services

"We can no longer expect to grow just through industry growth," says Verne Churchill, chairman-ceo of Market Facts. "Companies are going to be out there fighting for market share."

His perspective is that of the custom research business, but it's pretty much the same story in syndicated research, particularly the scanner-based segment, where Information Resources and Dun & Bradstreet Corp.'s A.C. Nielsen Co. have been slashing costs to win business from each other *(See story on Page S-10)*.

Issues for the '90s

"Price wars."

—Marjorie Michitti, VP-general manager, Chilton Research Services, New York

Much of the industry malaise can be traced to the mergers, acquisitions and leveraged buyouts that occurred in the 1980s in the package-goods industry, the biggest buyer of market research.

This restructuring has imposed new debt and a new cost-cutting mentality on package-goods companies, resulting in a reduction of both the size and influence of corporate research departments.

"Corporate downsizing" of research departments was one of the most frequently mentioned industry issues cited by survey respondents. Without a strong internal voice for research, companies are less likely to seek independent research from outside vendors, research industry executives say.

"The financial men have moved in to control our industry," says Sol Dutka, ceo of Audits & Surveys.

"Communicating that research is a wise investment, not an overhead expense," is a key challenge

(Continued on Page S-20)

Top U.S. research companies by research revenues

Rank '89	Rank '88	Company, headquarters	Gross U.S. research revenues 1989	1988	% chg	Employees Full-time	Part-time	Telephone research Facilities	Stations	Top executive	Telephone
1	1	**A.C. Nielsen Co.**, Northbrook, Ill.*	$426.0	$387.0	10.1	941	7	NA	NA	Jack Holt, president	(708) 498-6300
2	2	**Arbitron Co.**, New York	290.0	320.0	(9.4)	2,500	2,000	2	121	A.J. Aurichio, president	(212) 887-1300
3	3	**IMS International**, New York*	181.0	164.0	10.4	NA	NA	NA	NA	Serge Okun, president/ceo	(212) 371-2310
4	4	**Information Resources Inc.**, Chicago	113.8	99.3	14.6	1,577	919	NA	NA	John Malec, chmn	(312) 726-1221
5	5	**Westat**, Rockville, Md.	65.9	64.5	2.2	530	580	3	194	Morris H. Hansen, chmn	(301) 251-1500
6	6	**M/A/R/C**, Irving, Texas	53.2	51.1	4.1	450	1,000	3	250	Cecil B. Phillips, chmn/ceo	(214) 506-3400
7	7	**Maritz Marketing Research**, Fenton, Mo.	46.1	40.6	13.5	493	2,000	14	636	William H. Lewellen, president	(314) 827-1610
8	10	**MRB Group**, New York	44.6	36.8	21.4	791	862	5	432	Frank Stanton, chmn/ceo	(212) 916-8900
9	8	**NFO Research**, Greenwich, Conn.	42.0	39.9	5.3	400	375	3	200	William E. Lipner, president/ceo	(203) 629-8888
10	9	**Market Facts**, Chicago	39.0	37.8	3.1	525	550	3	144	Verne B. Churchill, chmn/ceo	(312) 280-9100
11	12	**Elrick & Lavidge**, New York	38.0	31.5	20.6	314	850	6	300	Sanford M. Schwartz, president	(212) 682-1221
12	11	**NPD Group**, Port Washington, N.Y.	34.7	34.5	0.6	260	340	1	50	Tod Johnson, president	(516) 625-0700
13	13	**Burke Marketing Research**, Cincinnati	27.1	28.6	(5.2)	350	500	2	200	Ronald L. Tatham, president/ceo	(513) 852-8585
14	16	**Walker Research**, Indianapolis	26.5	21.5	22.8	142	670	4	230	Frank D. Walker, chmn/ceo	(317) 843-3939
15	14	**Chilton Research Services**, Radnor, Pa.	21.8	23.7	(8.0)	203	500	5	350	Marjorie Michitti, VP-gen mgr	(215) 964-4602
16	17	**Starch INRA Hooper**, Mamaroneck, N.Y.	20.5	19.0	7.9	200	31	3	95	William J. Wilson, president	(914) 698-0800
17	15	**Research International**, London	19.8	21.3	(7.1)	200	1	100	50	Ian Hunt, chmn	44-71-235-1588
18	20	**ASI Market Research**, New York	17.4	14.7	18.4	143	500	2	255	Gerald Lukeman, president/ceo	(212) 807-9393
19	19	**Decision Research Corp.**, Lexington, Mass.	15.9	14.9	6.7	99	50	1	10	Robert S. Duboff, sr VP	(617) 861-7350
20	24	**National Research Group**, Los Angeles	15.3	12.1	26.4	360	NA	80	NA	Joseph Farrell, chmn/ceo	(213) 856-4400
21	23	**Mediamark Research**, New York	15.2	13.0	17.3	50	2	NA	NA	Alain Tessier, chmn/ceo	(212) 599-0444
22	22	**Birch/Scarborough Research**, Coral Springs, Fla.	14.2	13.2	7.6	300	700	NA	NA	William P. Livek, president/ceo	(305) 753-6043
23	21	**Harte-Hanks Marketing Services**, River Edge, N.J.	13.5	13.4	0.7	153	130	2	75	Tom Swithenbank, president	(201) 342-6400
24	18	**National Analysts**, Philadelphia	13.4	15.3	(12.5)	123	11	NA	NA	Marshall G. Greenberg, president	(215) 496-6800
25	26	**Custom Research**, Minneapolis	12.9	10.8	19.7	85	150	1	60	Judith S. Corson, partner	(612) 542-0800
26	30	**Millward Brown**, Naperville, Ill.	11.7	9.0	30.4	130	400	5	350	Robert D. Meyers, president/ceo	(708) 505-0066
27	29	**J.D. Power & Associates**, Agoura Hills, Calif.	11.5	9.6	19.8	90	120	1	12	J.D. Power III, president	(818) 889-6330
28	27	**Data Development Corp.**, New York	10.6	10.4	1.9	120	300	2	120	Joseph Goldstein, president	(212) 633-1100
29	31	**Lieberman Research West**, Los Angeles	9.8	8.9	9.7	65	150	1	100	Michael Lebergall, president	(213) 553-0550
30	28	**Wirthlin Group**, McLean, Va.	9.5	9.7	(1.7)	67	183	1	117	Richard B. Wirthlin, chmn/ceo	(703) 556-0001
31	25	**Market Opinion Research**, Detroit	8.5	11.4	(25.3)	75	200	3	98	Frederick P. Currier, chmn/ceo	(313) 963-2414
32	33	**Guideline Research Corp.**, New York	8.5	8.2	3.7	45	10	NA	NA	Norman Passman, chmn	(212) 947-5140
33	34	**Total Research Corp.**, Princeton, N.J.	8.3	7.5	11.6	120	230	2	75	Loren Zissman, president/ceo	(609) 921-8100
34	36	**Conway/Milliken & Associates**, Chicago	8.1	6.8	18.2	78	102	2	76	Foy N. Conway, ceo	(312) 787-4060
35	32	**Louis Harris & Associates**, New York	7.8	8.3	(6.0)	195	300	2	90	Louis Harris, chmn/ceo	(212) 698-9600
36	35	**McCollum/Spielman Worldwide**, Great Neck, N.Y.	7.3	7.2	1.4	55	NA	NA	NA	Harold M. Spielman, ceo	(516) 482-0310
37	38	**Newman-Stein**, New York	6.8	6.3	7.9	50	NA	NA	NA	Lawrence Newman, president	(212) 777-2700
38	39	**Marketing Research Services**, Cincinnati	6.7	6.1	9.8	95	240	3	140	David C. Disher, exec VP	(513) 579-1555
39	40	**Vanderveer Group**, Fort Washington, Pa.	6.6	6.1	9.2	70	90	1	60	Richard B. Vanderveer, chairman/ceo	(215) 646-7200
40	37	**CLT Research Associates**, New York	6.6	6.5	1.5	50	10	NA	NA	Lowell Allen, president	(212) 779-1990
41	41	**Response Analysis Corp.**, Princeton, N.J.	6.4	6.0	6.6	64	70	1	49	James H. Fouss, president/ceo	(609) 921-3333
42	42	**Field Research Corp.**, San Francisco	6.3	5.2	21.4	75	65	2	100	Mervin Field, chmn	(415) 392-5763
43	44	**Market Facts/Doane Marketing Research**, St. Louis	5.2	5.0	4.2	65	150	3	70	Carl E. Block, president	(314) 878-7707
44	43	**AHF Marketing Research**, New York	5.1	5.0	0.6	55	160	1	78	Beryl L. Levitt, president	(212) 244-5555
45	45	**Ostby-Smith**, New York	5.0	5.0	0.0	60	10	1	15	Joseph G. Smith, chmn	(212) 814-0040
46	46	**Strategy Research Corp.**, Miami	4.9	4.5	8.9	50	360	1	13	Richard W. Tobin, president	(305) 649-5400
47	47	**Lieberman Research**, New York	4.7	4.3	9.3	20	10	NA	NA	Sy Lieberman, chmn	(212) 302-1800
48	48	**DYG Inc.**, Elmsford, N.Y.	4.0	4.0	0.0	20	3	NA	NA	Daniel Yankelovich, chmn	(914) 347-7200
49	45	**Market Development**, San Diego	2.5	2.2	13.6	19	5	NA	NA	Loretta R. Adams, president	(619) 232-5626
50	50	**Associated Global Market Research**, London	1.4	1.1	27.3	276	3,560	8	120	Ivor Stocker, chmn	44-1-240-8551
51	51	**Rowan Heidt Research**, Syosset, N.Y.	1.1	0.7	56.0	13	4	NA	NA	Norman S. Heidt, president	(516) 496-8585
52	52	**Hispanic Marketing Research & Comm.**, San Antonio	0.8	0.4	87.5	14	6	3	48	Naghi Namakforoosh, president	(512) 736-2000
53	NA	**Youth Research**, Brookfield, Conn.	0.4	NA	NA	NA	NA	NA	NA	Elaine M. Fontana, president	(203) 797-0903
54	NA	**Northstar Research Associates**, New York	0.3	NA	NA	2	9	NA	NA	Martin D. Yazmir, president	(212) 594-1117
55	53	**Mal Oshe Associates**, White Plains, N.Y.	0.3	0.2	11.1	2	2	NA	NA	Mal Oshe, president	(914) 761-5800
		Totals	1,790.9	1,696.2	5.6	13,229	19,447	283	5,383		

Notes: Dollars are in millions. * indicates figures are AA estimates. Source: AA survey.

Compiled by: Kenneth Wylie. AA chart: Kevin Brown

Nielsen, Arbitron lead the pack

But robust growth of previous years evaporates

By Kenneth Wylie

Last year held the worst news yet in the research industry's recent history.

Revenue increases were off to a point where inflation virtually negated growth, according to *Advertising Age's* survey of the industry.

The downturn also does not discriminate, often striking the companies at the top of the heap as hard as those on the lower end of the revenue scale.

No. 1 A.C. Nielsen Co. almost doubled the industry growth average with a 10.1% jump in U.S. research revenue to an estimated $426 million in 1989. But the company fell off the 20.5% revenue growth pace established in 1988.

No. 2 Arbitron Co. took the biggest hit, dropping 9.4% to $290 million. It cites the sale of Burke Marketing Research as the reason.

Research revenues at pharmaceutical/healthcare information provider No. 3 IMS International rose 10% to an estimated $181 million in 1989, far short of the 22% growth it experienced in 1988.

Total 1989 U.S. research revenues of the 50 leading companies rose only 5.6% to $1.8 billion. *(See chart on P. S-2.)* U.S. research revenues of the top 50 companies grew 13.9% in 1988 and 16.8% in 1987.

Respondents to the *Ad Age* survey think the industry will grow only about 5% before inflation in 1990, illustrating the industry's sluggishness is not a brief phenomenon.

U.S. research revenues for the 55 research companies in this expanded 1990 survey realized marginally better percentage-gains, rising 5.7% in 1989 to $1.791 billion.

Revenue jumps, dips and doldrums in today's research field reflect the kinetic state of U.S. business generally and how it uses research specifically, according to senior research executives.

"There was no particular reason for our bigger revenue," says Catherine Paura, president of No. 20 National Research Group, which experienced the biggest U.S. research revenue gain among the top 20 with a 26.4% jump to $15.3 million in 1989.

"We focus on the entertainment industry where there was a general increase in client activity," she says. "Of course, the motion picture industry's record-breaking $5 billion box office year for '89 helped."

The 21% gain by No. 8 MRB Group resulted from a "dramatic increase in business for our Winona MRB ad hoc research company," says Joel Cantos, chief financial officer. The acquisition of Field Facts helped push No. 11 Elrick & Lavidge's 1989 revenues up 20.6% to $38 million.

The leading gainer among the top 50, No. 26 Millward Brown, ascribes its 30.4% jump to revenues generated by its Advance Tracking system that correlates advertising/promotions expenditures to awareness and sales. Millward Brown's U.S. research revenues rose to more than $11.7 million in 1989.

Arbitron, which experienced the biggest percentage decline of the top 20, saw its revenues fall 9.4% to $290 million in 1989.

"Our lower revenue was caused by the sale of Burke in 1989," says Thom Mocarsky, VP-communications. Arbitron's parent, Control Data Corp., sold off Burke to its employees in July 1989. The company now operates as No. 13, Burke Marketing Research.

The second biggest drop was experienced by Research International, which saw U.S. research revenues decline 7.1% to $19.8 million.

Marketing Director Jon Wilkinson attributes the decline to a company reorganization and "the sticky market in the U.S. that was a familiar part of business in 1989." □

Kenneth Wylie is a frequent contributor to Advertising Age.

How section data were compiled

Data used in preparing *Advertising Age's* 1990 Research Business Report came from multiple sources, including interviews and a survey distributed to research companies.

The resulting statistical and descriptive information was used in preparing the accompanying charts and background and is incorporated in the feature coverage throughout this section on the research industry.

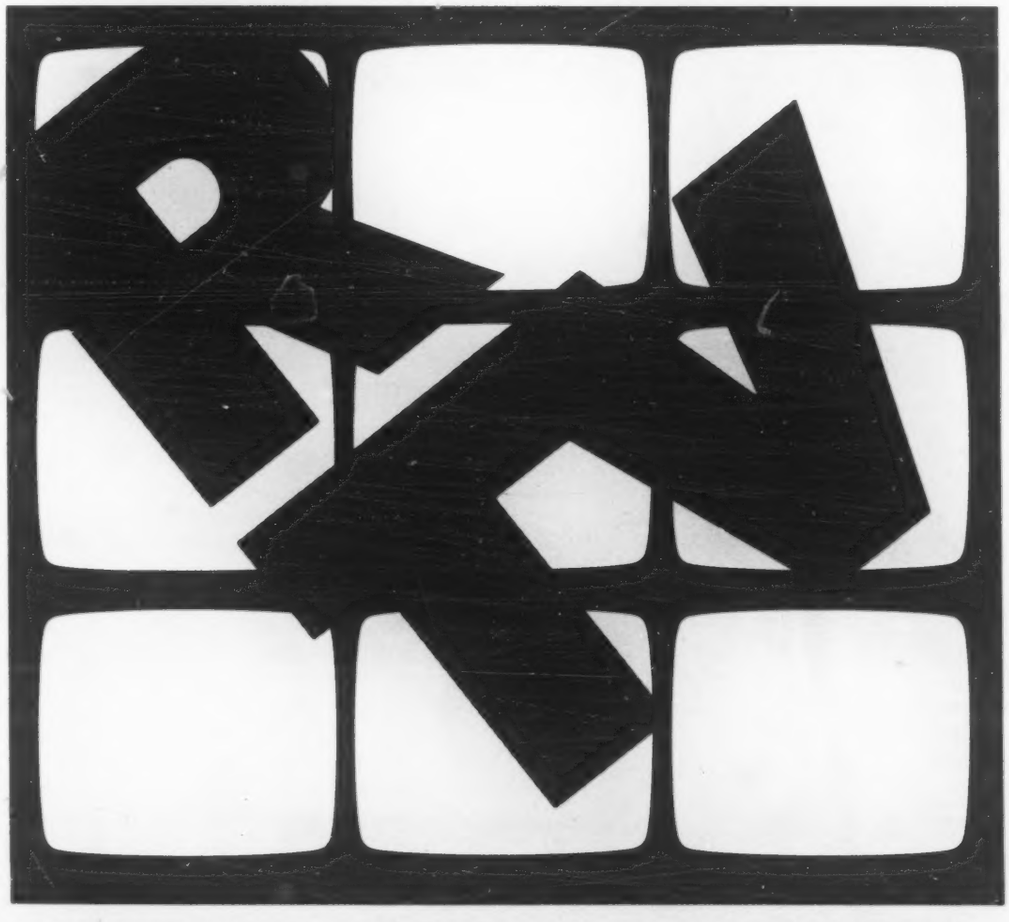
The results of this process provided *Ad Age* with a wealth of data on the responding companies —and the research industry. Of all the organizations surveyed, results from 55 included the financial data that made possible their inclusion in the final tabulation, the most extensive yet published by *Advertising Age*.

Some of the revenue totals shown are *Advertising Age* estimates based on previous reports and on financial data published in public documents by the companies concerned.

Where totals showed significant increases or decreases for the year, *Ad Age* interviewed senior officers of the companies concerned for supporting information.

Documentation of the results is included with the chart listing the Top 55 U.S. research companies on Page S-2 □

RTV gives you the big picture.



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Pollsters jockey for position in hot races

By Adam Lashinsky

A number of hotly contested U.S. Senate and gubernatorial campaigns is shaping 1990 into a banner year for political research companies.

Signing up pollsters started early for this year's elections "and every other barometer for campaign spending is up," says John Phillips, publisher of *Campaign Industry News*, a monthly that covers the industry.

The magazine estimates political research revenues for the 1990 election cycle (1989 and 1990) will total $42 million. Mr. Phillips believes that is higher than the revenues for the most recent comparable cycle (1985 and 1986), though those figures aren't available.

"There's plenty of business out there," he says. But an increasing number of companies are vying for that business, he adds, resulting in "some bare-knuckled competition" to win clients.

According to *CIN*, there are no fewer than 376 companies vying for at least some political research business in the 1990 election cycle (1989 and 1990). About 75 of them are "full-service" political consultants/researchers.

While their corporate counterparts often win gratitude—and new business—by helping a client attain a reasonable market share, for political research companies, one thing matters: winning.

Mellman & Lazarus, a Washington-based Democratic polling company, is having a busy year, says Chairman Edward Lazarus because M&L helped clients in three "landslide upsets" in 1986 U.S. Senate races—the victories of Thomas Daschle of South Dakota, Harry Reid of Nevada and Timothy Wirth of Colorado, all first-time Senate candidates.

Mellman & Lazarus is handling eight statewide races this year, including Michigan Democratic Sen. Carl Levin's defense against GOP Rep. Bill Schuette.

Individual reputations matter much more in political research than in corporate research, political researchers say.

"Each of us is known as a person" rather than a company, says Jan Van Lohuizen, Washington-based group VP of Market Opinion Research, a Republican pollster.

MOR says its clients this year include Sen. Mitch McConnell, running for re-election in Kentucky; Barbara Hafer, Pennsylvania auditor running for governor; and Arne Carlson, Minnesota comptroller and one of four candidates for the Republican nomination for governor.

"Very few of the firms have the institutional body weight to attract clients because of their [company] names," agrees Alexander Gage, a partner at Market Strategies, a Republican pollster.

Market Strategies is working on nine statewide campaigns this year, including the Schuette campaign in Michigan. Mr. Gage's other clients, all Republican, include Illinois Secretary of State Jim Edgar, who is running for governor, and freshman U.S. Sen. Dan Coats of Indiana, who is serving the remainder of Vice President Dan Quayle's term.

One of the newer operations this year is Washington-based American Viewpoint.

The Republican pollster is involved in seven statewide campaigns this year, including Republican Rep. Thomas Tauke's Senate race against incumbent Iowa Sen. Tom Harkin, Illinois Rep. Lynn Martin's bid to unseat Democratic Sen. Paul Simon and Rhode Island Rep. Claudine Schneider's attempt to gain Democratic Sen. Claiborne Pell's seat.

American Viewpoint's rise illustrates the importance of personal contacts in the business. In

(Continued on Page S-16)

Life of the parties

Political research company affiliations in selected upcoming U.S. Senate and gubernatorial races

REPUBLICANS

The Wirthlin Group
- Rep. John Rowland for governor, Conn.
- Sen. William Cohen for U.S. Senate, Maine
- Sen. Larry Pressler for U.S. Senate, S.D.

Market Strategies
- Jim Edgar for governor, Ill.
- Sen. Dan Coats for U.S. Senate, Ind.
- Rep. Bill Schuette for U.S. Senate, Mich.

Market Opinion Research
- Dan Daly for U.S. Senate, Mass.
- Barbara Hafer for governor, Pa.
- Arne Carlson for governor, Minn.

Goldwater Group
- Sen. Strom Thurmond for U.S. Senate, S.C.

American Viewpoint
- Rep. Thomas Tauke for U.S. Senate, Iowa
- Rep. Lynn Martin for U.S. Senate, Ill.
- Rep. Claudine Schneider for U.S. Senate, R.I.

DEMOCRATS

Garin-Hart Strategic Research
- Sen. Tom Harkin for U.S. Senate, Iowa
- Harvey Sloane for U.S. Senate, Ky.

Hickman & Maslin
- Ann Richards for governor, Texas
- John Van de Kamp for governor, Calif.
- Sen. Paul Simon for U.S. Senate, Ill.

Mellman & Lazarus
- Sen. Carl Levin for U.S. Senate, Mich.
- Rep. Bruce Morrison for governor, Conn.
- Rep. Ronnie Flippo for governor, Ala.

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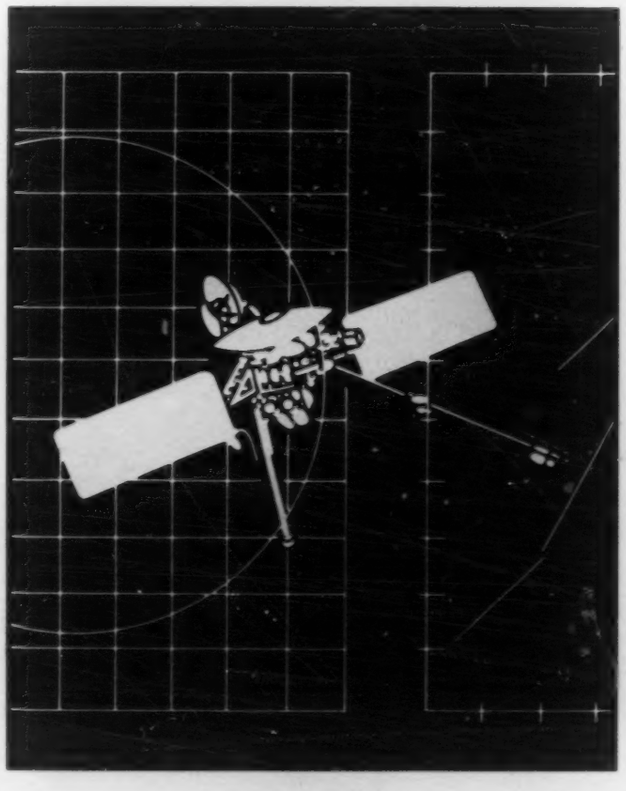

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Teeter pulls the strings

But Wirthlin, Harrison, Marttila & Kiley have busy slates

By Adam Lashinsky

Political researchers eyeing the Big One—the 1992 presidential campaign—know this above all:

In the "what-have-you-done-for-me-lately?" world of political consulting, research companies that help win presidential campaigns stay on top.

The undisputed current king of the polling mountain is Robert Teeter, longtime pollster to George Bush and obvious choice to direct the president's research in 1992.

Mr. Teeter is president of Coldwater Corp., an Ann Arbor, Mich.-based research and consulting company. Beyond his own involvement in a number of 1990 races, Mr. Teeter is said to wield considerable influence over which Republican-oriented researchers get which clients.

He is also on retainer to the Republican National Committee in Washington and the Ohio Republican Party.

Where Mr. Teeter waxes, Richard Wirthlin, head of McLean, Va.-based Wirthlin Group, wanes, at least in the presidential arena.

Mr. Wirthlin, *Advertising Age's* 1980 Adman of the Year for his efforts for President Reagan, worked for the failed presidential campaign of Kansas Sen. Bob Dole in 1988.

Mr. Wirthlin "took it on the chin," one Republican pollster says, for Mr. Dole's crucial drubbing in the New Hampshire primary by then-Vice President Bush.

Wirthlin Group is nonetheless thriving, says Neil Newhouse, a Wirthlin Group senior VP. It is working on more than eight statewide races this year, he says, including gubernatorial campaigns in Maine and Connecticut.

On the Democratic side, pollsters who worked on Gov. Michael Dukakis' dismal campaign probably aren't on anyone's short lists among potential contenders in 1992.

They are managing to keep busy this year, however. Irwin "Tubby" Harrison, president of Harrison & Goldberg, Cambridge, Mass., Gov. Dukakis' principal pollster in 1988, is working on a number of races, including the re-election bids of Michigan Gov. James. J. Blanchard and Rhode Island Sen. Claiborne Pell.

Marttila & Kiley, a Boston research firm that also polled for Gov. Dukakis, is involved in four statewide and five congressional campaigns. Prominent clients include Sen. John Kerry and Reps. Barney Frank, Joseph P. Kennedy II and Chester Atkins, all Massachusetts Democrats.

If the "I'll-dance-with-who-brought-me" axiom holds, as it has in the past in presidential politics, Sen. Bill Bradley (D, N.J.) probably will turn to Wilton, Conn.-based pollster Joe Peritz for help should the senator enter the 1992 race.

Mr. Peritz, who owns the market research firm of the same name, worked for Sen. Bradley in his successful 1984 campaign.

That was the first political effort for Mr. Peritz, but he recorded another success last year as pollster for James Florio's successful run for New Jersey governor.

New York Gov. Mario Cuomo used in-house pollsters in 1986 and plans to do so in his re-election bid, a spokesman says.

"We have people who do it well. And we have great confidence in them," says Bill Mulrow, consultant to Friends of Mario Cuomo Committee.

Mr. Mulrow says he assumes the governor would use the same in-house approach should he run for president in 1992, but Mr. Mulrow, like his boss, refused to speculate on the likelihood of such a bid. □

Issues for the '90s

"Dropping respondent cooperation rates, unlisted telephone numbers, call-intercept technologies."

—Jim Granger, president, Wirthlin Group, McLean, Va.

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There are cynics among us who say that green is merely the latest color of the marketing bandwagon, who charge that businesses are only environmentally concerned because it helps bring in more sales.

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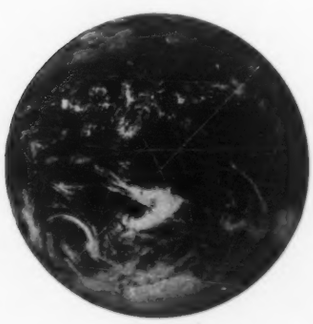

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But the truth is, Green Marketing is good for the bottom line *and* good for the environment.

As responsible manufacturers, retailers and agencies, we owe it to ourselves and our world to support environmental causes with all the resources at our disposal.

The right promotional environment

Before you choose an agency to promote your environmental efforts, ask these questions:

Does it have experience with cause-related issues?

Does it make sure the brand image, advertising and promotion all "fit"?

Does it screen tie-in partners to determine how easy they are to work with, and how responsible they are?

Does it produce promotions which produce sales results?

Does it win the industry's highest awards?

When it works, we all win

With the right product, the right agency and the right promotion, promoting the environment makes everyone a winner.

Consider the two highly coveted American Marketing Association SPIRE awards that QLM has won this year for consumer promotions that produced outstanding sales results *and* helped the environment.

One promotion brought Johnson & Johnson significant sales for a free-with-proofs Smokey The Bear plush animal, and thousands of dollars in contributions for the National Forest Service.

The other delivered a 50% sales increase to Calistoga, and a large donation to American Rivers, an organization dedicated to preserving America's free-flowing rivers.

With the right effort, we all win...including the environment.

Promotions such as these have not only done wonders for the organizations involved; they've helped future generations.

Better business for a better world

Something else wonderful often occurs as a result of Green Marketing: The businesses involved become more environmentally aware.

QLM, for instance, now uses personalized, reusable coffee mugs instead of styrofoam cups.

This simple act keeps at least 60,000 non-degradable cups from reaching landfills each year.

Giving the environment a coffee cup break.

Also, recycling bins now stand strategically located for copier paper and soda cans. And QLM is committed to using recycled paper wherever possible.

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Kansas City, MO

Scanner research snared in discounting web

By Scott Hume

Electronic scanner research is becoming just the kind of product it was designed to study.

Its category is dominated by a small number of diversified companies; the product has pretty thoroughly identified and captured its core audience, changing it from a growth market to a marketshare battleground; and it is fighting product parity with discounting.

Its "new product" days over, scanner-based research finds itself looking for ways to keep its consumers interested and happy with brand extensions and "new and improved" labels.

Despite the scanner marketplace's maturation, respondents to *Advertising Age's* research survey suggest it has not peaked. More than 65% of them identified sales and post-sales tracking as a growth category.

"We're going to be seeing a lot of activity, a lot of action in the market this year and next," predicts Bob Warrens, senior VP-research at J. Walter Thompson USA, Chicago.

That activity will take the form of new services and refinements in basic services. And as with grocery or household products, the increasing sophistication of scanner-based research's customers is driving the activity.

The product has been on "shelves" long enough for its customers to spot shortcomings.

The industry was born from the marriage of lasers that could scan the Universal Product Code on a product being purchased at a checkout with the computer, which remembers and collects the sales information.

The next step was the development of "single-source" data, created by coupling scanner-generated buying information with information about the purchaser, including the in-store promotions and TV advertising to which those people had been exposed.

The result has been the creation of the scanner-based research industry, whose product is a previously unimaginable amount of detailed information about purchases, purchasing habits and advertising/marketing effectiveness.

Two companies—Information Resources Inc. and A.C. Nielsen—dominate the scanner and "single-source" research market. Each has roughly half the market and is battling to boost its share at the other's expense.

The depth of those two companies' dominance, as well as the depth of the competition between them, was made clear in 1987 when A.C. Nielsen parent Dun & Bradstreet Corp. announced a deal to acquire IRI for stock valued at $572 million—a shocking 60 times IRI's annual earnings. But the Federal Trade Commission, apparently worried about the elimination of competition, votedunanimously to seek a court order blocking the merger and the deal was called off.

Less than a week after the FTC's vote, the spirit of competition was rekindled, as IRI ran newspaper ads claiming "Dun & Bradstreet blinked."

Nielsen and IRI have been battling for supremacy since. A third competitor, Arbitron, lags behind but says this is the year it will mount a serious national challenge. *(See story on Page S-12.)*

But while there are dozens of potential markets into which all three companies can expand, there is a smaller number of remaining manufacturers large enough to need and afford the data.

Thus, rather than bringing new clients into the scanner-research marketplace, the three are wooing each other's clients.

As with most share battles, this one has led to price cutting.

Dun & Bradstreet, in its 1989 annual report, forecasts increased revenues but flat profits from the

(Continued on Page S-12)

Leading revenue-generating and growth categories by research activity

	Average contribution to revenues*	Growth category**
Electronic media measurement	38.7%	13.0%
Non-electronic media measurement	37.4	21.7
Advertising testing	31.5	60.9
Test marketing	29.5	52.2
Sales, post-sales tracking	24.9	65.2
Public-opinion polls	10.5	8.7
Political polling	6.8	4.3

* Contribution to revenues reflects the average percentage of gross research revenues realized by research companies that are active in the specific activity listed. For example, among all companies measuring electronic media, the average percentage of those companies' revenues generated by activities in this area is 38.7%. ** Reflects percentage of question respondents identifying this activity as one of three possessing new business potential.

Source: Advertising Age
Advertising Age graph: Cynthia Watson

Issues for the '90s

"Data overload."

—Jon Wilkinson, marketing director, Research International, London

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Futuristic weaponry

Combatants trot out flurry of scanner tools

By Scott Hume

When it comes to fighting each other for scanner-based research business, A.C. Nielsen and Information Resources Inc. are wielding increasingly formidable weapons.

The skirmish will take on an added dimension this year as Arbitron Co. increases the capacity of its electronic sales tracking system.

Having successfully convinced many grocery stores to utilize their scanner technology, research companies find the primary scanner marketplace edging toward saturation.

As a result they are focusing on expanding their service beyond grocery stores into convenience and mass-merchandise stores; improving the speed with which they can deliver data; creating proprietary software packages that can organize the reams of data produced into more accessible form; and enhancing their buying and media measurement systems.

IRI's primary entry in the syndicated scanner research market is InfoScan, which tracks buying patterns at 2,700 grocery stores in 66 markets. It also draws data from a panel of 60,000 households in which all purchases are scanned by consumers.

IRI's BehaviorScan service tracks both purchases and TV viewing at 3,000 households in each of six cities. TV viewing is monitored electronically (a device records when the TV is on and to which channels).

Nielsen's ScanTrack measures purchases at 3,000 scanner-equipped stores in 50 markets. Augmenting it is the ScanTrack National Electronic Household Panel, which tracks purchases, through hand-held scanners, by 15,000 households. In 4,200 of those households, TV viewing also is monitored.

The Nielsen Local Electronic Household Panels track purchases by 27,500 households in a total of 10 markets (through I.D. cards presented at checkouts).

Nielsen expects to be monitoring TV viewing by panel households in 25 markets by yearend.

Arbitron calls its system ScanAmerica. Since 1987, it has been solely in Denver, where it monitors 600 households. By the end of this year, Arbitron says it will expand the program to another 1,000 households in Atlanta, Chicago, Dallas, Los Angeles and New York.

ScanAmerica households also scan purchases at home with hand-held scanners. However, its data differ from IRI's and Nielsen's in that Arbitron is using people meters to monitor TV viewing. When a member of a panel household turns on the TV they first see a screen asking them to identify the family members who are watching.

"I suppose you could say we're behind [IRI and Nielsen] in terms of time, but we think we're passing them on quality," says Ken Wollenberg, Arbitron VP-sales and marketing.

ScanAmerica's use of people meters and in-home scanning of all purchases gives a more reliable data base, he claims.

Arbitron's new wrinkle, announced at this year's Food Marketing Institute convention, is CensuScan. Rather than scanning purchases at a sampling of stores within a market, the new syndicated program promises to monitor *all* purchases at scanner-equipped stores within a market.

The first market will be announced later this year and it will be operational in "selected markets" in 1991, Arbitron says. □

Newest IRI partnership triggers objection

Information Resources Inc. is again hearing objections concerning its plans to take on a partner.

Three years ago, the Federal Trade Commission blocked the research company's plan to sell out to Dun & Bradstreet Corp. and become a partner with rival A.C. Nielsen, a D&B subsidiary.

Now M/A/R/C says it is concerned about a "strategic alliance" announced in late May between IRI and BASES Burke Institute.

Among other things, the alliance will give BBI access to data from IRI's InfoScan, which electronically tracks grocery-store purchases.

BBI will use the data to augment its proprietary techniques for predicting the sales potential of new products.

IRI will enhance its BehaviorScan electronic test-marketing system by using BBI's Projector, a test-market forecasting system, and Sorcerer, which predicts the degree to which a new product will cannibalize existing products.

M/A/R/C has asked its lawyers to investigate the proposed alliance.

Last year, when it acquired IRI's ASSESSOR, a new-product modeling system, M/A/R/C says IRI agreed not to operate a survey-based new product test-marketing business for three years.

Bob Bregenzer, senior VP at IRI, says that the company has given M/A/R/C a copy of its contract with BBI and is confident M/A/R/C's concerns will be allayed.

—Scott Hume

Scanner

(Continued from Page S-10)

Nielsen Marketing Research unit because of "sharp price competition."

"There's no question that we're seeing severe price competition in the field right now," says IRI Senior VP Bob Bregenzer. "It's a buyer's market and it's to their advantage to play [the research companies] off against each other. That's why we're hoping to add differences, other than price, that can separate us."

Says Arbitron's Ken Wollenberg, VP-sales and marketing, "[Manufacturers] are driving down rates by playing us against each other."

But all three are looking at similar value-added extensions.

One is expansion of purchase scanning out of groceries and into convenience stores, drugstores and mass merchandisers. IRI President Gian Fulgoni puts the market for data on products moving through non-grocery outlets at more than $100 million annually.

IRI is scanning in 60 convenience stores and vows to add more stores and markets this year. Nielsen started in 30 Dallas convenience stores and added 30 in Los Angeles last year.

Scanner-equipping drug chains and mass merchandisers such as K mart and Wal-Mart is at the top of IRI's agenda this year.

"Nobody is scanning purchases at the drugstores," Mr. Bregenzer says. Nielsen is unlikely to do it, he says, "because they have a very profitable business based on auditing [i.e., tracking warehouse movement of products] and I don't think they'd want to jeopardize that by doing scanning, which could present different share numbers." Nielsen doesn't see a problem.

"I think we're all moving into scanning and we think we can have the best of both [scanning and auditing] worlds," says Toni Minarich, VP-beverage marketing at Nielsen. "We won't stop auditing, because there are too many 'Mom and Pop' stores that can't afford computers and scanners. But we want to stay on the cutting edge and we feel scanning provides that to clients."

A second major value-added area of emphasis is in speeding the delivery of data.

Nielsen says it is working on lowering the lag between the end of a reporting period and the delivery of sales data from three

(Continued on Page S-16)

Issues for the '90s

"Single-source [research] produces an information glut. Can we separate the wheat from the chaff?"

—Jerry Rosenkranz, chairman, Data Development, New York

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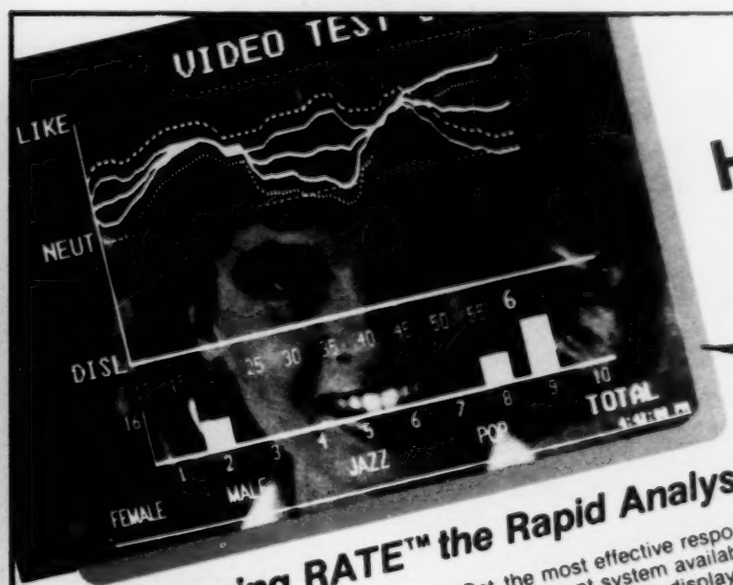

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Powerhouses tear down Europe borders

Multinational marketers prod researchers for assimilated data

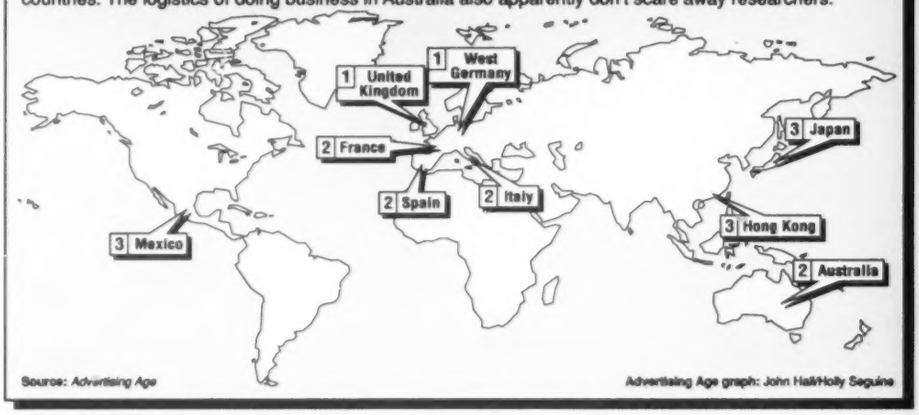
By Elena Bowes

The race to plumb the behavior and values of the new Europe is on.

Dun & Bradstreet Corp.'s A.C. Nielsen Co., AGB Research and GfK Group, Nurenberg, are among the major companies scrambling to offer usable cross-border insights for multinational marketers, who increasingly want to reach *European* consumers, rather than just the consumers of a given country.

"It's important that these companies produce standardized [multicountry] reports," says Tom Neumann, manager of media and programming development for Procter & Gamble Europe. "Up to now these companies were producing reports for the U.K., for France, for Germany, but not for Europe as a whole."

Advertising Age asked research company execs to pinpoint the international markets where they did the most business in 1989. West Germany and U.K. headed the list, followed by other European countries. The logistics of doing business in Australia also apparently don't scare away researchers.



Source: *Advertising Age* — Advertising Age graph: John Hall/Holly Seguine

At stake is a piece of one of the hottest growth markets, as demand for pan-European research soars, reflecting in part the scheduled elimination of Europe's remaining trade barriers in 1992.

Respondents to *Advertising Age's* Research Business Report estimated an average 11.1% of their company's 1990 growth would come from international activities. Because the survey universe included a number of small companies without the capital to consider major overseas expansion, the estimated contribution of international activities to larger companies' revenue was noticeably higher.

While there are no overall figures for spending on multicountry research vs. single-country research in Europe, demand for multicountry research is believed to be growing much faster.

For example, '89 spending on multicountry research by British-based marketers—including the many U.S. companies that have their European headquarters in England—jumped 32% to $57.4 million, more than twice the 14% increase in spending (to $324.3 million) for U.K.-only research, according to Association of Market Survey Organisations.

Nielsen recently opened an office in Lucerne, Switzerland, just to handle multicountry research; similar offices are planned in Paris and London.

Nielsen has started a twice-monthly international data base service that produces customized information on about 50 (and eventually 300) different product categories. Ten companies, including Gillette Co., Coca-Cola and Cadbury-Schweppes have bought the data base service so far, Nielsen says.

This month Nielsen, the largest market researcher in Europe, also is publishing "European Passport," a report on trends in Europe's huge grocery business that it plans to sell to companies wanting to expand their markets beyond one European country.

As recently as two years ago, European research companies had secure niches, notes Philip Barnard, former chairman of Research International, a prominent London research company owned by WPP Group.

"Nielsen had the retail audit side sewn up," while AGB and other companies like GfK and Paris-based Secodip "had the consumer panel side sewn up," says Mr. Barnard, now chairman of New York-based Decisions Center/Research International, the company resulting from Re-

(Continued on Page S-15)

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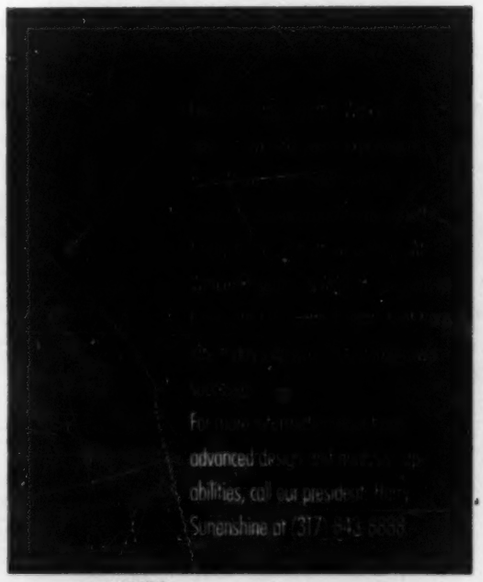

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Researchers look eastward

GfK, Nielsen begin to track buying tendencies

By Elena Bowes

Major research companies see potentially fertile markets in the uncharted consumers of Eastern Europe.

GfK Group, Germany's largest research company, last month started monitoring the buying patterns of 2,000 East German households.

It also has opened offices in Hungary and Poland to do ad hoc research for international clients. GfK is also considering setting up shop in Czechoslovakia and the Soviet Union.

For the moment, rival A.C. Nielsen Co., a unit of Dun & Bradstreet Corp., is concentrating its efforts on East Germany.

"As Germany unifies, at least in an economic sense, [East Germany] is not so much a geographic extension as a national completion," says Hans Guldenberg, Nielsen's regional director of Central Europe.

In a sense, East Germany presents a more promising marketing opportunity than the rest of Eastern Europe. East Germans could watch West German TV long before the Wall tumbled. They are familiar with brands like Procter & Gamble Co.'s Ariel Ultra or Jacob Suchard's Milka chocolate bars.

In some cases, East Germans have a higher brand awareness for products advertised on TV than West Germans, Mr. Guldenberg says, claiming the latter are bombarded with ads in newspapers, outdoor boards and other media, thus diluting the message.

Nielsen says it will soon open an office in Leipzig. The U.S. researcher plans to track food, drugs and durable goods in up to 100 large retail stores in East Germany's major cities. Nielsen then plans to merge this data with information gathered from diaries of TV viewing habits in about 1,000 households that shop in these stores.

Hinrich Krone, who heads Jacob Suchard's market research effort in Germany, is anxious for Nielsen or GfK to produce useful data on East German consumers.

"There is a need for all kinds of information," he says. "It is not too early to enter the GDR."

But while Nielsen and GfK are moving swiftly, other researchers are content to watch from the sidelines.

"Everyone has been caught up in the hoo-hah of political Eastern Europe," says Andy Maslen, marketing development director of Euromonitor, a British research company. "But once the political hubbub dies down, people will start weighing the costs, and they'll realize Western Europe is much less expensive and easier to market." □

Top research companies in 1989 international revenue

		$000,000	% change
1.	A.C. Nielsen*	$542.1	8.5%
2.	IMS International*	221.0	0.9
3.	Research International	81.7	9.7
4.	MRB Group	42.0	1.4
5.	Millward Brown	30.3	26.3
6.	Associated Global Market Res.	29.6	15.6
7.	Information Resources	22.6	23.5
8.	Louis Harris & Associates	11.8	6.3
9.	National Research Group	2.6	23.8
10.	McCollum/Spielman Worldwide	2.4	41.2

*Advertising Age estimate; all companies ranked by gross research revenues from non-U.S. activities
Source: Advertising Age Ad Age Graphics: John Hall

Europe

(Continued from Page S-14)

search International's 1987 purchase of Decisions Center.

Now Nielsen readily admits it's moving into ad hoc research and consumer panels.

"When sales were booming, retail audits were a sufficient tool to understand where [products] were going," says Emanuele De Natale, exec VP of A.C. Nielsen-Europe. "Now that the markets have slowed down, we need to understand the consumer much better than before."

In the past year, Nielsen has bought ad hoc researchers Centrum for Marketing Analyses, Amsterdam; AIM Research, Copenhagen; and Milan-based C.R.A. With the acquisitions, Nielsen says it now tracks 25,000 European households on an ongoing basis throughout Europe.

Nielsen last year introduced its first pan-European product, Quartz, which provides simulated market tests for marketers preparing to launch a product. Rather than test the virgin product on store shelves, Quartz evaluates consumer reactions to the product concept in Europe's five major countries.

More than 25 multinationals, including Nestle, Procter & Gamble Co. and Paris-based BSN, France's largest food and beverage company, already have signed up for the service, which can cost as much as $60,000, Nielsen says.

Nielsen's rivals are by no means asleep. AGB, Europe's third largest market researcher after Nielsen and pharmaceutical market researcher IMS International, has invested $13 million over the last several years, nearly a third of its

(Continued on Page S-16)

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Pollsters jockey for position

(Continued from Page S-6)

1979, Linda DiVall, American Viewpoint—president, became director of research for National Republican Congressional Committee, a party organization that aids congressional campaigns.

Five years later she set up American Viewpoint after cultivating relationships with congressional members, some of whom "obviously had statewide potential." Among them were Ms. Schneider and Ms. Martin, Ms. DiVall says.

Still, winning is the name of the game, and Ms. DiVall knows her future success will depend on her clients' performance in 1990. "This is a critical year for us," she admits with a nervous laugh.

On the opposite side of the Iowa race, working for Sen. Harkin, is Garin-Hart Strategic Research, Washington. President Geoffrey Garin sees important differences between political and corporate research.

"Politics is a lot more free-form," Mr. Garin says. Like other pollsters, he takes issue with the notion that it's mostly counting and reporting numbers. "We really get involved," he says, "not just as pollsters, but as part of the [campaign] family."

"I'm part of the strategy committee," says Mr. Garin's rival Ms. DiVall. "Sometimes in the heat of battle you tend to react to what happened yesterday. I can remind the team what the issues and agenda are."

Political ideology is another distinguishing characteristic of the political research business. Most pollsters are Republicans or Democrats, period.

"There's still a lot to be said for party loyalty in this industry," says Chris Meyer, editor of *Campaigns & Elections*, a trade magazine for political consultants.

"To do things well, you have to care a lot about what you're doing," says Mr. Garin. "This is not just about individuals, but also about who controls Congress."

"Life is way too short" to work for somebody you wouldn't vote for, "and this work is way too hard," says Mr. Lazarus.

While pollsters once popped up only around major elections, more and more of them are trying to ply their trade year-in and year-out.

To do so, they are getting more involved in mayoral contests and "minor" state elections, as well as in early polling for would-be candidates for major posts.

Corporate public affairs work and polling for grass-roots referendums are also growing as off-year revenue boosters.

"If you think there's tough competition for Senate races in the even-numbered years, you should see these guys scramble in the off years," says Mr. Phillips. □

Adam Lashinsky is an Advertising Age *correspondent based in Washington.*

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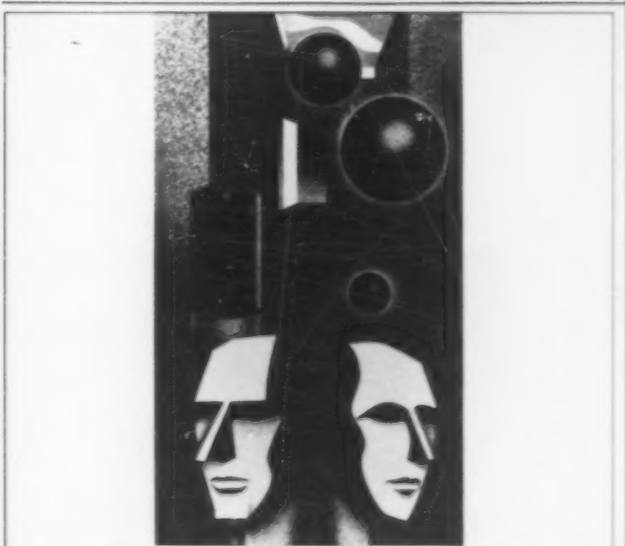
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Scanner

(Continued from Page S-12)

weeks down to less than one. IRI is trimming delivery times down to two weeks from 24 days and is promoting a FlashScan service that provides data from 500 InfoScan stores one week after the end of a sales week.

The most profitable area of difference is computer software that can analyze and sort the scanner data and assemble it into more accessible presentations.

IRI in March introduced CoverStory, which processes InfoScan data into concise reports on the sales performances and marketing effectiveness of individual brands and their competitors.

Nielsen offers ScanFact and, in partnership with Metaphor Computer Systems, the Nielsen/Metaphor DataBank services. Both Nielsen and IRI software are compatible with each other's data-gathering systems.

Arbitron calls its 2-year-old data-sorting program Decision-Master.

"The real opportunities in the market right now are in software," IRI's Mr. Bregenzer says.

But while improvements are made in data creation for product movement, critics say the researchers should be paying more attention to the media-monitoring process that creates single-source programs.

"As soon as you say 'single source' it sounds like you're measuring everything, but you're really not," says Mr. Warrens.

"The absence of magazine monitoring, for example, is a major omission. Print measurement is a must if you're going to be making the assumption that you're checking [media] stimulus and [buying] response," he says.

Mr. Warrens says refinements in media measurement are coming and that additional refinements in product scanning are needed.

"There are questions about the accuracy of the scanning," he says. "UPCs don't always identify unique products because some manufacturers are using the same code on different sizes and varieties to get around paying the high slotting allowances."

All the questions set the stage for a pressure-filled environment for research companies.

"The power has shifted to retailers, and I think they'll get stronger. Advertisers will be stronger, too," says Mr. Wollenberg.

"That means the research companies have to look for ways to differentiate themselves and show they serve a purpose," he says. □

Europe

(Continued from Page S-15)

annual revenue, upgrading its electronic data bases.

AGB has created a new unit, AGB Insight, to come up with specialized applications of data. For example, AGB says it can fuse sales figures with TV audience measurement figures and consumer panels to tell what a particular ad campaign did for a product's sales.

Europanel, a consortium of Europe's leading consumer panel companies, including AGB, GfK and Secodip, last year began work on its first pan-European product, the European Market Measurement Database. It tracks the movement of consumer goods throughout Western Europe, gleaning information from 55,000 households. When completed by the end of this year, the data base will cover 50 categories of package goods.

Europanel also has devised what it says is a fresh way to look at Europeans, spending a year interviewing 20,000 people to come up with new categories based on behavior, attitudes and values rather than social class.

"There has always been a problem analyzing consumers across Europe," says John Whitaker, group managing director of AGB. "What sort of job you do is less important than what sort of life you lead."

Europanel questions identify specific "socio-styles." People with similar interests and beliefs form "Euro-districts" offering advertisers niche marketing opportunities, AGB contends.

For example, yuppies, which are termed "Euro-Business" by Europanel, constitute 5% of the European population, "a sizable chunk," Mr. Whitaker notes.

GfK, meanwhile, is determined to loosen Nielsen's grip on the retail audit sector. GfK already competes head to head with Nielsen in Germany's food retail audit industry, but now the German company plans to try its hand in other countries.

GfK employs a technology called Euroscan, licensed from Information Resources Inc., that allows it to merge consumer panel data with retail audit figures into one instrument to learn more about consumer behavior.

GfK now tracks 10,000 German households and sales at 200 stores. It is developing Euroscan in France and England and has plans to export it to Italy, Spain and the Netherlands.

Such single-source studies are hailed by Klaus Hehl, GfK's ceo, as "the wave of the future." □

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'Sugging' threat worsens

Wolf in 'market researcher' clothing killing the field

By Joseph M. Winski

Market research really is *good* for consumers, the market research industry insists.

It helps manufacturers decide what products to sell. It reduces the cost—and therefore the price—of getting new products to market. And so on.

Trouble is, consumers don't know all that. All they know is that a stranger called during the dinner hour for the fourth night this week, and enough is enough.

Hence the sound being heard by more and more market researchers these days: *click*.

It's not a pleasant sound. It means growing numbers of consumers are refusing to cooperate with researchers, raising a major obstacle to the industry's ability to scrounge up the nationally projectible samples on which scientific market research is based.

"It's becoming a more serious problem every day," says Roger Ehle, president of Conway/Milliken & Associates.

The culprit, as Mr. Ehle and just about any other market researcher is quick to relate, is the telemarketing industry.

From market researchers' perspective, it's bad enough that all those people are selling things by telephone. What makes it worse is that too many pretend to be conducting market research.

The phenomenon is so widespread it has given rise to a research industry acronym, now several years old, describing it. It's referred to as *sugging* (pronounced with an "sh" sound), or "selling under the guise" of research.

"Sugging" is largely blamed for record-high respondent refusal rates. It varies by particular survey, but industry executives say refusal rates of 40% of the people approached aren't uncommon. Two decades ago, a typical refusal rate was about 15%.

Perhaps the most definitive research on the subject, the every-other-yearly "Walker Industry Image Study" by Walker Research, found in 1988 that 34% of all consumers questioned had refused to participate in at least one survey in the preceding year.

Issues for the '90s

"Shotgun legislation attempting to control telemarketing activities [and] affecting research."

—Beryl L. Levitt, president, AHF Marketing Research, New York

That was up from 24% in 1986 and the highest since the study began in 1974, says Steve Walker, a Walker Research VP who directs the image study.

Technology, which on one hand has simplified research through such things as computer-assisted telephone interviews, is also working against the research companies.

More people are screening calls with answering machines, for example. In 1988, about half of the respondents in the Walker study with answering machines who used them to screen calls said they wouldn't return calls from market researchers.

Now looming on the horizon are such additional technological "advances" as caller identification services and devices that allow people to program the numbers from which they will accept calls.

Valid research on the impact of such technologies hasn't been completed, but they "should be of concern to the industry," Mr. Walker says.

More threatening than technology may be some of the bills that legislators are throwing into the hopper to combat rampant telemarketing, often without making allowances for legitimate research.

Mr. Ehle says he has heard of proposed legislation in some states that would allow consumers to designate in their telephone directory that they don't want unsolicited commercial calls.

If proposals like that gain widespread acceptance, he says, "telephone interviewing as we know it in this country is long gone." □

Decade of data overload

(Continued from Page S-1)

for the industry, says Elliott Young, president of Perception Research Services, in his response to the *Ad Age* survey.

Under pressure to win business with low bids—or simply to squeeze out a profit—some research companies are cutting corners, peddling research of dubious quality.

Issues for the '90s

"Marketing research being purchased as undifferentiated 'commodity.' This has led to compromising on research quality by some firms."

—Roger E. Ehle, president, Conway/Milliken & Associates, Chicago

This further tarnishes the industry. A number of respondents to the *Ad Age* survey mentioned "quality" as an issue facing market researchers.

"Junk research" is "soiling the business," wrote survey respondent Norman Hecht, president of Norman Hecht Research.

At the same time, research companies are spewing out so much data that potential users are overwhelmed. They don't know what's meaningful to them, or how to use it.

A recent Advertising Research Foundation survey of 68 companies, mostly research companies and marketers, found that "data overload" is the "most characteristic" attribute applicable to the research industry.

All this has led to the most painful development of all for research companies: a sense of being out of the loop, of feeling that top management no longer views research and research people as essential to the decision-making process.

There is "a perception that market research has been oversold," says Jerry Rosenkranz, chairman of Data Development, in his survey response. A vital issue for the industry, he says, is whether research "can regain acceptability at the top management level of corporations."

Researchers' own research is underscoring the bad news.

The ARF survey found "marked declines for research reputation, quality improvement and top management support for both respondents' companies and the industry as a whole" between 1988 and 1990.

For good or for ill, technology has cut a broad swath through the industry in the last few years. Electronic scanning has been particularly significant, in effect wiping out big chunks of ad hoc, or custom, research business conducted through more traditional avenues such as by telephone or mail surveys.

"Scanning has directly hurt our company," concedes Market Facts' Mr. Churchill.

In addition, when cost-cutting corporations decide what research they must have, Mr. Churchill notes, "Right at the top they say, 'Let's monitor our share—let's buy the Nielsen data or the IRI data.'"

Custom research companies like Market Facts must scramble for what's left of the research budget, he says.

That doesn't mean IRI and Nielsen face smooth sailing. The two have divvied up about as much of the grocery-market business as they are likely to get.

IRI now is extending its scanners into drugstores—where Nielsen dominates with its manual auditing service—setting up yet another battle between the two companies for existing business.

Gian Fulgoni, IRI's ceo, admits that buyers of scanning data have a problem.

"They say to us, 'You've got data and Nielsen's got data. Now, what do I do with it?' "

Thus, the next phase—and battleground—for the scanner companies will be in applications software, he says.

"You won't be hearing about 'data overload' so much," Mr. Fulgoni promises.

Traditional research companies have hardly conceded the business to the new technology. Audits & Survey's Mr. Dutka says there remains a sizable "non-scanning universe" that will continue to buy "quality" research from his company.

In addition, for all its sophistication, scanner technology can't answer why people buy the products they do.

That's the reason researchers like Judith Langer, president of Langer Associates, and others say qualitative research will continue to flourish in the 1990s.

M/A/R/C, which claims to be the country's largest custom-research company, is betting on market-simulation models and data base marketing for much of its growth, says Sharon Munger, president and chief operating officer.

Ms. Munger says M/A/R/C also will look increasingly to the service sector for business and will rely less on package-goods companies.

She cites as fertile growth opportunities such service segments as financial, foodservice, pharmaceutical and travel and leisure companies.

Similarly, Market Facts' Mr. Churchill says his company sees growth in financial services and healthcare "picking up some of the slack" from slower sales to package-goods companies.

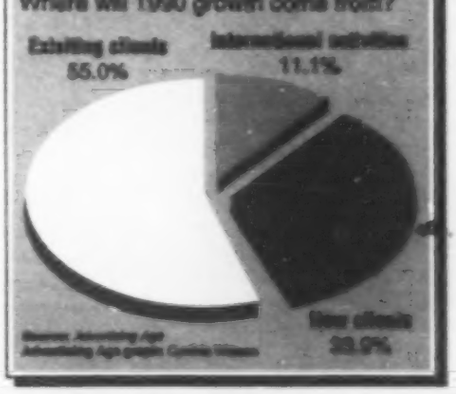
He also says he sees signs that "the pendulum is swinging" back to custom research from syndicated research.

"The notion that custom research is doomed is crazy," Mr. Churchill says. "As long as it can reduce risk there will be a need for it." □

Christy Fisher in Dallas contributed to this story.

Staying close to home

Where will 1990 growth come from?



Source: Advertising Age
Advertising Age graph: Cynthia Watson

Getting gray around the research temples

Leading revenue-generating and growth categories by market segment

	Average contribution to revenues*	Growth category**
Mature market	28.9%	46.6%
Hispanic market	27.8	40.0
Black market	14.2	13.3
Pre-college youth market	8.8	26.6
College market	4.4	6.6

* Contribution to revenues reflects the average percentage of gross research revenues realized by research companies active in the specific market segment listed. For example, among all companies doing research in the mature market, the average percentage of those companies' revenues generated by activities in this area is 28.9%. ** Reflects percentage of question respondents identifying this market segment as one of three possessing new business potential.

Source: Advertising Age
Advertising Age graph: Cynthia Watson

The once and future king: Package goods

Leading revenue-generating and growth categories by client type

	Average contribution to revenues*	Growth category**
Package goods (food)	17.9%	33.3%
Package goods (non-food)	13.8	27.7
Automotive	15.7	11.1
Pharmaceuticals	14.3	13.8
Business to business	11.3	27.7
Financial services	10.4	16.4
Entertainment	10.4	8.3
Telecommunications	10.1	27.7
Toiletries & cosmetics	9.6	5.5
Healthcare	8.1	22.2
Government	6.6	11.1
Computers & high-technology	6.6	13.9
Restaurants	6.5	5.5
Travel & leisure	5.6	5.6
Retailing	5.4	16.6
Utilities	4.7	2.8
Appliances	3.9	2.8

* Contribution to revenues reflects the average percentage of gross research revenues realized by research companies active in the specific market segment listed. For example, among all companies doing research in the mature market, the average percentage of those companies' revenues generated by activities in this area is 28.9%. ** Reflects percentage of question respondents identifying this market segment as one of three possessing new business potential.

Source: Advertising Age
Advertising Age graph: Cynthia Watson

Lipstein negotiates with Japanese

By Scott Donaton

NEW YORK—Owen Lipstein is discussing a partial sale of his troubled magazine empire to a Japanese media company, a deal that would mark one of the first substantial Japanese investments in a U.S.-based publishing company.

At the same time, sources say Terry McDonell, the founder and editor of *Smart*—in which Mr. Lipstein holds a majority stake—is separately discussing the sale of that magazine to an unidentified U.S. media company.

"I can acknowledge that there is a discussion with a Japanese company" about New American Magazine Co., said Mr. Lipstein, who declined to identify the company. "There is a discussion that has been going on and is going on, and if something happens it would be exciting."

Sources close to New American Magazine Co. indicate the matter will be resolved—one way or the other—within the next few weeks.

One source said the Japanese company would likely back out of a deal with Mr. Lipstein if *Smart* were sold separately, since much of the new investor's interest is said to be in the fledgling men's title.

Mr. Lipstein said any deal involving his company would include *Smart*, but sources say he and Mr. McDonell disagree over whether *Smart* is part of New American Magazine Co.

O. Lipstein

Mr. McDonell is said to view the men's magazine as a separate property from Mr. Lipstein's other titles. Although Mr. Lipstein is the largest investor in *Smart*, the magazine is published by Smart American, of which Mr. McDonell is president and Mr. Lipstein is chairman.

Mr. McDonell couldn't be reached for comment last week.

New American Magazine Co., formed earlier this year after Mr. Lipstein sold his flagship *American Health* to Reader's Digest Association, includes *Mother Earth News* and *Psychology Today*. Publication of the latter title was suspended earlier this year, but Mr. Lipstein has said it will be refocused and relaunched in September.

Mr. Lipstein said the Japanese company would be a minority investor in his company, but sources familiar with the talks say the Japanese company wants to acquire a 50% interest and possibly a majority stake.

The price is said to be about $8 million, though what size stake that would buy is unclear. Mr. Lipstein wouldn't comment on details of the discussions.

The acquisition is said to be contingent on Mr. Lipstein reducing his company's debt, but Mr. Lipstein has said the sale of *American Health* left his company virtually debt-free, a claim disputed by some industry observers.

If Mr. Lipstein reaches an agreement with the Japanese company, it would represent that country's first high-profile move into U.S. publishing.

After making investments in real estate, automotive, entertainment and other U.S. industries in recent years, Japanese companies are said to be turning their attention to the publishing world.

At least three Tokyo-based publishers—Dentsu, Nikkei Business Publications and Magazine House—gained membership in Magazine Publishers of America within the past year. Dentsu is also the world's largest ad agency.

"The Japanese are interested" in U.S. publishing companies, said John Veronis, chairman of investment banker Veronis, Suhler & Associates. "They always respect brand names, they respect franchises. . . . and the Japanese are very methodical, thorough and cautious in their approach to things."

Publishing consultants note that *Smart*, launched in 1988, has won much praise for its editorial product but hasn't yet reached its full circulation and advertising potential.

It increased frequency to 10-times-yearly from every-other-monthly with its March issue, and claims a rate base of 250,000. □

P&G

(Continued from Page 1)

energy resources and slightly more than four times the renewable energy resources, the study found.

Further, reusable diaper manufacture and use generate 50% more processed solid waste that must be treated, as disposable diapers often aren't rinsed after use. And the reusable diapers use more than six times more water and release nearly 10 times higher levels of total water pollutants, the study found.

"The issue has generated a lot of questions and accusations about the impact of disposable diapers on the environment," said Elaine Plummer, a P&G spokeswoman. "We did the study to confirm our belief that the environmental impact [of disposable diapers and cloth diapers] is about the same."

A spokeswoman for the National Association of Diaper Services said the group has major problems with the study and is planning to respond.

Arthur D. Little analyzed government reports and statistical surveys, including a study the association released last year that was favorable to reusable diapers.

Both P&G and Kimberly-Clark Corp., marketer of Huggies, are using lobbyists, independent research studies, direct mail appeals and information campaigns to fight anti-disposable diaper legislation. Kimberly-Clark handles its effort in-house.

The diaper marketers also are working through the American Paper Institute and the new Diaper Manufacturers Group.

"The issue is how to best manage our trash, not to apply legislation to a single product [diapers] that accounts for only 1% to 2% of the space in landfills," said Tina Barry, Kimberly-Clark VP-public relations.

At least 20 states are considering bans or special taxes on disposable diapers.

California, Hawaii, Minnesota, Michigan, Vermont, Arkansas, Arizona, Massachusetts, New York, Ohio, Pennsylvania, Rhode Island, Tennessee and Washington are considering bans on non-degradable disposable diapers; a measure in Florida would prohibit the sale of any disposable diaper after Oct. 1, 1993. Special taxes on disposable diapers are pending in Iowa, Illinois, New Jersey, New Hampshire and Texas; a special tax was defeated in Wisconsin but is expected to be reintroduced.

Nebraska is the only state so far that has approved a ban on non-biodegradable disposable diapers. The ban will take effect in 1993.

"This is the fad fringe issue of the year," said Jerry Taylor, legislative director for the American Legislative Exchange Council, a non-partisan group that tracks initiatives for state legislatures. "Legislators want to make it look like they are doing something for the environment, to solve the solid waste crisis, and diapers are an easy target."

Cloth-diaper services in the past 18 months have shown a tremendous boost in households served by promoting the environment friendly aspects of cloth diapers.

According to the National Association of Diaper Services, the number of households using diaper services nationally totaled 750,000 last October, up 38.5% from a year earlier.

"We represent a reusable, viable alternative to disposable diapers, and we have tried to educate the public about that," said John Shiffert, executive director of the group.

In promotional literature, cloth-diaper services in general describe their product as better for the environment since cloth diapers don't eat up landfill space.

"The ecological impact of disposable diapers is bringing people back," said Jack Mogavero, president-chief operating officer of General Health Care Corp., whose 13 divisions include DyDee Service, one of the nation's largest diaper services.

Mr. Mogavero said company sales grew 11% in the first quarter, and he projects a 43% increase for the year.

But both P&G and Kimberly-Clark said disposable diaper sales this year remain very strong. Disposable diapers accounted for about 17% of P&G's 1989 sales of $21.3 billion. Kimberly-Clark diapers accounted for 25% of the company's $5.7 billion in sales.

Huggies is the leader, with a 32.5% share of the $3.5 billion disposable diaper market; Pampers is second with a 25.5% share, followed by Luvs' 24.5%. □

Gallup

(Continued from Page 1)

several ways of controlling this problem. Do you favor or oppose placing a tax on disposable diapers?"

Of people with annual household incomes of $75,000 or more, 50% favor a special tax while 43% do not. Only 39% of those earning less than $20,000 annually back a tax, while 50% do not.

Of those respondents ages 18 to 34, 50% oppose a tax and 42% support the idea. Those ages 35 to 54 represented the biggest opposition group in terms of age, with 57% against a tax and 38% in favor.

More men than women favor the tax concept, 45% to 34%.

Respondents also were asked if they favor or oppose "banning disposable diapers."

Forty-three percent say they support a ban while 47% are against the idea.

Of those with incomes of $75,000 and more, 60% are against a ban, while 46% of those earning less than $20,000 a year oppose it.

Among respondents ages 18 to 34, 58% oppose a ban; 34% of those 55 and older are against the idea.

The survey, with a margin of error of plus or minus 3.1%, found that in the Northeast, where landfill space is at a premium, 41% of the respondents favor a ban while 48% oppose the idea.

On the West Coast, where environmental awareness is high, respondents were split evenly—44% each for and against—on the question of banning.

In the Northeast, 55% of respondents oppose a tax, but West Coast respondents were again almost equally divided. Forty-six percent say they oppose a tax, while 45% favor the idea.

Those who said they either favor or strongly favor a special tax were asked if they would still support the concept if shown that a tax would have the greatest negative impact on lower-income households. Eighty-one percent say they would.

Among those who either favor or strongly favor a ban, 86% say they still support a ban even if lower-income households would be disproportionately hurt.

Kimberly-Clark said it isn't surprised by the findings.

The company noted a national *Wall Street Journal*/NBC News telephone poll of 1,001 registered voters in April showed respondents favor a ban on disposable diapers by a 3-to-1 margin.

"It's easy to favor a tax or ban if it doesn't affect you, and that's partly what you'll see in surveys like this," said Tina Barry, Kimberly-Clark's VP-public relations. "The problem is that parents with children of diapering age are being made to feel the entire burden of the nation's garbage woes. For this reason, we oppose a tax that would apply only to disposable diapers and not the thousands of other products that account for 98% of the garbage in landfills."

The company said 9% of U.S. households have one or more children in diapers.

At press time, P&G couldn't be reached for comment. The company this month is launching a publicity drive, via Burson-Marsteller, Chicago, to fight efforts to ban or tax disposable diapers *(see story on Page 1)*. □

Volley

(Continued from Page 3)

Tim Hovland, the top money winner in men's pro beach volleyball.

"What has happened with volleyball is that through the [1984 and 1988] Olympics, it's become an extremely popular spectator sport," said Miller spokesman Dave Fogelson. "That we've been able to take the sport to non-traditional markets is evidence of its growing popularity."

Miller, which sponsors 20 of the tour's 24 events as the Miller Lite Pro Beach Volleyball Tour, is looking at extending and expanding ties with the association when its contract is up this year.

Support primarily consists of point of purchase and radio in event markets. TV is a possibility in the future, said Janey Marks, the tour's general manager and a former manager of amateur sports for Anheuser-Busch. Miller Lite's sales promotion agency is Gary M. Reynolds & Associates, Brookfield, Wis.

Heublein's Jose Cuervo tequila sponsors the remaining three events, called the Cuervo Gold Crown.

There are eight other full-tour sponsors. The first-timers are L.A. Gear, the presenting sponsor on the Miller Lite tour; Evian Waters, Fila and Kinney Shoe Corp.'s Foot Locker and Champs stores as major sponsors; and Frito-Lay, Free Style watches and Bausch & Lomb's Killer Loop sunglasses as official product sponsors. Hertz Corp. is an existing official product sponsor.

Typically, a presenting sponsor would spend in the low six figures, Ms. Marks said. She said a major sponsorship would cost in the high five figures; an official product sponsor would cost less.

The tour estimates 250,000 spectators will turn out this summer to see the two-man teams go at it. In places where there's no beach, the tour will truck in sand to build courts.

Those attending the matches are split evenly between men and women, most ages 18 to 39 with household incomes of $40,000, Ms. Marks said.

The players are sought after by advertisers as well. The most high-profile players on the circuit are "King of the Beach" Sinjin Smith and Olympic gold medalist Karch Kiraly.

Mr. Smith has deals with Bolle America sunglasses, Mikasa volleyballs and Sideout Sport, an apparel company of which he's part owner. Mr. Kiraly endorses Bausch's Ray-Ban sunglasses, Mizuno Sports footwear, Scott Hawaii sandals and Quicksilver apparel.

The tour will get its first network TV coverage in September on NBC. The network will air the Miller Lite USA national championship, played Aug. 25 and 26 in Hermosa Beach, Calif., as a 90-minute special.

The Miller Lite tour is telecast by cable's Prime Network, which claims 21 million households on 16 regional sports cable networks. The Cuervo series is telecast by ESPN. □

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NEWSPAPER

Advertising Age

June 18, 1990

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LAST MINUTE NEWS

Hearst-'Newsweek' ad deal

NEW YORK—Washington Post Co. and Hearst Magazines are considering joint advertising buys between *Newsweek* and Hearst's women's titles, including *Cosmopolitan* and *Redbook*. "We are sitting down and seeing, between our magazines, if there are any accounts where we could work together," said Mark Goldschmidt, VP-director of marketing and planning, Hearst Magazines. He said the companies should start approaching advertisers with proposals within the next month. The categories that might make sense, he said, include beer and "anything with a promotional kick to it."

Syndication upfront is on

NEW YORK—Advertisers are moving ahead with plans to buy as much as $1.2 billion in commercial time in barter syndication's upfront selling period this month and next. The moves come amid turmoil at the Big 3 TV networks over ratings guarantees *(see story on Page 2)*. Procter & Gamble and other package-goods advertisers have made commitments of up to $400 million so far, reported Premier Advertiser Sales and Camelot Entertainment.

Ryan pitches for Bic

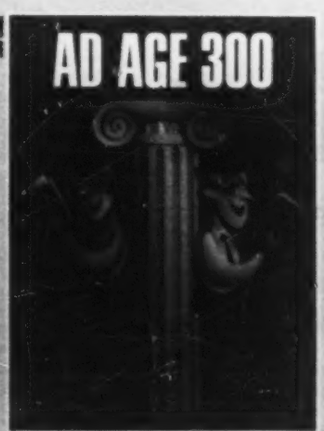
NEW YORK—Bic signed Texas Rangers pitcher Nolan Ryan as a spokesman for its metal shaver and will feature him in a campaign breaking later this month. Three 15-second commercials and one :30 will air on network and cable TV. Slater Hanft Martin handles.

Barbie goes to Hungary

BUDAPEST—Mattel has launched a TV campaign for Barbie dolls, Hot Wheels miniature cars and He-Man

(Continued on Page 8)

INSIDE



Special Report: Advertising Age unveils the Top 300 revenue-producing magazines—starts after Page 48.

Chrysler, Fiat steer toward major linkup

By Raymond Serafin

Chrysler Corp. and Italy's Fiat are in intense negotiations that could result in major new links between the No. 3 U.S. automaker and Europe's No. 2, say sources close to Chrysler.

One source said the deal, if completed, could go as far as Fiat buying a significant —but likely minority—equity stake in Chrysler.

That would give Chrysler a needed cash infusion for capital projects and new-product research & development.

A close working relationship between the two companies would open up a slew of development, distribution and marketing opportunities in both the U.S. and Europe.

The possible linkup could "give Chrysler the best position it could possibly have in Europe," said Thomas O'Grady, president of Integrated Automotive Resources, a marketing consultancy.

Though it has a weak U.S image, Fiat is a major player in Europe, encompassing the Fiat, Alfa Romeo, Lancia and Ferrari brands.

The deal could give Chrysler access to the Soviet Union and other Eastern European countries, since Fiat has already forged partnerships with auto companies in those emerging consumer markets.

A spokesman for Chrysler characterized as "rumor and speculation" the possibility of a new Chrysler/Fiat venture. He said Chrysler has frequent discussions with a number of auto companies about possible areas of cooperation.

Chrysler and Fiat already are linked via a

(Continued on Page 8)

Steve Dubanik

Six decades on roller coaster

Advertising Age marks its 60th year of publishing with interviews covering trends of each decade: Don Amache (radio); Howard Morgens of Procter & Gamble Co. (war years); Sylvester "Pat" Weaver of NBC (TV); Mary Wells Lawrence (creative revolution); Ralph Nader (consumerism); and WPP Group's Martin Sorrell (mergermania). See Page 50.

Int'l split on fighting ad rules

IAA, Geier differ on who should handle lobbying effort

By Nancy Giges

HAMBURG—International advertisers, agencies and media are waging a furious debate over how to fight strict ad regulations being proposed in Europe in advance of becoming a single market in 1992.

The debate erupted at the International Advertising Association's 32nd World Advertising Congress here last week, where more than 1,000 participants heard speakers sound the alarm.

"Ever more repressive government regulations coupled . . . with punitive taxation are fearful threats," said Philip A. Geier Jr., chairman-ceo of Interpublic Group of Cos., New York.

The European Community is considering regulating ads for everything from cigarettes to corn oil.

In fighting the proposals, IAA leaders favor having the lobbying effort handled by a strengthened European Advertising Tripartite. The organization is affiliated with the European Association of Advertising Agencies now but is expected to become independent later this year.

But Mr. Geier argued that the tripartite isn't strong enough and urged establishment of an Advertising Council of Europe, similar to the U.S.' Leadership Council.

"I fully endorse formation [of a council] and will direct Interpublic's resources to that end," said Mr. Geier, who added that his agency holding company would pay half of a council director's salary.

Roger Neill, newly elected IAA president and London-based ceo of Bozell Europe, said the IAA would put funding into an effort by the European Advertising Tripartite.

Norman Vale, the IAA's director general, described the lobbying discussions as

(Continued on Page 84)

Status of ad-related EC directives

- **Tobacco:** Total ban on tobacco advertising expected to be in effect by 1992.
- **Food:** A proposed ban on food claims in advertising could be liberalized to allow some health and nutrition claims.
- **Alcohol:** Individual EC countries (Spain, Italy, France) are increasing restrictions on alcohol advertising. There's a fear that restrictions could be adopted by the EC. So far, no formal proposal has been introduced.
- **Pharmaceuticals:** Restrictions on over-the-counter drugs ads to consumers are likely.

Source: Advertising Age

IN THIS ISSUE

- **The American Advertising Federation** puts California, Massachusetts and New York at the top of a list of states where anti-advertising legislation could erupt 4
- **Mobil** plans to fight seven lawsuits that claim the degradability label on Hefty garbage bags is fraudulent .. 15
- **In-store advertising** is bombarding shoppers via video screens, coupon dispensers and electronic signs 18
- **The U.S. Open** tennis tournament suffers from lagging ad sales and low interest in the 1991 broadcast rights 24
- **Hawaiian Punch's Punchy** returns as P&G tries to strengthen its position in the juice market 33
- **Entertainment Weekly's** managing editor leaves, but the magazine and ad agencies believe the publication is now on track 81

- Sid Bernstein: Publishing's longevity barrier 36
- James Brady: Return of "The Godfather" 40
- Joe Cappo: Fall shows to watch for 40

Editorials ..... 36 The Next Trend 40
Letters 38

- Jack Balousek, FCB/West president, is keeping creative excellence his first priority while watching the agency grow 42

- People Moving 43
- Brady's Bunch 44

- Taco Bell moves ahead with its summer campaign despite a recall, prompted by one consumer complaint ... 76
- NBC and McDonald's fall promotion blitz to be big 77

- Jack Klugman and Tony Randall have zero relevance to either the product they endorse, Eagle Snacks, or the presumed 10-to-25-year-old target audience.

U.S. NewsWatch ..... 12 For the Record 83
Corrections & Clarifications . 38 Index to Advertisers 88
Classified 78

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ABP ABC

Big 3 unite behind NBC ratings policy

By Wayne Walley

The Big 3 networks ended the upfront stalemate last week by adopting a uniform viewer-counting plan, devised by NBC, that would reduce their liability for advertiser make-goods.

The explosive issue could still turn the projected $4.4 billion advance selling season into a giant free-for-all at the bargaining table.

Media buyers said they would grudgingly accept the network terms if that's what it takes to get in the door, but they stressed guarantees remain negotiable.

"If the network wants you to agree to the guarantee policy before you get a plan and you are in a very competitive category, you sign and then negotiate from there," said Chuck Bachrach, senior VP-director of network and programming for Rubin Postaer & Associates, Los Angeles.

"Let's be realistic," said Arnold Chase, VP-director of network operations for Bozell, New York. "If the networks hold firm, people will accede to it and then go into negotiations."

"Everything is negotiable," said Larry Hoffner, exec VP-network sales for NBC. "But this is our basis of sale this year. It is not in our best interest to go through what we've gone through and then throw [the new guarantee policy] out. . . .

"But this is not a long-term solution—it's stopgap. There is no higher priority than to develop a new system" of audience measurement.

NBC delivered a 20-page packet to agencies last week explaining the new policy, which uses eight-year viewing trends for all network TV, as well as cable, syndication and independent stations, to project usage levels for the 1990-91 TV season.

If TV usage levels reported by Nielsen Media Research inexplicably drop below those projections, the network will adjust audience delivery to ease responsibility for make-goods—ad units given free to advertisers to make up for shortfalls of guaranteed ratings.

"Let's be realistic. If the networks hold firm, people will accede to it and then go into negotiations."

Mr. Hoffner said the plan recognizes decreases in the number of people using TV in recent years, and the network will cover what it considers to be a "normal" drop in TV usage.

"We will be responsible for the performance of our programs," Mr. Hoffner said. "For example, if we expect a [persons-using-TV] level of 40 and Nielsen reports a PUT level of 40, and we deliver a million less viewers [than guaranteed], we will pay off with make-goods."

ABC, which had introduced a similar policy using a formula comparing TV usage to three-year averages (AA, June 11), adopted the NBC approach last week "in the best interest of the entire advertising and television network communities."

CBS, despite intense pressure from advertisers and agencies to offer ratings guarantees without modifications, said the NBC plan is "in principle acceptable to us" after considering several options.

Agency sources said CBS doesn't necessarily agree with the NBC projections but will use them rather than confuse the market by creating another policy.

Lawrence Cole, exec VP-U.S. media director at Ogilvy & Mather, maintained the networks have yet to produce any hard evidence there was any problem with Nielsen's numbers.

All three networks have been eager to change the system after an unexplained plunge in TV viewership and an ensuing ratings shortfall earlier this year forced them to give advertisers an estimated $200 million in make-goods.

With the new policy in effect, some agency executives expect upfront sales for the new fall season to start moving with the auto companies and movie studios first in line.

The movie studios, however, might surprise the networks by pushing for some form of ratings guarantees this year.

"I know my client is" asking for ratings guarantees, said Dick Ma-

(Continued on Page 84)

Green Seal unveils plan

Colgate, Kimberly-Clark, P&G not interested

An Advertising Age roundup

Green Seal Inc. last week unveiled the first five product categories for its environmental Green Seal seal of approval program.

Those categories are light bulbs, laundry cleaners, house paints, toilet paper and facial tissue.

Many marketers including Colgate-Palmolive Co., Kimberly-Clark Corp. and Procter & Gamble Co. said they're wary of the non-profit organization's program and will wait to see whether government guidelines for green claims are established.

Green Seal will try to determine which products are most environmentally friendly based on their entire life cycle, said Norman Dean, the program's executive director.

The first seal will be awarded early next year. Approved products can use the seal in advertising and labeling for three years. Category criteria and participation costs haven't been determined.

So far, major marketers don't appear excited about Green Seal.

"We are not a supporter of this type of [private third-party endorsement] program," said Bob Murray, Colgate-Palmolive's director of corporate communications.

The company markets concentrated Fresh Start detergent and is testing another detergent, Fab Ultra. Both could be considered environmentally preferable.

Kimberly-Clark, marketer of Kleenex facial tissues, also has no plans to seek the seal, said Tina Barry, VP-public relations.

P&G is unlikely to participate, said Deborah Anderson, director of environmental coordination. The company last week expanded a test of super-concentrated detergents and the concentrate Downy Refill carton.

"We are wary of environmental decisions being made by a third party," she said. "We want to see . . . definitions of what is considered environmentally friendly . . . from the government.

"Right now, there's no consensus on what the criteria should be. . . . for environmentally friendly products, even among environmentalists," Ms. Anderson said.

Scott Paper Co., a major bathroom and facial tissue marketer, is undecided about participation.

"We've heard a lot of terms bandied about, but what does 'environmentally friendly' mean?" asked MaryAnn Hagerty, manager of editorial services.

"At some point down the road, I could see a program like Green Seal being helpful," said Andrew Doyle, executive director of the National Paint & Coatings Association. "But until the government gets involved, it looks like there won't be any agreement on criteria and definitions, such as what 'environmentally correct' means."

Glidden Co., a major paint marketer, hasn't decided whether to participate, said Charles A. Carpenter, VP-marketing services.

"Each state, city and municipality seems to be developing environmental guidelines about paint and everything else, and it's going to be impossible to create packaging to satisfy each one," he said.

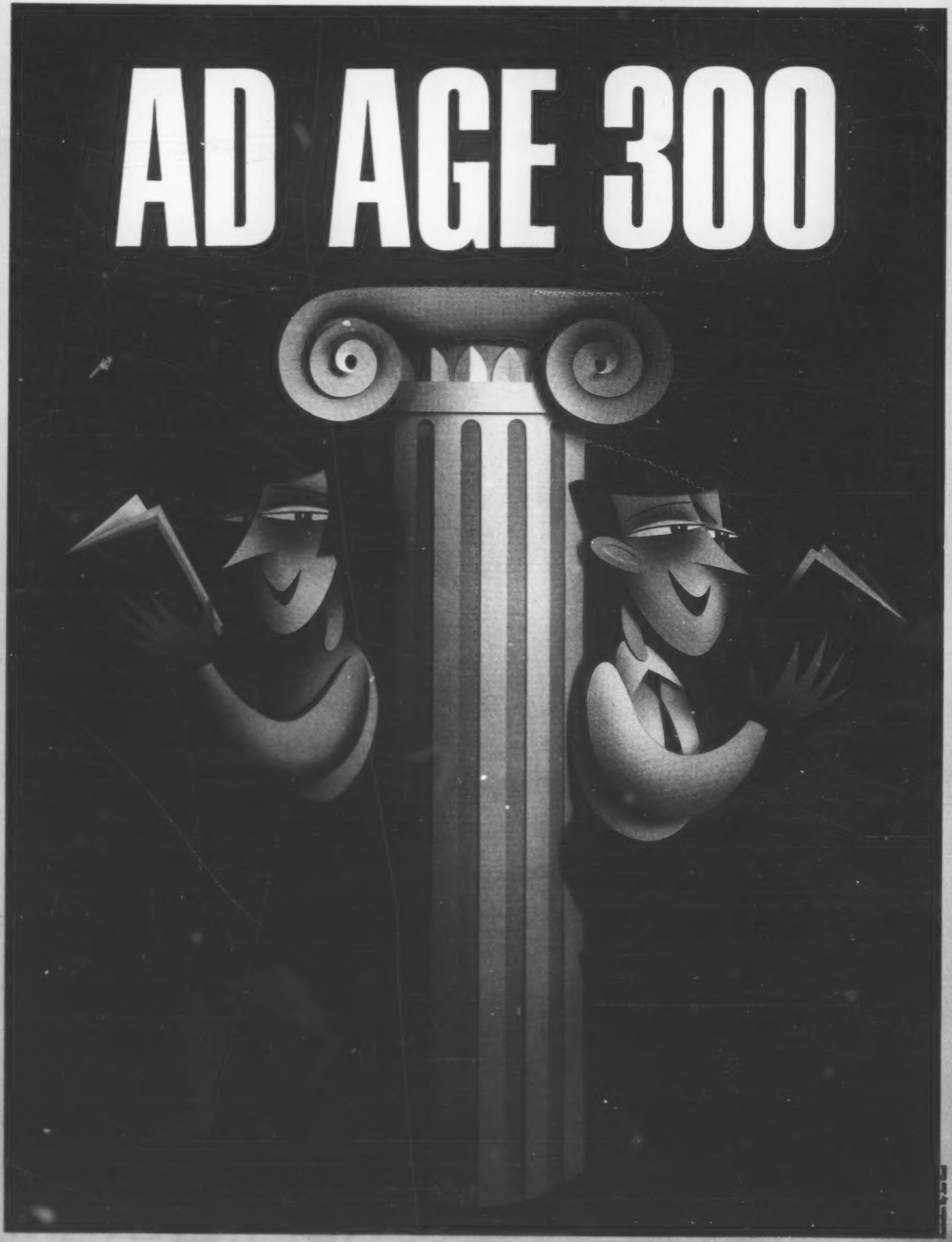
General Electric Co., the largest producer of household incandescent light bulbs, said it's too early to consider participation.

Meanwhile, the National Association of Attorneys General has been working with the Federal Trade Commission on establishing environmental guidelines.

And U.S. Sen. Frank Lautenberg (D., N.J.) plans to introduce legislation requiring the Environmental Protection Agency to set

(Continued on Page 88)

AD AGE 300



Top 300 push total revenues over $16 billion

Newsstand sales sag; ad revenue strong; 'TV Guide' leads Time trio

By R. Craig Endicott

A hefty boost in advertising rates coupled with a modest improvement in ad pages brought double-digit growth in advertising to the nation's leading magazines in 1989, according to this first-time report of the *Ad Age* 300.

That growth of 11.5% pushed gross ad revenues of the nation's top 300 magazines to $9.64 billion. Circulation added $7.03 billion in revenue, up 3.7%, to propel total revenues to $16.67 billion, up 7.9%.

The one fly in the ointment was the performance at the newsstand. There, sheer volume may encourage more browsing than buying.

Single copy sales actually declined 5.5% for the *AA* 300 as a whole. A price-per-issue increase of 3% helped newsstand revenues stay unchanged from the prior year at $2.25 billion.

Hands-down leader in total gross revenues at $928.3 million was *TV Guide*, which belied the *AA* 300's advertising performance while contributing to the doldrums at the newsstand.

The News Corp. publication slipped 3% in ad revenues to $323 million and fell another 3% in newsstand revenues to $281.9 million. *TV Guide*'s numbers carry so much weight within the 300 that if its newsstand totals were excluded from the aggregate, newsstand gross revenues would have grown 3.6% for the 300.

Time Warner claimed the next three positions with *Time*, *People* and *Sports Illustrated*, respectively, all of which had greater ad revenues than *TV Guide*, bettered only by *Time* in 1988. Time Warner surged far ahead of the pack in 1989 gross revenues as its 11 publications among the *AA* 300 accounted for $2.5 billion, up 5.2%. Some $1.47 billion of that was advertising, up 7.3%.

Three other group publishers joined this billion-dollar club based on total revenues from their magazines in the *AA* 300—News Corp. got $1.25 billion from nine publications; Advance Publications received $1.14 billion from 13 publications; and Hearst Corp. pulled $1.02 billion from 15 publications. Time Warner's gross ad revenues far outdistanced Advance Publications' $877.8 million, a sizable 16.3% increase from the prior year.

A magazine's entry to the *AA* 300 required gross revenues of $11.6 million *(see Page S-18 for definition of gross revenues).* *American Heritage*, a Forbes Inc. publication, pulled down the No. 300 spot with that total, representing a 23% growth from the previous year.

The top 10 remained stable from 1988 levels, with only *Better Homes & Gardens* declining in rank.

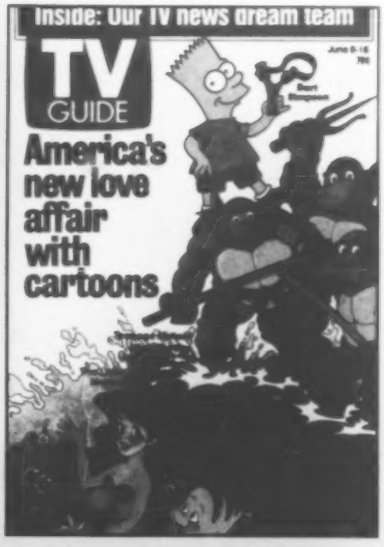
A narrow 2.4% year-to-year growth dropped *BH&G* from No. 7 in 1988 to No. 9, clearing the way for *Parade* and *Business Week* to climb one notch each to No. 7 and No. 8 in 1989 based on total revenue growth of 18% and 12.8%, respectively.

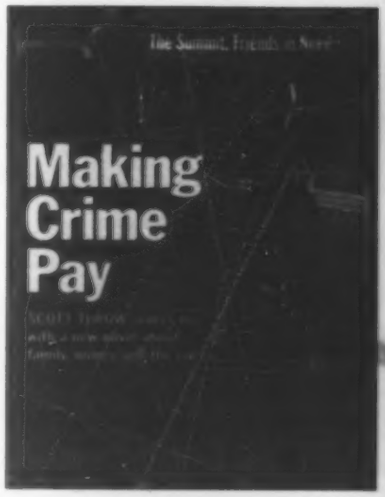
Vanity Fair made the biggest leap within

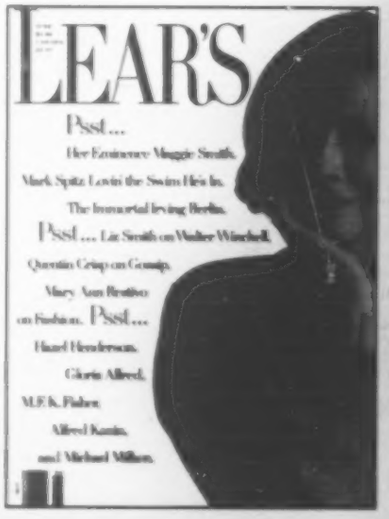
(Continued on Page S-12)

woman
Love, Sex & Marriage in the 90s
Be slim, fit, vibrant this summer
what scientists now know
Create your own
what they tell you about love
stop worrying what others think

MacWEEK
Paradigm shift? Pen mightier than the mouse
System 7 data queries to reach beyond Q&A
Green Apple for Earth Day
Foreign sales lift Apple earnings
A-T heads to basics with Mac dBASE IV

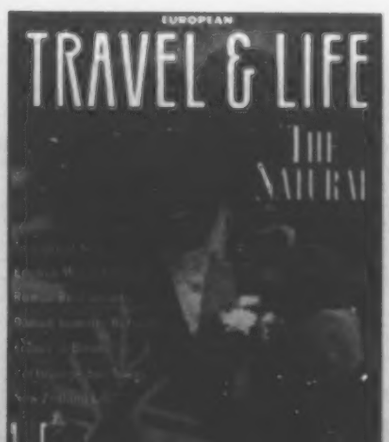






INDEX

Top 300 magazines by revenue	S-6
Top 15 magazines by ad revenues	S-12
Top 15 magazines by ad revenue growth	S-12
Top 15 magazines by circulation revenues	S-14
Top 15 magazines by circulation revenue growth	S-14
Methodology to the Ad Age 300	S-18
Top 15 consumer magazines by CPM	S-22
Top 15 business magazines by CPM	S-22
Top 50 parent companies by revenue	S-24
Top SRDS categories by total revenue	S-24
Alphabetical index to magazine ranking	S-25



Top 300 magazines by 1989 gross revenues

Rank 1989	Rank 1988	Magazine, headquarters	Total revenues	'89-'88 % chg	Ad revenues	Ad pages	Subscriber revenues	Newsstand revenues	Paid circulation	Parent company	Telephone
1	1	**TV Guide**, Radnor, Pa.	$928.3	(3.0)	$323.0	3,256.13	$323.5	$281.8	15,867,750	News Corp.	(215) 293-8500
2	2	**Time**, New York	636.5	0.9	373.4	2,733.86	240.0	23.1	4,339,029	Time Warner	(212) 522-1212
3	3	**People**, New York	605.6	4.7	326.2	3,770.81	102.1	177.4	3,270,835	Time Warner	(212) 522-1212
4	4	**Sports Illustrated**, New York	565.9	7.4	336.7	2,981.90	212.2	17.0	3,597,891	Time Warner	(212) 522-1212
5	5	**Reader's Digest**, New York	419.2	1.4	113.6	1,110.27	264.6	21.0	16,343,599	Reader's Digest	(212) 953-0015
6	6	**Newsweek**, New York	397.8	3.1	255.9	2,495.29	123.5	18.4	3,180,011	Washington Post Co.	(212) 250-4000
7	8	**Parade**, New York	314.5	18.0	314.5	717.86	NA	NA	32,832,963	Advance Publications	(212) 573-7000
8	9	**Business Week**, New York	298.7	12.8	260.6	4,914.15	33.9	4.2	889,535	McGraw-Hill	(212) 512-2000
9	7	**Better Homes & Gardens**, Des Moines	275.7	2.4	152.4	1,402.00	111.2	12.1	8,005,311	Meredith Corp.	(212) 557-6600
10	10	**Family Circle**, New York	249.3	3.7	152.2	2,018.81	25.9	71.1	5,461,786	New York Times Co.	(212) 463-1000
11	11	**Good Housekeeping**, New York	245.2	9.2	148.0	1,702.03	61.8	35.4	5,152,245	Hearst Corp.	(212) 649-2551
12	12	**U.S. News & World Report**, New York	244.8	9.5	152.8	2,053.17	85.0	6.9	2,209,996	U.S. News & World Report	(212) 326-5300
13	14	**National Geographic**, Washington	226.1	3.4	33.2	271.21	192.9	NA	10,860,660	National Geographic Society	(202) 775-6700
14	13	**National Enquirer**, Lantana, Fla.	219.9	0.3	45.0	1,200.00	13.0	161.9	4,100,740	Macfadden Holdings	(407) 586-1111
15	15	**Woman's Day**, New York	212.8	2.8	135.6	1,790.38	2.0	75.2	4,705,288	Hachette Publications	(212) 767-6000
16	17	**Ladies' Home Journal**, New York	207.2	13.5	104.7	1,616.16	81.6	20.9	5,038,297	Meredith Corp.	(212) 953-7070
17	16	**Cosmopolitan**, New York	204.3	4.8	125.7	2,352.25	12.4	66.1	2,702,125	Hearst Corp.	(212) 649-3318
18	18	**Fortune**, New York	202.7	20.2	168.7	3,775.00	29.9	4.2	668,972	Time Warner	(212) 522-1212
19	19	**Forbes**, New York	195.4	17.5	157.7	3,005.84	33.7	4.0	743,533	Forbes Inc.	(212) 620-2200
20	23	**PC Magazine**, New York	182.8	36.0	147.3	5,766.00	27.2	8.3	732,409	Ziff Communications	(212) 503-5100
21	20	**Star Magazine**, Tarrytown, N.Y.	173.0	9.9	18.1	562.02	14.1	140.8	3,562,367	Macfadden Holdings	(914) 332-5000
22	21	**McCall's**, New York	167.8	6.9	74.8	1,121.18	80.8	12.2	5,088,686	New York Times Co.	(212) 551-9500
23	22	**Money**, New York	143.2	2.4	79.7	1,313.44	52.8	10.9	1,834,618	Time Warner	(212) 522-1212
24	24	**Glamour**, New York	141.9	7.4	88.8	1,959.53	13.6	39.4	2,224,135	Advance Publications	(212) 880-8800
25	25	**Vogue**, New York	140.8	10.6	101.0	3,321.86	12.3	27.4	1,247,920	Advance Publications	(212) 880-8800
26	26	**Redbook**, New York	130.6	7.2	75.0	1,250.80	37.5	18.1	3,901,419	Hearst Corp.	(212) 649-3330
27	27	**New York Times Magazine**, New York	126.8	5.3	126.8	4,036.00	NA	NA	1,683,330	New York Times Co.	(212) 556-1234
28	28	**Cable Guide**, Horsham, Pa.	123.1	3.1	33.8	449.39	89.3	NA	7,437,698	TVSM	(212) 683-6116
29	29	**Playboy**, New York	118.4	0.0	25.1	619.67	11.2	82.8	1,530,823	General Media	(212) 498-1000
30	31	**Life**, New York	117.1	7.6	56.8	810.96	37.9	22.4	1,749,723	Time Warner	(212) 522-1212
31	30	**Southern Living**, Birmingham, Ala.	113.7	0.3	61.2	1,330.00	46.5	6.9	2,318,841	Time Warner	(205) 877-6000
32	32	**Rolling Stone**, New York	113.0	7.4	71.1	1,964.79	23.7	18.2	1,216,781	Straight Arrow Publishers	(212) 758-3800
33	40	**USA Weekend**, New York	103.8	30.1	103.8	643.68	NA	NA	NA	Gannett Co.	(212) 715-2100
34	33	**Playboy**, Chicago	100.5	1.7	46.5	740.48	54.7	42.9	3,421,203	Playboy Enterprises	(312) 751-8000
35	36	**Modern Maturity**, Lakewood, Calif.	98.9	14.8	47.5	255.95	51.4	NA	21,430,986	AARP	(213) 496-2277
36	37	**Golf Digest**, Trumbull, Conn.	97.5	17.8	64.0	1,333.09	29.3	4.2	1,363,907	New York Times Co.	(203) 373-7000
37	34	**Parade**, New York	95.9	7.7	60.3	1,544.02	32.2	3.3	1,752,697	Gruner & Jahr Publications	(212) 878-8700
38	35	**Smithsonian**, Washington	90.8	4.6	43.8	1,053.24	46.6	0.4	2,342,443	Smithsonian Institution	(202) 786-2900
39	39	**Elle**, New York	88.8	19.7	62.8	2,321.53	7.8	18.2	825,320	Hachette Publications	(212) 767-5800
40	44	**Consumer Reports**, Mt. Vernon, N.Y.	88.2	23.0	NA	NA	85.5	2.7	4,598,804	Consumers Union of U.S.	(914) 667-9400
41	41	**Travel & Leisure**, New York	86.9	10.5	53.3	1,582.00	33.0	0.6	1,111,264	American Express Co.	(212) 382-5600
42	38	**PC Week**, Boston	80.8	(1.6)	80.8	4,760.00	NA	NA	NA	Ziff Communications	(617) 375-4000
43	43	**Country Living**, New York	80.4	12.2	42.6	1,108.38	18.5	19.4	1,901,414	Hearst Corp.	(212) 649-3166
44	50	**Woman's World**, Englewood Cliffs, N.J.	79.8	18.1	2.7	173.00	NA	77.1	1,560,496	Bauer Publishing Co.	(201) 569-6699
45	42	**Mademoiselle**, New York	79.7	1.3	48.7	1,048.48	6.9	21.1	1,182,298	Advance Publications	(212) 880-8800
46	48	**New Yorker**, New York	75.5	9.2	54.0	2,409.51	19.1	2.4	622,123	Advance Publications	(212) 840-3800
47	53	**Car & Driver**, New York	74.3	18.5	54.3	1,362.38	15.1	7.0	834,377	Hachette Publications	(212) 767-5800
48	45	**Architectural Digest**, Los Angeles	72.9	4.0	46.0	1,892.32	20.3	6.5	628,920	Knapp Communications Corp.	(213) 965-3700
49	46	**Field & Stream**, New York	72.8	4.8	39.9	886.91	30.5	2.8	2,015,577	Times Mirror Co.	(212) 337-7000
50	54	**Prevention**, Emmaus, Pa.	72.1	13.3	19.4	602.70	44.4	8.2	3,134,914	Rodale Press	(215) 967-5171
51	51	**Consumerworld**, Framingham, Mass.	70.8	5.0	64.4	4,176.00	6.0	NA	1,134,125	International Data Group	(508) 879-0700
52	49	**Seventeen**, New York	70.2	1.8	39.6	1,331.70	20.5	10.1	1,766,161	News Corp.	(212) 759-8100
53	55	**Qq**, New York	69.8	10.2	49.9	2,231.04	5.8	14.2	884,485	Advance Publications	(212) 880-8800
54	52	**Ebony**, Chicago	68.7	5.5	38.0	1,149.40	24.6	6.2	1,791,976	Johnson Publishing Co.	(312) 322-9200
55	56	**Life**, New York	67.3	16.3	22.4	781.48	28.1	16.8	1,985,882	Gruner & Jahr Publications	(212) 878-8700
56	47	**Sunset**, Menlo Park, Calif.	67.3	(3.8)	44.4	1,503.31	20.8	2.1	1,393,015	Time Warner	(415) 321-3600
57	58	**Glide's**, New York	65.8	24.3	56.3	3,356.88	0.7	9.6	361,130	Advance Publications	(212) 880-8800
58	57	**Self**, New York	65.5	11.4	42.3	1,347.88	9.3	13.8	1,213,314	Advance Publications	(212) 880-8800
59	59	**Time Gems Mixed**, New York	63.3	8.5	5.0	100.00	12.1	45.4	2,100,506	News Corp.	(212) 556-1234
60	61	**New York Magazine**, New York	58.7	6.5	47.4	3,094.86	9.1	2.2	432,993	News Corp.	(212) 880-0700
61	62	**Inc.**, Boston	58.7	9.1	48.8	1,931.48	10.0	1.9	630,259	Goodmedia Group	(617) 227-4700
62	73	**Modern Bride**, New York	57.6	19.8	47.5	2,459.00	0.6	9.5	396,095	Reed International	(212) 779-1999
63	63	**Real Agents**, Los Angeles	56.5	5.9	31.0	1,059.67	22.5	3.0	1,246,864	Knapp Communications Corp.	(212) 887-1200
64	NA	**First for Women**, Englewood Cliffs, N.J.	56.1	NA	14.0	411.00	NA	42.1	3,509,688	Bauer Publishing Co.	(212) 953-3344
65	NA	**Highlights for Children**, Columbus, Ohio	55.9	NA	NA	NA	NA	NA	2,600,000	Highlights for Children	(614) 486-0631
66	76	**BYTE**, Petersborough, N.H.	55.8	20.6	44.3	4,000.00	8.9	2.6	461,124	McGraw-Hill	(603) 924-9281
67	64	**Vanity Fair**, New York	55.4	45.5	41.9	1,487.43	5.8	8.2	741,747	Advance Publications	(212) 880-8800
68	69	**Road & Track**, Newport Beach, Calif.	55.0	10.3	37.7	1,297.30	10.0	7.4	708,223	Hachette Publications	(714) 720-5300
69	71	**Travel Weekly**, Secaucus, N.J.	54.7	10.4	54.0	4,991.79	0.7	NA	44,508	Reed International	(201) 902-1900
70	72	**1001 Home Ideas**, New York	54.3	9.8	19.0	699.74	34.2	1.2	1,603,099	Family Media	(212) 799-6200
71	65	**Popular Mechanics**, New York	54.3	1.4	28.7	629.01	19.4	6.2	1,600,000	Hearst Corp.	(212) 649-3000
72	70	**Popular Science**, New York	54.2	8.9	26.8	949.26	22.3	5.1	1,818,403	Times Mirror Co.	(212) 779-5000
73	81	**Golf**, New York	54.2	24.5	32.8	1,158.88	18.2	3.2	1,019,378	Times Mirror Co.	(212) 779-5000
74	60	**Sporting News**, St. Louis	54.1	(2.5)	9.1	586.76	40.1	4.9	710,452	Times Mirror Co.	(314) 997-7111
75	66	**Jet**, Chicago	53.5	(0.2)	17.9	1,116.50	25.0	10.6	900,671	Johnson Publishing Co.	(312) 322-9200
76	68	**Harper's Bazaar**, New York	52.6	4.9	36.0	1,454.78	7.0	9.7	735,738	Hearst Corp.	(212) 903-5000
77	74	**Guide**, Boca Raton, Fla.	51.9	(12.2)	1.0	61.10	1.2	49.7	1,929,413	Triangle Publications Corp.	(305) 393-6000
78	78	**Esquire**, New York	51.4	14.2	38.0	1,331.10	9.7	3.7	733,675	Hearst Corp.	(212) 459-0600
79	83	**Midwest Living**, Des Moines	51.1	20.0	35.7	1,209.21	12.5	2.9	708,908	Meredith Corp.	(515) 284-3000
80	77	**New Woman**, New York	50.3	9.2	23.4	1,007.32	11.9	15.1	1,390,830	News Corp.	(212) 685-4790
81	67	**Barron's**, New York	49.8	(2.9)	25.3	1,846.58	12.3	12.2	344,992	Dow Jones & Co.	(212) 808-7500
82	74	**Outdoor Life**, New York	49.7	6.3	27.7	942.14	19.5	2.5	1,507,529	Times Mirror Co.	(212) 779-5000
83	75	**Time**, New York	48.6	4.6	22.8	718.19	18.4	10.2	1,000,000	Time Warner	(212) 522-1212
84	89	**Endless Vacation**, Indianapolis	47.7	16.7	3.9	332.21	43.7	0.1	744,523	Endless Vacation Publications	(317) 871-9555
85	82	**Allure**, New York	47.6	9.8	31.6	1,318.49	12.4	3.5	887,377	Advance Publications	(212) 880-8800
86	86	**Muscle & Fitness**, Woodland Hills, Calif.	47.5	12.7	21.0	1,512.00	4.3	22.2	591,832	I, Brute Enterprises	(818) 595-0474
87	85	**Town & Country**, New York	47.5	9.8	36.3	1,885.58	6.3	4.5	427,180	Hearst Corp.	(212) 903-5000
88	90	**Motor Trend**, Los Angeles	47.4	16.9	32.0	1,025.80	7.5	7.9	818,021	Petersen Publishing Co.	(213) 854-2222
89	88	**PC World**, San Francisco	46.7	13.1	39.7	2,697.00	12.9	3.1	938,000	International Data Group	(415) 243-0500
90	84	**Personal Computing**, Totowa, N.J.	46.4	8.3	36.6	2,153.00	7.7	2.2	487,702	VNU	(201) 812-1200
91	79	**Successful Farming**, Des Moines, Ia.	46.0	6.2	43.0	4,300.00	NA	NA	NA	Meredith Corp.	(515) 284-3000
92	112	**Computer Shopper**, New York	44.8	52.7	35.1	5,993.00	3.6	6.1	291,528	Ziff Communications	(212) 503-3800
93	87	**Good Housekeeping**, New York	44.2	0.8	27.3	618.26	10.8	6.0	696,736	Hearst Corp.	(212) 649-2000
94	NA	**CRN/Computer Reseller News**, Manhasset, N.Y.	43.3	NA	43.3	6,262.00	NA	NA	NA	CMP Publications	(516) 562-5000
95	95	**Working Woman**, New York	42.1	7.9	25.0	1,125.03	15.2	1.9	487,875	Lang Communications	(212) 889-9040
96	98	**Hot Rod**, Los Angeles	40.7	15.1	22.7	1,043.90	8.3	9.5	911,667	Petersen Publishing Co.	(213) 854-2222
97	NA	**Computer Buyer's Guide**, Manhasset, N.Y.	40.4	NA	40.4	4,000.00	NA	NA	NA	CMP Publications	(516) 562-5000
98	91	**HG**, New York	40.3	0.8	23.5	990.32	12.6	4.3	612,165	Advance Publications	(212) 880-8800
99	97	**Harper's**, New York	39.8	9.9	9.8	466.83	23.1	6.4	1,065,000	Harper's Magazine	(212) 228-6500
100	99	**W**, New York	39.4	12.0	31.1	1,509.00	6.6	1.6	242,685	Capital Cities/ABC	(212) 741-4277

Notes: Dollars are in millions. All figures are gross and represent AA estimates. See Page S-16 for sources and methodology.

AA chart: Kevin Brown

Top 300 magazines by 1989 gross revenues

Rank 1989	Rank 1988	Magazine, headquarters	Total revenues	'89-'88 % chg	Ad revenues	Ad pages	Subscriber revenues	Newsstand revenues	Paid circulation	Parent company	Telephone
101	93	**EDN**, Newton, Mass.	$39.2	1.7	$28.2	4,109.00	NA	NA	NA	[illegible]	(617) 964-3030
102	108	**MacUser**, Foster City, Calif.	39.1	26.4	30.5	2,177.00	$6.7	$1.9	300,566	Ziff Communications	(415) 378-5600
103	95	**Advertising Age**, Chicago	38.6	3.5	31.8	2,862.25	6.4	0.3	90,346	Crain Communications	(312) 649-5400
104	96	**Aviation Week & Space Technology**, New York	37.8	1.9	28.2	2,811.41	9.7	NA	142,409	McGraw-Hill	(212) 512-4360
105	101	**Popular Photography**, New York	37.8	17.7	25.5	1,101.29	10.3	2.1	827,296	Ziff-Davis Publishing	(212) 767-5600
106	117	**Macworld**, San Francisco	36.7	28.6	31.5	2,421.00	4.0	1.2	272,847	International Data Group	(415) 243-0505
107	129	**Financial World**, New York	35.6	38.9	15.6	777.15	19.7	0.3	442,042	Financial World Partners	(212) 594-5000
108	103	**Economist**, London	35.3	12.6	18.3	2,355.00	15.1	2.0	166,442	Economist Newspapers N.A.	(212) 541-9378
109	132	**Condo Nast Traveler**, New York	35.0	40.2	23.4	900.35	10.7	0.9	740,997	Advance Publications	(212) 880-8800
110	80	**National Examiner**, Boca Raton, Fla.	34.9	(19.7)	0.4	52.46	0.4	34.1	893,956	Globe Communications Corp.	(407) 997-7733
111	102	**HOME**, Los Angeles	34.5	0.3	17.3	675.68	14.8	2.7	925,335	Knapp Communications Corp.	(213) 854-1400
112	130	**InfoWorld**, Menlo Park, Calif.	34.1	35.0	31.9	3,153.00	2.2	NA	22,413	International Data Group	(415) 328-4602
113	104	**WFD**, New York	33.6	7.4	32.9	4,156.00	0.8	NA	29,206	Capital Cities/ABC	(212) 741-4000
114	110	**Food & Wine**, New York	33.5	13.0	13.5	747.09	18.8	1.2	823,530	American Express Co.	(212) 382-5600
115	105	**Stereo Review**, New York	33.1	6.1	24.7	989.70	6.9	1.8	545,731	Hachette Publications	(212) 767-6000
116	106	**Essence**, New York	33.0	6.0	19.6	882.32	9.0	4.4	851,034	Essence Communication	(212) 642-0600
117	100	**Changing Times**, New York	32.8	0.0	16.0	627.91	16.2	0.6	1,380,133	Kiplinger Washington Editors	(212) 368-5300
118	126	**Country Home**, Des Moines	32.6	23.5	15.2	453.14	12.6	4.8	973,400	Meredith Corp.	(212) 284-3000
119	116	**New England Journal of Medicine**, Boston	32.4	12.5	18.8	4,200.00	15.7	NA	226,835	New England Journal of Medicine	(617) 893-3800
120	109	**Health**, New York	32.2	7.2	8.3	391.65	23.8	0.2	1,088,696	Family Media	(212) 779-6200
121	114	**TravelHost**, Dallas	31.0	6.8	31.0	NA	NA	NA	NA	Travelhost Inc.	(214) 661-1155
122	127	**Scientific American**, New York	30.7	18.6	11.6	526.19	13.7	5.4	659,222	Scientific American	(212) 754-0550
123	115	**Guideposts**, Carmel, N.Y.	30.3	4.5	NA	NA	30.3	NA	4,203,364	Guideposts Assoc.	(800) 431-2344
124	287	**PC Computing**, Cambridge, Mass.	30.2	326.0	17.8	1,724.00	10.2	2.3	471,642	Ziff Communications	(617) 497-2400
125	119	**Home Mechanix**, New York	30.2	6.7	12.8	638.42	16.1	1.3	1,208,395	Times Mirror Co.	(212) 779-5000
126	107	**Design News**, Newton, Mass.	30.0	(3.4)	30.0	4,337.00	NA	NA	NA	Reed International	(617) 964-3030
127	136	**Chicago Tribune Magazine**, Chicago	29.8	22.5	29.8	1,451.80	NA	NA	NA	Tribune Co.	(312) 222-3232
128	133	**Family Handyman**, Minneapolis	29.2	17.5	9.8	464.71	18.4	0.9	1,342,547	Reader's Digest	(612) 854-3000
129	123	**American Health**, New York	29.1	7.9	13.8	725.34	14.1	1.2	1,000,000	Reader's Digest	(212) 398-1390
130	113	**Yankee**, Dublin, N.H.	28.9	(1.3)	8.7	770.24	18.9	1.4	1,002,781	Yankee Publications	(603) 563-8111
131	125	**Tennis**, Trumbull, Conn.	28.4	7.1	17.3	752.31	9.8	1.3	602,831	New York Times Co.	(203) 373-7000
132	120	**Teen**, Los Angeles	28.3	1.6	10.6	585.60	10.4	7.3	1,100,237	Petersen Publishing Co.	(213) 854-2222
133	111	**Professional Builder**, Des Plaines, Ill.	28.1	(4.9)	28.1	2,558.00	NA	NA	NA	Reed Publishing	(708) 635-8800
134	124	**Science**, New York	27.1	2.2	15.5	2,095.00	11.7	NA	155,598	Amer. Assn./Advancement of Science	(212) 730-1050
135	140	**Organic Gardening**, Emmaus, Pa.	26.4	14.8	7.7	426.94	18.4	0.3	1,027,218	Rodale Press	(215) 967-5171
136	122	**Shape**, Woodland Hills, Calif.	26.3	(4.6)	11.2	763.87	4.2	10.8	661,365	Shape Magazine Inc.	(818) 884-6800
137	NA	**Rambler**, Washington	26.1	NA	21.8	1,752.82	4.3	NA	171,300	Washington Post Co.	(202) 334-6160
138	131	**Washington Post Magazine**, Washington	26.1	4.0	26.1	1,661.00	NA	NA	1,154,420	Washington Post Co.	(202) 334-6160
139	118	**Medical Economics**, Oradell, N.J.	26.0	(8.5)	23.2	4,388.00	2.7	NA	38,477	Thomson Corp.	(201) 262-3030
140	166	**Machine Design**, Cleveland	25.9	35.7	25.4	3,921.00	0.5	0.0	6,970	Pittway Corp.	(216) 696-7000
141	138	**Sport**, Los Angeles	25.9	11.8	9.4	650.79	11.8	4.7	880,884	Times Mirror Co.	(213) 857-7000
142	128	**True Story**, New York	25.5	(1.2)	11.0	681.61	14.1	0.3	1,150,844	Macfadden Holdings	(212) 979-4800
143	144	**Ski**, New York	25.5	11.8	16.8	1,036.37	4.3	1.4	402,000	Times Mirror Co.	(212) 779-5000
144	147	**AutoWeek**, Detroit	25.3	13.6	19.0	1,895.30	6.0	0.3	265,408	Crain Communications	(313) 446-6000
145	134	**ABA Journal**, Chicago	25.1	2.8	7.2	538.66	17.8	NA	333,425	American Bar Association	(312) 988-6000
146	149	**Automotive News**, Detroit	24.8	11.4	20.1	2,669.88	4.6	0.0	77,935	Crain Communications	(313) 446-6000
147	167	**American Baby**, New York	24.8	36.7	22.4	880.00	2.1	NA	1,000,124	Capital Cities/ABC	(212) 887-8171
148	152	**Weight Watchers**, New York	24.6	12.6	7.7	402.43	14.3	2.6	1,007,755	Weight Watchers Twentyfirst Corp.	(212) 370-6440
149	121	**Barron's National News**, New York	24.4	(12.1)	21.8	2,434.22	2.3	NA	80,000	Dow Jones & Co.	(212) 416-2700
150	146	**Los Angeles Times Magazine**, Los Angeles	24.0	7.4	24.0	1,310.69	NA	NA	NA	Times Mirror Co.	(213) 237-5000
151	139	**Sailing**, New York	24.0	3.1	9.5	521.98	4.7	1.3	347,125	Times Mirror Co.	(212) 779-5000
152	141	**Working Mother**, New York	24.0	4.7	16.8	889.17	6.8	0.3	538,072	Lang Communications	(212) 551-9500
153	137	**Frequent Flyer Magazine**, New York	23.7	0.4	6.8	611.12	16.9	NA	236,000	Official Airline Guides	(212) 645-0067
154	157	**Sesame Street Magazine**, New York	23.7	14.6	6.5	202.00	17.3	NA	1,235,842	Children's Television Workshop	(212) 595-3456
155	NA	**Viewpoint**, New York	23.6	NA	14.8	2,680.00	8.9	4.7	1,000,000	Reader's Digest	(212) 599-4000
156	150	**Nation's Business**, Washington	23.6	7.5	12.9	437.48	10.6	0.1	858,228	Chamber of Commerce of the U.S.A.	(202) 463-5650
157	143	**Farm Journal**, Philadelphia	23.5	3.8	20.1	3,116.00	3.4	NA	1,000,000	Farm Journal Inc.	(215) 829-4700
158	155	**Playgirl**, New York	23.4	12.8	0.8	223.10	7.6	15.1	NA	Playgirl Inc.	(212) 986-5100
159	153	**Redbook**, Lower New York	23.3	10.1	11.4	1,004.64	12.0	NA	4,000,000	Hearst Corp.	(212) 649-3700
160	142	**Psychology Today**, New York	23.2	1.5	8.6	351.92	12.5	2.0	887,770	New American Magazine Co.	(212) 242-2460
161	135	**Professional Builder**, New York	23.1	(8.4)	18.3	1,680.11	4.8	NA	80,000	Reed Publishing	(212) 645-0067
162	174	**YM**, New York	22.6	26.2	8.7	455.00	10.8	3.1	967,249	Gruner & Jahr Publications	(212) 878-8700
163	148	**Seventeen**, New York	22.5	1.8	17.4	1,719.67	1.8	NA	1,439,494	Triangle Publications	(212) 878-8700
164	153	**Boys' Life**, Irving, Texas	22.5	5.8	3.5	231.37	19.0	NA	1,439,494	Boy Scouts of America	(214) 580-2373
165	169	**Sailing Mid**, North Miami, Fla.	22.2	7.1	22.2	1,000.00	NA	NA	NA	[illegible]	[illegible]
166	199	**Automobile Magazine**, New York	22.1	44.6	13.1	726.00	5.1	4.0	401,676	News Corp.	(212) 407-9737
167	158	**Motorcycle Consumer News**, Pa.	22.1	7.0	8.3	600.00	6.9	6.9	400,000	[illegible]	[illegible]
168	279	**Victoria**, New York	22.0	118.6	8.3	417.95	8.8	4.8	793,790	Hearst Corp.	(212) 649-3700
169	156	**Equestrian**, Irvine, Calif.	21.8	4.3	11.1	1,294.42	6.1	3.8	213,000	[illegible]	[illegible]
170	154	**Connoisseur**, New York	21.7	3.5	14.9	941.87	6.2	0.6	327,023	Hearst Corp.	(212) 492-1300
171	NA	**CBM Consumer Business News**, Montvale, N.Y.	21.3	NA	21.3	2,800.00	NA	NA	NA	[illegible]	[illegible]
172	251	**Premiere**, New York	21.1	66.4	11.0	759.25	4.6	5.5	440,472	News Corp.	(212) 725-3437
173	162	**Adweek Central**, New York	20.9	7.3	10.7	1,000.00	4.7	5.5	100,000	[illegible]	[illegible]
174	161	**Sports Afield**, New York	20.9	6.1	13.6	743.67	5.3	2.0	527,155	Hearst Corp.	(212) 649-4300
175	160	**Sportsvision**, Montgomery, Ala.	20.8	5.1	13.1	990.00	7.7	NA	186,000	[illegible]	[illegible]
176	219	**Vis A Vis**, New York	20.8	47.5	20.8	1,053.90	NA	NA	NA	East/West Network	(212) 888-5900
177	171	**American Way**, Fort Worth, Texas	20.7	3.5	20.7	2,000.00	NA	NA	NA	[illegible]	[illegible]
178	160	**Texas Monthly**, Austin	20.5	2.6	14.8	1,373.67	4.8	0.9	302,991	Mediatex Communication Corp.	(512) 476-7085
179	163	**Corporate Travel**, Westbrook, N.Y.	20.5	5.1	20.5	2,000.00	NA	NA	NA	[illegible]	[illegible]
180	159	**Restaurant Business**, New York	20.4	1.8	20.4	2,720.00	NA	NA	NA	Bill Communications	(212) 986-4800
181	NA	**Gentleman Driver's Report**, Montclair, N.Y.	20.3	NA	18.6	2,000.00	NA	NA	NA	[illegible]	[illegible]
182	176	**Runners World**, Emmaus, Pa.	20.1	12.5	9.0	460.77	8.6	2.5	427,823	Rodale Press	(215) 967-5171
183	181	**Vogue**, New York	19.8	10.1	12.3	1,000.00	4.7	2.8	1,200,000	[illegible]	[illegible]
184	184	**Bicycling**, Emmaus, Pa.	19.6	17.1	13.0	1,101.01	4.0	2.7	337,826	Rodale Press	(215) 967-5171
185	165	**Journal of the AMA**, Chicago	19.5	3.4	19.5	2,000.00	NA	NA	NA	[illegible]	[illegible]
186	168	**Datamation**, Newton, Mass.	19.5	4.4	19.3	1,573.00	0.1	NA	2,105	Reed International	(617) 964-3030
187	172	**Model Trains**, New York	19.4	5.2	11.1	1,000.00	4.7	3.6	100,000	[illegible]	[illegible]
188	178	**Chronicle of Higher Education**, Washington	19.3	8.5	14.4	5,276.00	4.8	NA	84,208	Chronicle of Higher Education	(202) 466-1000
189	170	**Home & Away**, Los Angeles	19.2	3.2	19.2	2,000.00	NA	NA	NA	[illegible]	[illegible]
190	191	**Inside Sports**, Evanston, Ill.	19.1	19.4	6.3	463.17	7.2	5.6	587,778	Century Publishing Co.	(708) 491-6440
191	175	**Yachting**, Va.	19.0	3.3	19.0	2,000.00	NA	NA	NA	[illegible]	[illegible]
192	189	**ENR**, New York	18.9	16.4	15.5	3,053.00	3.4	NA	102,820	McGraw-Hill	(212) 512-2500
193	177	**Boating**, New York	18.8	3.3	18.8	2,000.00	NA	NA	NA	[illegible]	[illegible]
194	145	**Supermarket News**, New York	18.5	(17.6)	16.7	1,398.94	1.8	NA	55,569	Capital Cities/ABC	(212) 743-4343
195	179	**Motor Boating**, Stamford, Conn.	18.5	3.4	18.5	2,000.00	NA	NA	NA	[illegible]	[illegible]
196	173	**Gallery**, New York	18.4	3.1	0.9	159.30	1.3	16.3	373,229	Montcalm Publishing Corp.	(212) 779-8900
197	180	**Sail**, Camden, Me.	18.4	3.4	18.4	2,000.00	NA	NA	NA	[illegible]	[illegible]
198	164	**Electronic Design**, Cleveland	18.4	(4.6)	18.0	3,030.00	0.4	NA	5,685	Pittway Corp.	(216) 696-7000
199	182	**Soap Opera Digest**, New York	18.3	3.4	18.3	2,000.00	NA	NA	NA	[illegible]	[illegible]
200	193	**InformationWeek**, Manhasset, N.Y.	18.2	16.0	18.1	1,537.00	0.1	NA	1,021	CMP Publications	(516) 562-5000

Notes: Dollars are in millions. All figures are gross and represent AA estimates. * Sale of Adweek to Affiliated Publications is pending. See Page S-10 for sources and methodology.

AA chart: Kevin Brown

Top 300 magazines by 1989 gross revenues

Rank 1989	Rank 1988	Magazine, headquarters	Total revenues	'89-'88 % chg	Ad revenues	Ad pages	Subscriber revenues	Newsstand revenues	Paid circulation	Parent company	Telephone
201	236	**Network World**, Framingham, Mass.	$18.1	36.7	$11.4	1,509.51	$6.7	NA	70,496	International Data Group	(508) 875-5400
202	214	**Daily News Record & DNR Monday**, New York	18.1	26.1	16.9	1,974.00	1.2	NA	22,074	Capital Cities/ABC	(212) 741-4000
203	183	**Natural History**, New York	17.9	5.2	6.5	401.30	11.2	$0.2	516,300	Museum of Natural History	(212) 769-5500
204	177	**Mother Earth News**, New York	17.9	0.6	5.2	451.45	10.8	1.9	707,523	New American Magazine Co.	(212) 242-2460
205	211	**Atlantic**, Boston	17.8	23.3	9.6	618.90	6.6	1.6	483,505	U.S. News & World Report	(617) 536-9500
206	202	**Audio**, New York	17.7	17.0	14.0	1,322.00	2.4	1.3	147,562	Hachette Publications	(212) 767-6331
207	206	**Hemmings Motor News**, Bennington, Vt.	17.6	20.7	9.4	9,180.00	4.7	3.5	290,219	Watering Inc.	(802) 442-3101
208	195	**Grit**, Williamsport, Pa.	17.6	13.7	2.5	403.00	13.8	1.4	545,225	Stauffer Communications	(717) 326-1771
209	172	**Chemical & Engineering News**, Bala Cynwyd, Pa.	17.6	(2.6)	9.8	1,341.00	7.8	NA	129,746	American Chemical Society	(215) 667-9353
210	182	**Industry Week**, Cleveland	17.4	2.5	17.3	1,392.00	0.1	NA	1,501	Pittway Corp.	(216) 696-7000
211	NA	**Mirabella**, New York	17.4	NA	11.2	737.00	3.8	2.7	350,000	News Corp.	(212) 527-5300
212	175	**Interior Design**, New York	17.3	(3.3)	14.3	3,116.00	2.3	0.7	56,209	Reed International	(212) 645-0067
213	203	**Data Communications**, New York	17.3	14.2	15.8	2,326.00	1.5	0.0	45,230	McGraw-Hill	(212) 512-6050
214	286	**Lear's**, New York	17.3	121.0	9.5	632.77	5.8	1.9	452,723	Lear Publishing	(212) 888-0007
215	207	**Savvy Woman**, New York	17.2	18.1	9.0	558.57	8.0	0.2	458,712	Family Media	(212) 779-6200
216	190	**Army Times**, Springfield, Va.	17.1	6.6	10.5	1,846.80	4.6	2.0	129,080	Army Times Publishing Co.	(703) 750-2000
217	180	**Colonial Homes**, New York	17.1	(0.8)	7.8	358.82	5.7	3.6	585,576	Hearst Corp.	(212) 830-2900
218	208	**Video Review**, New York	17.1	17.6	10.2	647.00	6.1	0.8	452,538	Viare Publishing	(212) 477-2200
219	187	**Successful Farming**, Des Moines	17.1	4.0	11.3	852.00	5.8	NA	470,789	Meredith Corp.	(515) 284-3000
220	217	**New Choices for the Best Years**, New York	17.0	19.7	8.0	424.95	8.7	0.3	591,133	Reader's Digest	(212) 366-8800
221	264	**Town & Travel News**, Manhasset, N.Y.	16.9	40.0	16.9	2,912.03	NA	NA	NA	CMP Publications	(516) 562-5060
222	235	**Power & Motoryacht**, Stamford, Conn.	16.8	27.0	16.3	2,118.00	0.5	NA	18,237	Reed International	(203) 323-3300
223	212	**National Geographic Traveler**, Washington	16.7	16.0	3.5	199.77	13.2	NA	739,641	National Geographic Society	(202) 775-6700
224	254	**Digital Review**, Boston	16.5	33.7	16.5	2,063.00	NA	NA	NA	Reed International	(617) 375-4300
225	197	**Boston Globe Magazine**, Boston	16.4	6.5	16.4	1,752.00	NA	NA	NA	Affiliated Publications	(617) 929-2000
226	240	**Harvard Business Review**, Boston	16.4	24.8	5.1	427.44	11.0	0.3	204,555	Harvard Grad. School of Bus. Admin.	(617) 495-6182
227	278	**European Travel & Life**, New York	16.3	58.1	11.4	581.91	3.3	1.6	380,103	News Corp.	(212) 949-3636
228	271	**Parenting**, San Francisco	16.2	46.9	7.9	741.00	7.4	0.9	458,503	Time Warner	(415) 546-7575
229	222	**Four Wheeler**, New York	16.1	15.1	7.6	1,008.05	3.4	5.1	337,277	General Media	(212) 496-6100
230	194	**Skin Diver**, Los Angeles	15.9	2.4	11.9	1,358.20	2.5	1.5	219,282	Petersen Publishing Co.	(213) 854-2222
231	234	**Bassmaster**, Chicago	15.7	18.2	9.2	746.54	4.3	2.2	301,711	Mariah Publications	(312) 951-0990
232	213	**4-Wheel & Off-Road**, Los Angeles	15.7	9.2	8.1	1,005.80	2.8	4.7	341,413	Petersen Publishing Co.	(213) 854-2222
233	204	**Los Angeles**, Los Angeles	15.6	4.8	11.8	1,838.79	2.4	1.4	174,584	Capital Cities/ABC	(213) 487-7888
234	198	**Home Office Computing**, New York	15.6	1.9	7.6	557.34	6.8	1.2	375,547	Scholastic Inc.	(212) 505-3585
235	201	**California**, Los Angeles	15.3	1.0	10.7	786.85	4.3	0.3	373,737	California Magazines Partnership	(213) 479-6511
236	249	**Plant Engineering**, Des Plaines, Ill.	15.3	20.0	15.3	2,254.00	NA	NA	NA	Reed International	(708) 635-8800
237	258	**Easyriders**, Agoura Hills, Calif.	15.3	24.0	3.0	468.00	2.7	0.5	325,161	Paisano Publications	(818) 889-8740
238	230	**Practical Homeowner**, New York	15.1	12.1	4.5	329.52	10.4	0.3	750,602	Capital Cities/ABC	(212) 887-1856
239	253	**Guitar**, Shelby, N.C.	15.0	21.5	2.6	625.00	12.4	NA	256,354	Triple D Publishing	(704) 482-5852
240	215	**Wood**, Des Moines, Iowa	15.0	4.7	4.5	319.90	8.2	2.3	550,800	Meredith Corp.	(515) 284-3000
241	225	**Playbill**, New York	14.9	7.4	14.9	623.07	NA	NA	NA	Playbill	(212) 557-5757
242	223	**Black Enterprise**, New York	14.8	5.7	11.2	908.82	3.3	0.3	233,485	Earl G. Graves Publishing Co.	(212) 242-8000
243	262	**Success**, New York	14.8	39.2	8.5	391.65	7.1	1.1	454,982	Nil Holdings	(212) 887-8700
244	260	**Midwest Living**, Des Moines	14.7	24.9	6.1	383.54	7.3	1.3	574,389	Meredith Corp.	(515) 284-3000
245	231	**Consumers Digest**, Chicago	14.6	0.3	1.8	150.26	12.1	0.7	413,373	Consumers Digest	(312) 346-6600
246	224	**Washingtonian**, Washington	14.6	4.2	11.1	1,935.50	2.2	1.3	166,245	Washington Magazine Co.	(202) 296-3600
247	209	**American Legion Magazine**, Indianapolis	14.3	0.7	7.8	651.00	7.5	NA	2,350,248	American Legion	(317) 635-8411
248	221	**Architectural Record**, New York	14.5	3.0	11.4	1,325.51	3.1	NA	72,127	McGraw-Hill	(212) 512-2841
249	218	**Sail**, Charlestown, Mass.	14.4	1.9	10.4	1,298.34	2.8	1.4	196,781	Hachette Corp.	(617) 241-9500
250	NA	**American Medical News**, Chicago	14.3	NA	13.9	3,605.00	0.4	NA	8,053	American Medical Association	(312) 280-7423
251	261	**Vogue Knitting**, New York	14.2	21.8	11.8	2,088.00	1.1	1.3	72,473	Vogue Knitting	(212) 840-8800
252	241	**National Wildlife**, Washington	14.0	7.0	NA	NA	14.0	NA	NA	National Wildlife Federation	(202) 797-6800
253	227	**Travel Agent Magazine**, New York	14.0	0.3	13.5	2,909.00	0.3	NA	6,364	Capital Cities/ABC	(212) 887-8400
254	NA	**Successful Meetings**, New York	14.0	NA	13.9	1,810.00	0.0	NA	675	Bill Communications	(212) 986-4800
255	239	**Business & Commercial Aviation**, White Plains, N.Y.	14.0	0.8	13.8	914.64	0.1	NA	1,798	McGraw-Hill	(914) 328-9400
256	228	**Crain's Chicago Business**, Chicago	14.0	2.0	11.7	1,701.40	2.1	0.2	45,635	Crain Communications	(312) 649-5370
257	259	**Motor Boating & Sailing**, New York	13.9	(3.8)	11.1	1,488.76	1.7	1.1	199,082	Hearst Corp.	(212) 649-4000
258	210	**Trailer Life**, Agoura Hills, Calif.	13.9	(3.7)	7.9	1,098.51	5.5	0.5	324,843	TL Enterprises	(818) 991-4980
259	NA	**Beverly Hills**, Beverly Hills	13.9	NA	NA	NA	13.9	NA	300,000	Beverly Hills	(213) 550-8000
260	233	**Air Force Times**, Springfield, Va.	13.9	4.2	9.3	1,900.80	3.5	1.1	94,345	Army Times Publishing Co.	(703) 750-2000
261	220	**Chemical Week**, New York	13.9	(1.2)	11.8	1,425.00	1.1	NA	62,000	Chemical Week	(212) 621-4900
262	232	**New Equipment Digest**, Cleveland	13.9	3.3	13.9	2,352.00	NA	NA	NA	Pittway Corp.	(216) 696-7000
263	196	**Modern Bride & Connections**, Secaucus, N.J.	13.8	(10.8)	13.8	1,446.00	NA	NA	NA	Cahners Publishing	(201) 902-2000
264	285	**MacWeek**, San Francisco	13.7	65.0	13.7	2,460.00	NA	NA	NA	Ziff Communications	(415) 243-3500
265	238	**Hi-Tech Criminal Mag.**, New York	13.6	0.7	9.8	471.00	2.3	1.5	198,115	Capital Cities/ABC	(212) 887-8400
266	273	**RN**, Oradell, N.J.	13.6	27.2	4.6	643.75	9.0	NA	256,622	Thomson Corp.	(201) 262-3030
267	245	**Successful Farming**, Kansas City, Mo.	13.6	0.3	9.1	642.73	4.5	NA	2,350,248	Meredith Corp.	(515) 284-3000
268	255	**Chicago**, Chicago	13.5	9.7	10.5	1,437.71	2.4	0.6	200,531	Adam Communications	(312) 222-8999
269	242	**Sporting News**, Bellevue, Washington	13.5	3.4	NA	NA	13.5	NA	1,000,000	Times Mirror	(206) 454-5585
270	280	**Alfred Hitchcock's & Ellery Queen's Mystery Magazine**, New York	13.5	37.0	0.5	76.00	12.0	1.0	490,360	Davis Publications	(212) 557-9100
271	244	**Modern Maturity**, Long Beach, Calif.	13.4	38.9	7.7	344.55	5.7	NA	22,000,000	Time Mirror	(213) 596-6300
272	246	**Business Month**, New York	13.4	4.7	13.0	417.90	0.4	0.0	15,793	Goldhirsh Group	(212) 326-2600
273	243	**Professional Builder**, Boston, Mass.	13.4	3.7	11.4	1,737.00	NA	NA	NA	Reed International	(617) 964-3030
274	258	**Modern Salon**, Lincolnshire, Ill.	13.3	10.4	11.0	1,514.00	2.4	NA	117,910	Vance Communications	(708) 634-2600
275	265	**Rolling Stone**, New York	13.3	14.7	10.0	1,057.00	1.3	1.3	1,000,000	Rolling Stone Co.	(212) 484-1616
276	218	**Ms.**, New York	13.2	(6.5)	5.1	342.66	7.2	0.9	12	Lang Communications	(212) 719-9800
277	247	**Consumer Reports**, Yonkers, N.Y.	13.2	0.9	10.9	2,487.00	2.3	NA	3,800,000	Consumers Union	(914) 378-2000
278	248	**Business Insurance**, New York	13.1	2.9	10.7	1,569.00	2.4	NA	34,797	Crain Communications	(212) 210-0228
279	281	**Financial World**, New York	13.0	24.7	12.8	1,418.00	0.2	NA	30,000	Lebhar-Friedman	(212) 370-7500
280	227	**Diversion**, New York	12.9	(5.6)	12.9	2,089.33	NA	NA	NA	Hearst Corp.	(212) 297-9600
281	256	**Professional Boatbuilder**, Chelsea	12.9	14.1	12.9	1,577.00	NA	NA	NA	Primedia	(206) 789-9536
282	247	**Cycle**, Costa Mesa, Calif.	12.8	0.5	7.0	481.70	4.2	1.6	330,935	Hachette Publications	(714) 720-5300
283	244	**Professional Mariner**, Washington	12.7	(2.9)	10.0	1,673.00	1.8	0.9	147,000	Cahners Publishing	(206) 789-9536
284	284	**Golf Illustrated**, New York	12.7	50.0	5.8	499.56	6.3	0.6	451,287	Family Media	(212) 779-6200
285	269	**Metalworking**, New York	12.6	11.1	12.6	1,998.00	NA	NA	NA	Capital Cities/ABC	(212) 887-8400
286	250	**Travel-Holiday**, New York	12.5	(1.3)	5.2	413.03	7.3	0.0	673,501	Reader's Digest	(212) 366-4633
287	276	**Professional Mariner**, Radnor, Pa.	12.5	12.7	11.5	2,000.00	1.0	NA	36,177	Cahners Publishing	(215) 964-4000
288	259	**Annals of Internal Medicine**, Philadelphia	12.5	5.1	6.8	1,719.00	5.7	NA	90,307	American College of Physicians	(215) 351-2400
289	267	**Metal Center News**, New York	12.4	(11.4)	9.9	1,400.00	2.5	NA	14,000	Capital Cities/ABC	(212) 887-8400
290	263	**Navy Times**, New York	12.4	7.2	7.9	2,091.60	3.4	1.0	90,893	Army Times Publishing Co.	(703) 750-2000
291	279	**Motor Trend**, Chelsea	12.3	21.3	12.3	1,911.00	1.3	NA	14,000	Primedia	(213) 854-2222
292	274	**USAir Magazine**, Greensboro, N.C.	12.2	14.6	12.2	719.69	NA	NA	NA	Pace Communications	(919) 378-6065
293	270	**Motorcycle Dealer News**, Bloomington, Minn.	12.2	(3.4)	8.9	1,666.79	1.8	NA	18,000	Cahners Publishing	(612) 854-3223
294	277	**Electronic Component News (ECN)**, Radnor, Pa.	12.1	18.7	12.1	2,199.00	NA	NA	NA	Capital Cities/ABC	(215) 964-4347
295	268	**Motor Boating & Sailing**, Chicago	12.1	7.6	9.1	1,000.00	1.7	1.3	199,082	Hearst Corp.	(312) 751-3700
296	269	**Electronic Business**, Newton, Mass.	12.1	8.1	12.0	1,998.00	0.1	NA	1,006	Reed International	(617) 964-3030
297	282	**Motor Boat & Yachting**, New York	11.9	8.3	11.9	1,464.00	NA	NA	NA	Hachette Corp.	(212) 767-6000
298	275	**Continental Profiles**, New York	11.9	14.7	11.9	699.50	NA	NA	NA	East/West Network	(212) 888-5900
299	272	**Publishers Weekly**, New York	11.8	6.7	8.3	2,400.00	3.1	NA	30,000	Cahners Publishing	(212) 463-6758
300	233	**American Heritage**, New York	11.6	23.0	3.8	422.69	7.5	0.3	282,264	Forbes Inc.	(212) 206-5500

Notes: Dollars are in millions. All figures are gross and represent AA estimates. See Page S-18 for sources and methodology.

Ad chart: Kevin Brown

Top 15 magazines by ad revenues

Rank	Magazine	1989 ad revenues	1988 ad revenues	% chg	1989 ad pages	1988 ad pages
1	Time	$373.4	$349.7	6.8	2,733.86	2,505.89
2	Sports Illustrated	336.7	323.9	4.0	2,981.90	2,978.01
3	People	326.2	305.3	6.8	3,770.81	3,825.71
4	TV Guide	323.0	335.4	(3.7)	3,255.13	3,506.60
5	Parade	314.5	266.5	18.0	717.86	664.73
6	Business Week	260.6	227.3	14.6	4,914.15	4,586.30
7	Newsweek	255.9	241.7	5.9	2,495.29	2,478.71
8	Fortune	168.7	137.2	22.9	3,775.00	3,236.83
9	Forbes	157.7	128.7	22.5	3,905.84	3,458.90
10	U.S. News & World Report	152.8	128.2	19.3	2,053.17	1,873.08
11	Better Homes & Gardens	152.4	152.8	(0.2)	1,402.00	1,457.00
12	Family Circle	152.2	134.4	13.3	2,018.61	1,856.37
13	Good Housekeeping	148.0	129.3	14.5	1,702.03	1,620.55
14	PC Magazine	147.3	106.1	38.8	5,766.00	5,865.00
15	Woman's Day	135.6	115.6	17.3	1,790.38	1,686.00

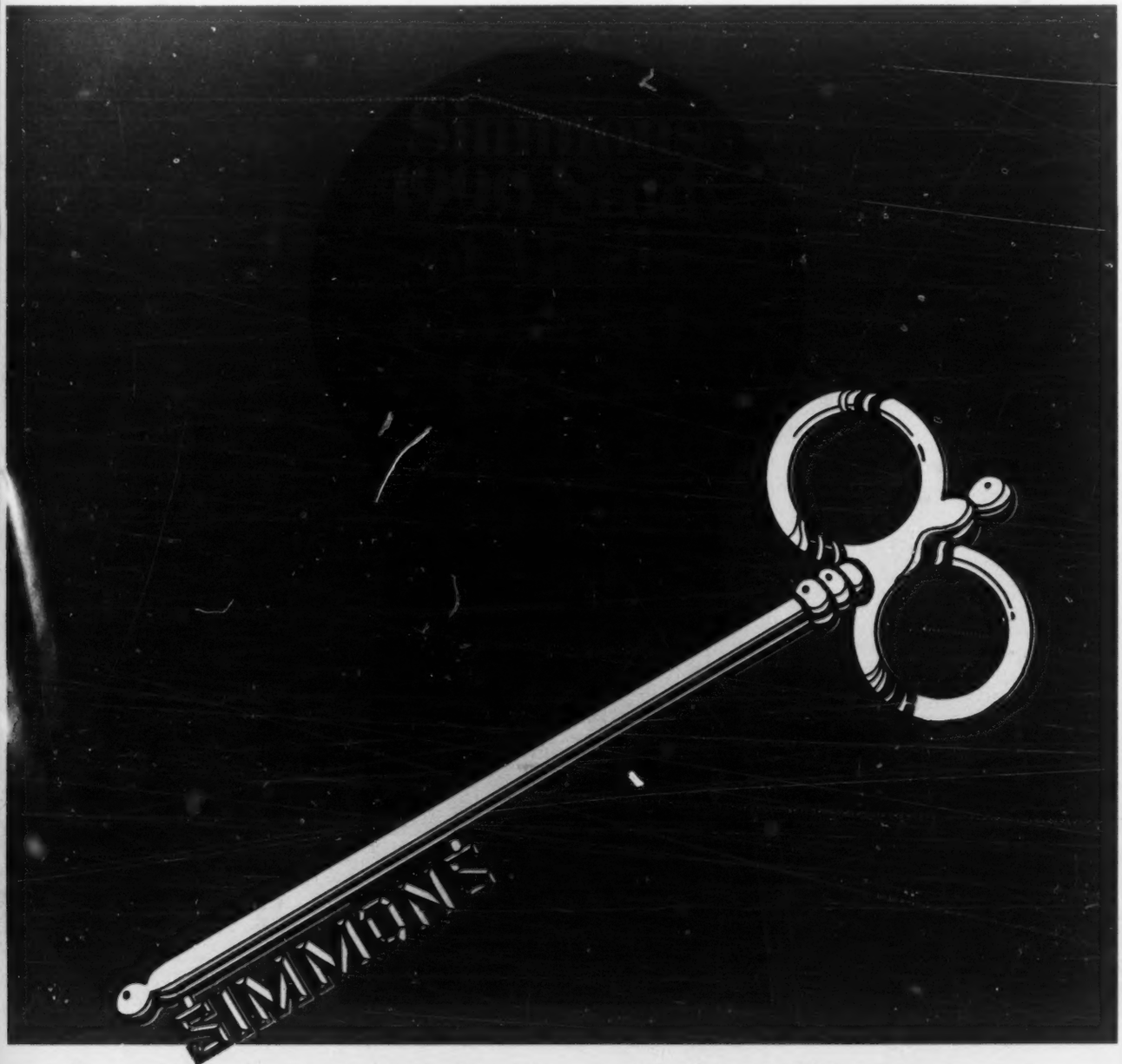
Notes: Dollars are in millions. Figures are AA estimates

Top 15 magazines by ad revenue growth

Rank	Magazine	1989 ad revenues	1988 ad revenues	% chg	1989 ad pages	1988 ad pages
1	PC Computing	$17.8	$4.1	337.2	1,724.00	861.00
2	Victoria	8.3	2.5	235.4	417.95	170.58
3	Lear's	9.5	3.5	174.7	632.77	429.86
4	National Examiner	0.4	0.1	168.1	52.46	20.74
5	Golf Illustrated	5.8	2.7	110.7	499.56	394.37
6	Premiere	11.0	5.5	99.4	759.25	590.08
7	Easyriders	3.0	1.7	81.5	408.00	369.00
8	Globe	1.0	0.6	80.4	81.10	45.65
9	Conde Nast Traveler	23.4	13.1	78.0	960.35	628.86
10	Cooking Light	4.7	2.7	75.9	348.35	236.84
11	Entrepreneur	14.2	8.4	68.5	1,758.47	1,271.43
12	Soap Opera Digest	5.8	3.5	66.8	469.25	298.04
13	Computer Shopper	35.1	21.1	66.4	5,993.00	4,955.00
14	MacWeek	13.7	8.3	65.0	2,460.00	2,024.51
15	Parenting	7.9	4.8	64.9	741.00	691.00

Notes: Dollars are in millions. Figures are AA estimates

AA chart: Kevin Brown



Simmons opens the door to opportunity in the decade ahead with the 1990 Study of Media & Markets, the most reliable and comprehensive media research in the industry. Based on over 20,000 personal interviews, this year's SMM will include expanded shopping data, brand volumetrics and qualitative measures of readership. All this in addition to Simmons excellence in standard industry measurements for *all* media, product use, brand purchases, and lifestyle and demographic characteristics. Simmons. The Research Source. The key to business building opportunities in the 90's. In New York, call (212) 916-8900; Chicago, (312) 951-4400.

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Magazines

(Continued from Page S-4)

the chart's top 100, rising to No. 67 in 1989 from No. 94 in the prior year.

There were no frequency jumps or repositionings for the Advance publication, just more crowd-pleasing editorial that prompted advertisers to pay 20% more for a full page and boosting total ad pages by 24.6%. Advertising gross revenues rose 51% to $41.6 million.

For the *Ad Age* 300 as a whole, their increase in ad revenues was keyed to a collective growth in ad rates of 10.8%, because ad pages increased only 4%.

This pattern is being played out again in the first five months of this year by consumer magazines, albeit at far reduced growth levels, according to Publishers Information Bureau. PIB reports total ad revenues up 1.2% on a 4.3% decline in pages.

Ad rates for monthlies in the *AA* 300 increased 18.1%. Ad pages also advanced 9.1% helping to boost the group's total advertising to $3.77 billion, up 12.6%.

Magazines with a weekly frequency added $2.99 billion in gross ad revenues, up 8.3%, the result of a mix of 9.9% growth in ad rates and 0.4% in ad pages.

Among magazine classifications, "news, weeklies," consisting of only eight publications, pulled the largest ad dollar volume of any category, although the class's results were fairly flat across the board.

This group, which accounts for nearly one-fifth of all advertising among the *Ad Age* 300, advanced 4.6% to $1.83 billion in advertising and only 0.5% to $1.66 billion in circulation.

The "general interest" class, represented by 27 publications, accounted for 11% of the 300's total advertising.

This class—led by No. 5 *Reader's Digest*, No. 7 *Parade*, No. 13 *National Geographic*, No. 14 *National Enquirer*, No. 21 *Star Magazine* and No. 33 *USA Weekend*—is heavily circulation-driven. It pulled $1.38 billion in circulation revenues, up 3%, and $1.06 billion in advertising, up 13.3%.

The class's strong circulation volume pushed it past the "women's" class in total volume with $2.43 billion compared with $2.3 billion for "women's" magazines.

However, the "women's" group was particularly strong in ad revenues with $1.21 billion of the total coming from advertising, up

(Continued on Page S-14)

Top 15 magazines by circulation revenues

Rank	Magazine	1989 circulation revenues	1988 circulation revenues	% chg	1989 subscription revenues	1989 newsstand revenues
1	TV Guide	$885.4	$622.0	(2.7)	$323.5	$281.8
2	Reader's Digest	305.6	299.6	2.0	284.6	21.0
3	People	279.4	273.2	2.3	102.1	177.4
4	Time	263.1	281.4	(6.5)	240.0	23.1
5	Sports Illustrated	229.3	203.3	12.8	212.2	17.0
6	National Geographic	192.9	184.8	4.3	192.9	NA
7	National Enquirer	174.9	178.4	(1.9)	13.0	161.9
8	Star Magazine	154.9	142.0	9.1	14.1	140.8
9	Newsweek	141.9	144.3	(1.6)	123.5	18.4
10	Better Homes & Gardens	123.3	116.6	5.8	111.2	12.1
11	Ladies' Home Journal	102.5	98.9	3.7	81.6	20.9
12	Playboy	97.7	93.4	4.6	54.7	42.9
13	Good Housekeeping	97.2	95.3	1.9	61.8	35.4
14	Family Circle	97.1	106.1	(8.5)	25.9	71.1
15	Penthouse	93.3	98.3	(5.2)	11.2	82.0

Notes: Dollars are in millions. Figures are AA estimates

Top 15 magazines by circulation revenue growth

Rank	Magazine	1989 circulation revenues	1988 circulation revenues	% chg	1989 subscription revenues	1989 newsstand revenues
1	PC Computing	$12.5	$3.0	311.8	$10.2	$2.3
2	Victoria	13.7	7.6	80.3	8.8	4.8
3	Lear's	7.8	4.4	78.3	5.8	1.9
4	Discount Store News	0.4	0.2	76.5	0.4	NA
5	Financial World	20.0	13.8	45.4	19.7	0.3
6	European Travel & Life	4.9	3.4	44.5	3.3	1.6
7	Nation's Restaurant News	2.5	1.8	42.6	2.5	NA
8	Premiere	10.1	7.2	41.1	4.6	5.5
9	Alfred Hitchcock & Ellery Queen	13.0	9.3	39.2	12.0	1.0
10	RN	9.0	6.5	37.6	9.0	NA
11	Business & Commercial Aviation	0.07	0.05	34.3	0.1	NA
12	Nature	12.0	9.0	33.1	12.0	NA
13	Parenting	8.3	6.3	33.1	7.4	0.9
14	Practical Homeowner	10.7	8.0	32.7	10.4	0.3
15	Communications Week	0.11	0.09	31.2	0.1	NA

Notes: Dollars are in millions. Figures are AA estimates

AA chart: Kevin Brown

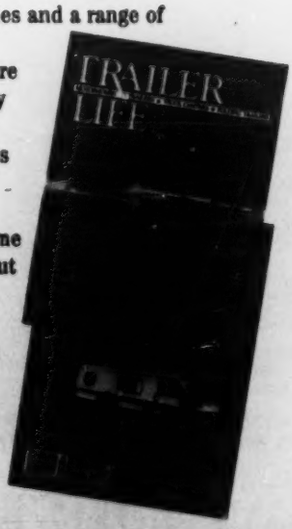
Carl and Norma McLeod
Home: Riverdale, California
Occupation: Own two Ford dealerships
Activities: Golf, fishing, and breeding racing quarter horses and thoroughbreds. They keep a 40' Teton 5th wheel trailer in Palm Springs and travel in a 33' Apollo motorhome.

1½ Million Active Seniors Travel With Us

To be recreational-vehicle enthusiasts like Carl and Norma McLeod requires an enviable combination of qualities. They are young at heart. They are active. They are affluent and have the time to enjoy themselves.

Trailer Life and Motorhome have 1.5 million readers like the McLeods. Our average reader is over 50 years old and 55% are retired. They have worked hard to accumulate an average net worth of $222,000, and with the kids grown and the house paid for, their income is highly disposable. They have spent $7.9 billion on their RV's and lavish $195 million a year on their traveling homes. Their lifestyle makes them excellent prospects for sports, health and fitness equipment, automotive accessories and a range of consumer goods from pain relievers to gourmet food. They are at a time in their lives when they are most concerned with life insurance and how their money is invested.

They are unique in the seniors market. They have the time and the means to get the most out of life. For more information call Janet VanBibber in Elkhart, IN., (219) 295-7820 or K. D. Mattox in Irvine, CA., (714) 955-0150.



TRAILER LIFE & MOTORHOME

The Active Senior Travels With Us

Source: 1987 Trailer Life/Motorhome Subscriber Study, Conducted by John Schau Media Research

Magazines

(Continued from Page S-12)

18.5%. Thirty-three magazines—led by No. 10 *Family Circle*, No. 11 *Good Housekeeping*, No. 15 *Woman's Day*, No. 16 *Ladies' Home Journal* and No. 17 *Cosmopolitan*—fell into this classification, by far the largest class membership among the 300.

The "automatic data systems" class dominated trade publication revenue totals while finishing fifth among all classes. The class is comprised of 19 computer magazines, eight of which claimed positions within the top 100 consumer and trade publications.

Total revenues of the class grew 31.3% to $821.5 million. That breaks down to $526.3 million in advertising, up 32.5%; and $123.8 million in circulation, up 24.5%.

PC Magazine, ranked No. 20 overall, characterized growth in this field as its total revenues rose 36% to $182.8 million, $147.3 million of which was advertising, up 38.8%.

Class member No. 124—*PC Computing*—outraced all publications in advertising and circulation revenue growth. It was a lesson of getting the most with the most. The Ziff Communications publication drew $17.8 million in gross advertising, up 337.2%, and $12.5 million in gross circulation revenues, up 311.6%. The magazine went from five issues in 1988 to 12 in 1989, more than doubled its rates and doubled its ad pages. The subscription price shot up 25%, which hardly scared away the faithful. Paid subscriptions soared by 65%.

PC Computing also carries the fifth lowest CPM among the trades at $21.50, a substantial boost of 60.4% from CPM levels in 1988 when ad rates were considerably lower. The *New England Journal of Medicine* remained the best buy at a cost of $17.46 per thousand subscribers.

Strutting with the heaviest CPM of all was No. 202 *Daily News Record*, with a CPM of $386.88 that rivals the prices of the Giorgio Armani suits it coined as the Ivy League sack suits last year.

Advertisers certainly didn't balk at the price last year either, as ad pages took off 17.7% despite a 9.5% boost in ad rates to $8,540 for a one-time b&w ad. Circulation slipped 3.2% but the daily still put the advertiser in the hands of 22,074 paid subcribers and a pass-along crowd of 89,658 who make buying decisions in the highly competitive men's garment

Broad stroke best defines study

How magazine data and ranking criteria were assembled

What is a magazine?

The question arose in the early stages of the *Ad Age* 300 as data came in on publications that carried no advertising, on regional business newspapers and on Sunday rotogravure magazines of leading metropolitan newspapers.

As a list of more than 1,500 magazines was compiled, the diversity of these publications spoke of a richness in the industry. Rather than exclude properties that might seem marginal to traditionalists, the editors opted for inclusiveness.

Virtually all publications in the *Ad Age* 300 were listed in the consumer and business magazine editions of Standard Rate & Data Service, a compendium of rates and data used by buyers of magazine space.

Data for non-advertising-carrying publications, like "Consumer Reports," "Consumers Digest" and "Highlights for Children," were gleaned from other sources. Data on Sunday magazines distributed by metropolitan newspapers were obtained from SRDS' newspaper directories.

Ranking criteria

A magazine's ranking was determined by total gross revenues from advertising and circulation.

Most advertising revenue data were obtained initially from advertising monitoring services.

For the non-monitored publications, ad revenues were estimated by multiplying the one-time b&w rate times total ad pages. The use of the one-time b&w rate is an industry standard and allows for multiple, discount and color buys. The greater a magazine's four-color advertising, the less of a barometer it becomes. *AA* seldom applied this formula, however, because advertising pages and revenue totals were available for most of the publications.

Gross circulation revenues were the sum of subscription and newsstand revenues. Subscription revenues were determined by multiplying the paid subscriptions by the subscription price for the respective year. Newsstand revenues were found by multiplying single copy sales by the price per issue by frequency.

Circulation revenues for association magazines were determined by multiplying total subscriptions by the amount of the annual membership fee accorded the magazine. Sunday magazines appearing in newspapers were not credited with circulation revenues. Only the North American circulation and advertising pages and rates were included for multinational publications.

Each publisher was contacted to verify the data. Publishers often revised the numbers. For example, several publishers added advertorial pages to their Publisher's Information Bureau page totals because PIB no longer counts advertorials. Others added additional revenues for classified advertising.

Monitoring sources

Advertising was pulled from the following sources:

Publisher's Information Bureau monitors 172 of the largest consumer publications on a monthly basis, breaking them out by total ad pages and ad revenues. PIB uses gross one-time rates, including premium charges, but excludes commissions and frequency or volume discounts.

MMS-Rome Reports was the primary initial source for advertising pages and revenues for 640 business-to-business publications. Rome applies rate card rates, including color and cover premiums, for each ad but does not factor in frequency discounts.

AdScope Inc. covers 175 publications in computer, electronics and telecommunications sectors. It applies a one-time rate to its page counts and does not allow for frequency discounts. It was the major source for computer publications in the *Ad Age* 300.

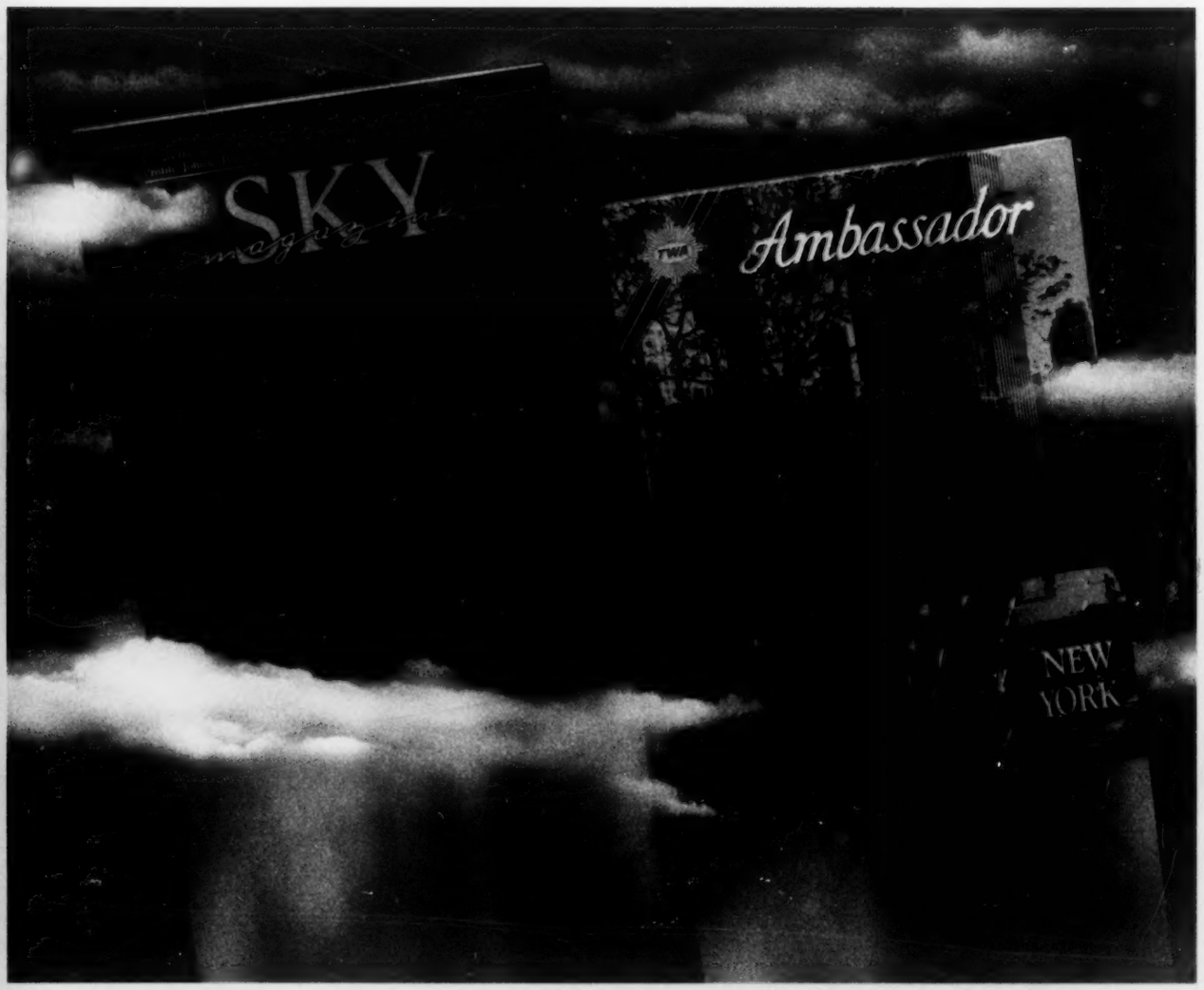
Patterson Advertising Reports tracks 166 magazines in 22 categories, both trade and consumer. Patterson uses six-times b&w rate rather than the one-time rate in determining dollar amounts for total pages.

PERQ Research Corp. monitors healthcare publications and products. It provided data on *American Journal of Nursing*, *Nursing* and *RN*. PERQ applies a gross rate card average, factoring in frequency discounts based on monthly studies of ad placement. It monitors more than 400 publications.

Space Analysis Systems surveys 500 trade and consumer magazines in 58 markets and applies a one-time b&w rate to the page count.

Media Industry Newsletter,

(Continued on Page S-22)



FRESH AIR FOR STALE MEDIA PLANS!

Introducing Air Group One: Now reaching nearly 7,000,000 affluent passengers monthly via Delta SKY and TWA Ambassador inflight magazines.

Individually, they're formidable fits for any upscale-directed media plan: Award-winning Delta SKY reaches some 5.4 million passengers monthly; its readers have a hefty median household income of nearly $103,000.

TWA Ambassador's high-level editorial reaches over 2 million professional/managerial types each month; with median household income approaching $100,000.

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Top 15 consumer magazines by CPM

Rank	Magazine	1989 CPM	1988 CPM	1989 b&w page* rate	1988 b&w page* rate	Total circ. paid plus nonpaid
1	Travelhost	$2.70	$3.50	$29,422	$29,422	10,900,000
2	Hemmings Motor News	3.41	NA	1,021	945	299,579
3	TV Guide	6.04	5.45	95,900	88,900	15,867,750
4	Reader's Digest	6.35	6.12	103,720	100,700	16,343,599
5	Cable Guide	6.81	6.46	52,300	49,300	7,683,865
6	American Legion Magazine	7.00	7.54	19,850	20,945	2,835,922
7	Soap Opera Digest	7.78	6.46	16,400	13,000	2,108,856
8	Modern Maturity	8.53	7.84	185,010	154,330	21,699,375
9	Star Magazine	8.67	6.93	30,950	26,160	3,571,015
10	National Enquirer	9.13	7.51	37,430	32,180	4,100,740
11	Globe	9.24	7.93	12,285	12,099	1,329,413
12	Parade	9.28	8.98	309,500	290,100	33,354,000
13	USA Weekend	9.38	8.85	141,750	129,200	15,241,537
14	Prevention	9.36	8.90	29,585	27,910	3,161,788
15	First for Women	9.68	NA	34,000	NA	3,513,940

*For a one-time insertion. **Notes:** Dollars are as shown. Figures are AA estimates

Top 15 business magazines by CPM

Rank	Magazine	1989 CPM	1988 CPM	1989 b&w page* rate	1988 b&w page* rate	Total circ. paid plus nonpaid
1	New England Journal of Medicine	$17.46	$15.73	$3,990	$3,485	228,509
2	Computer Shopper	18.16	16.04	5,295	3,995	291,528
3	American Medical News	20.62	NA	7,218	NA	350,044
4	Real Estate Today	20.82	19.98	16,200	15,400	778,262
5	PC Computing	21.58	13.42	10,140	4,195	471,642
6	Nursing89	22.58	20.95	10,315	9,355	456,835
7	RN	24.94	20.01	6,400	5,700	256,622
8	Medical Economics	27.36	25.68	6,145	5,810	224,588
9	ABA Journal	27.85	27.24	11,250	10,715	406,801
10	New Equipment Digest	27.68	26.10	5,895	5,560	213,000
11	PC World	28.99	25.82	15,075	12,995	520,064
12	BYTE	29.54	27.20	13,620	11,840	461,124
13	PC Magazine	30.83	26.91	21,995	16,935	732,409
14	Science	31.88	30.81	4,960	4,720	155,598
15	Personal Computing	35.00	29.62	17,500	14,995	500,026

*For a one-time insertion. **Notes:** Dollars are as shown. Figures are AA estimates

AA chart: Kevin Brown

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SAS-139B

Broad stroke

(Continued from Page S-18)

published by MIN Publishing, tracks monthly ad page volumes for various consumer publication classes. It was particularly helpful with regional city magazines.

Ad Age's monthly Consumer Linage Report is a listing of ad page totals and year-to-year cumulatives for 430 consumer magazines. Data are supplied by publishers.

Circulation data for most consumer publications were obtained from the Audit Bureau of Circulations' Fas-Fax Report for Dec. 31, 1989, which also included prior-year figures. Annual subscription price and single-issue prices for corresponding years were obtained from SRDS or the publisher.

The circulation data source for trade publications was Business Publications Audit of Circulation.

Classifying

Magazines were sorted by SRDS classification code. An individual magazine's code is included in its index listing on Page S-25. That classification determined placement in the chart "Top SRDS categories by total revenues" on Page S-24.

Magazines were ranked by their parents (Page S-24) rather than publishing unit because the parent often contains more than one publishing unit and ultimate control is vested in the parent.

Publishing units whose properties were merged into a parent total include Conde Nast Publications in Advance Publications, Cahners Publishing in Reed International, Billboard Publications in Affiliated Publications, Murdoch Magazines and Triangle Publications in News Corp., Fairchild Publications and Chilton Publications in Capital Cities/-ABC, Penton Publishing in Pittway Corp., Diamandis Communications in Hachette, Southern Progress in Time Warner, and Ziff-Davis Publishing in Ziff Communications.

Totals for magazines that underwent a change in ownership within the last year were assigned to the current owner. For example, *Sunset* magazine is credited to Time Warner, which only last month purchased the magazine's parent, Lane Publishing. □

Kevin Brown, Craig Endicott, Gregg Runburg, Norma Green, Junu Kim, Sarah Polster, Doug McClain, Alicia Lasek, Lisa Johnson and Julie Doherty compiled information for this report.

Top 50 parent companies of magazines in 300

Rank 1989	Rank 1988	Company, headquarters	Total revenues	'89-'88 % chg	Ad revenues	Ad pages	Subscriber revenues	Newsstand revenues	Mags in top 300	Top magazine by total revenues	Gross revenues
1	1	**Time Warner**, New York	$2,500.3	5.2	$1,473.0	19,952.43	$781.3	$346.4	11	Time	$2,500.3
2	2	**News Corp.**, Sydney	1,247.9	1.9	485.8	11,962.42	393.7	368.4	9	TV Guide	928.3
3	3	**Advance Publications**, Newark, N.J.	1,141.0	13.3	877.8	22,118.92	109.8	153.4	13	Parade	314.5
4	4	**Hearst Corp.**, New York	1,019.2	8.1	626.4	18,755.57	213.3	179.5	15	Good Housekeeping	245.2
5	5	**New York Times Co.**, New York	669.7	6.6	436.1	9,277.39	145.6	86.6	5	Family Circle	240.3
6	6	**Meredith Corp.**, Des Moines	627.7	8.7	340.3	7,345.39	241.7	45.7	8	Better Homes & Gardens	275.7
7	7	**Hachette Publications**, Paris	573.0	7.9	389.5	12,957.82	84.0	119.6	10	Woman's Day	212.6
8	8	**Reader's Digest**, Pleasantville, N.Y.	507.0	3.0	150.4	3,138.30	333.2	23.4	5	Reader's Digest	419.2
9	9	**McGraw-Hill**, New York	470.8	11.9	401.4	20,979.11	62.6	6.8	8	Business Week	298.7
10	12	**Reed International**, London	428.5	8.2	408.2	46,112.79	10.2	10.2	17	Modern Bride	57.6
11	10	**Washington Post Co.**, Washington	423.9	3.1	282.0	4,156.29	123.5	18.4	2	Newsweek	297.8
12	11	**Macfadden Holdings**, New York	418.5	3.9	74.2	2,443.63	41.3	303.0	3	National Enquirer	219.9
13	13	**Times Mirror Co.**, Los Angeles	415.1	7.2	232.2	12,484.92	159.6	23.3	11	Field & Stream	72.8
14	14	**Ziff Communications**, New York	391.4	34.0	325.3	22,880.00	47.6	18.5	6	PC Magazine	182.8
15	16	**U.S. News & World Report**, Washington	262.8	10.4	162.4	2,672.07	91.6	8.5	2	U.S. News & World Report	244.8
16	15	**National Geographic Society**, Washington	256.3	4.2	36.7	470.98	219.6	0.0	3	National Geographic	226.1
17	17	**Petersen Publishing Co.**, Los Angeles	211.5	10.7	112.6	6,867.10	52.3	46.5	8	Motor Trend	47.4
18	20	**Forbes Inc.**, New York	207.1	17.8	161.5	4,328.53	41.2	4.3	2	Forbes	195.4
19	21	**International Data Group**, Framingham, Mass.	205.9	17.5	169.8	13,369.61	31.7	4.4	5	Computerworld	70.3
20	18	**Capital Cities/ABC**, New York	205.2	7.8	173.3	21,145.83	27.1	4.9	11	W	39.4
21	22	**Family Media**, New York	194.0	13.5	68.6	3,489.43	117.6	9.8	7	1001 Home Ideas	54.3
22	19	**General Media International**, New York	183.1	2.4	54.7	2,343.91	31.0	97.4	3	Penthouse	118.4
23	44	**CMP Publications**, Manhasset, N.Y.	180.7	285.4	178.8	22,837.33	0.2	0.0	7	CRN/Computer Reseller News	45.3
24	23	**Straight Arrow Publishers**, New York	180.3	10.5	93.5	2,726.27	49.8	37.0	2	Rolling Stone	113.0
25	24	**Knapp Communications Corp.**, Los Angeles	163.9	5.2	94.3	3,621.67	57.4	12.2	3	Architectural Digest	107.4
26	25	**Rodale Press**, Emmaus, Pa.	138.1	14.0	49.1	2,591.42	75.4	13.7	4	Prevention	72.1
27	39	**Baser Publishing Co.**, Englewood Cliffs, N.J.	135.9	101.1	16.7	584.00	0.0	119.2	2	Woman's World	79.8
28	28	**Crain Communications**, Chicago	128.1	8.2	104.0	12,378.83	23.1	0.9	6	Advertising Age	38.6
29	26	**TVSM**, Horsham, Pa.	123.1	3.1	33.8	449.39	89.3	0.0	1	Cable Guide	123.1
30	27	**Johnson Publishing Co.**, Chicago	122.2	2.9	55.9	12,564.90	49.5	16.8	2	Ebony	68.7
31	29	**American Express Co.**, New York	120.4	11.2	66.9	2,329.09	51.8	1.7	2	Travel & Leisure	86.8
32	30	**Gruner & Jahr Publications**, New York	118.5	10.8	69.0	1,999.02	43.0	6.5	2	Parents	95.9
33	36	**Gannett Co.**, Arlington, Va.	103.8	30.1	103.8	843.66	0.0	0.0	1	USA Weekend	103.8
34	32	**Playboy Enterprises**, Chicago	100.5	1.7	46.5	740.48	54.7	42.9	1	Playboy	100.5
35	34	**American Association of Retired Persons**, Lakewood, Calif.	98.9	14.6	47.5	255.95	51.4	0.0	1	Modern Maturity	98.9
36	33	**Smithsonian Institution**, Washington	90.8	4.6	43.8	1,053.24	46.6	0.4	1	Smithsonian	90.8
37	35	**Pitney Corp.**, Northbrook, Ill.	88.5	10.5	87.5	12,272.00	1.0	0.0	5	Machine Design	88.9
38	38	**Consumers Union of U.S.**, Mt. Vernon, N.Y.	88.2	23.0	0.0	0.00	85.5	2.7	1	Consumer Reports	88.2
39	31	**Globe Communications Corp.**, Boca Raton, Fla.	86.9	(15.4)	1.4	133.58	1.8	83.9	2	Globe	91.8
40	37	**Lang Communications**, New York	79.2	4.0	46.9	2,356.86	29.2	3.1	3	Working Woman	42.1
41	40	**Goldhirsh Group**, Boston	72.1	8.2	59.6	1,649.36	10.9	1.6	2	Inc.	38.7
42	41	**Thomson Corp.**, Toronto	62.7	(1.3)	40.4	6,892.96	22.3	0.0	3	Medical Economics	26.0
43	50	**Affiliated Publications**, Boston	61.0	74.8	46.1	5,830.08	10.3	4.6	3	Billboard	13.6
44	42	**Highlights for Children**, Columbus, Ohio	55.9	NA	0.0	0.00	55.9	0.0	1	Highlights for Children	55.9
45	43	**Dow Jones & Co.**, New York	49.8	(2.9)	25.8	1,846.50	12.3	12.2	1	Barron's	49.8
46	49	**Endless Vacation Publications**, Indianapolis	47.7	16.7	3.9	332.21	43.7	0.1	1	Endless Vacation	47.7
47	46	**L. Arpke Enterprises**, Woodland Hills, Calif.	47.5	12.7	21.0	1,512.00	4.3	22.2	1	Muscle & Fitness	47.5
48	47	**Maxwell Communications**, London	47.1	11.8	18.2	3,565.64	28.9	0.0	2	Frequent Flyer Magazine	23.7
49	45	**VNU Business Press Group Co.**, Totowa, N.J.	46.4	8.3	36.6	2,153.00	7.7	2.2	1	Personal Computing	45.4
50	48	**Army Times Publishing Co.**, Springfield, Va.	43.4	6.0	27.8	5,839.20	11.6	4.0	3	Army Times	17.1

Notes: Dollars are in millions. All figures are AA estimates. Totals reflect only magazines in the Ad Age 300.

AA chart: Kevin Brown

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Top SRDS magazine categories by total revenues

Rank	Category	Total revenues	'89-'88 % chg	Mags in 300
	Consumer classifications			
1	[illegible]	[illegible]	2.2	8
2	**General editorial** (22)	2,433.0	7.1	27
3	[illegible]	[illegible]	11.6	33
4	**Business & finance** (8)	1,051.5	14.6	17
5	[illegible]	[illegible]	8.5	16
6	**Women's/men's fashions** (50)	500.6	7.6	5
7	[illegible]	[illegible]	13.5	14
8	**Men's** (30)	426.6	4.3	7
9	[illegible]	[illegible]	10.8	10
10	**Travel** (46)	275.6	15.3	8
11	[illegible]	[illegible]	9.8	8
12	**Fishing & hunting** (19)	197.5	5.9	6
13	[illegible]	[illegible]	8.4	8
14	**Science, technology** (43)	173.1	9.6	4
15	[illegible]	[illegible]	8.3	3
16	**Health** (23)	133.4	10.5	3
17	[illegible]	[illegible]	22.3	4
18	**Metropolitan, entertainment** (308)	123.1	3.1	1
19	[illegible]	[illegible]	9.3	3
20	**Epicurean** (18)	90.0	7.9	2
	Business classifications			
1	[illegible]	[illegible]	31.3	28
2	**Electronic engineering** (40)	142.3	79.9	6
3	[illegible]	[illegible]	8.8	4
4	**Travel, retail** (1498)	85.6	15.6	3
5	[illegible]	[illegible]	22.4	4
6	**Advertising & marketing** (1)	72.7	5.5	3
7	[illegible]	[illegible]	8.3	3
8	**Product design engineering** (120)	55.9	11.5	2
9	[illegible]	[illegible]	22.4	4
10	**Science, research & development** (132A)	50.5	12.1	2
11	[illegible]	[illegible]	2.3	2
12	**Nursing & health** (H7)	35.7	14.3	2
13	[illegible]	[illegible]	8.3	2
14	**Chemical process industries** (28)	31.5	(2.0)	2

Notes: Dollars are in millions. Figures are AA estimates and include only magazines in top 300.

Alphabetical index of top 300 magazines

SRDS code	Magazine, location, parent	Rank
24 C	**1001 Home Ideas**, New York, Family Media	70
3 C	**4-Wheel & Off-Road**, Los Angeles, Petersen Publishing Co	232
80 B	**ABA Journal**, Chicago, American Bar Association	145
1 B	**Advertising Age**, Chicago, Crain Communications	103
1 B	**Adweek network**, New York, Affiliated Publications	173
31 C	**Air Force Times**, Springfield, Va., Army Times Publishing Co	260
34 C	**Alfred Hitchcock's & Ellery Queen's Mystery**, New York, Davis Publications	270
5 C	**American Baby**, New York, Reed International	147
10 B	**American Banker**, New York, Thomson Corp	161
23 C	**American Health**, New York, Reader's Digest	129
22 C	**American Heritage**, New York, Forbes Inc	300
22 C	**American Legion Magazine**, Indianapolis, American Legion	247
H6 B	**American Medical News**, Chicago, American Medical Association	250
1 C	**American Way**, Fort Worth, Texas, AA Publications	177
H6 B	**Annals of Internal Medicine**, Philadelphia, American College of Physicians	288
24 C	**Architectural Digest**, Los Angeles, Knapp Communications Corp	48
4 B	**Architectural Record**, New York, McGraw-Hill	248
31 C	**Army Times**, Springfield, Va., Army Times Publishing Co	216
22 C	**Atlantic**, Boston, U.S. News & World Report	205
33 C	**Audio**, New York, Hachette Publications	206
3 C	**Automobile Magazine**, New York, News Corp	166
6 B	**Automotive News**, Detroit, Crain Communications	146
3 C	**AutoWeek**, Detroit, Crain Communications	144
7 B	**Aviation Week & Space Technology**, New York, McGraw-Hill	104
8 C	**Barron's**, New York, Dow Jones & Co	81
19 C	**Bassmaster**, Montgomery, Ala., B.A.S.S. Publications	175
24 C	**Better Homes & Gardens**, Des Moines, Meredith Corp	9
45 C	**Bicycling**, Emmaus, Pa., Rodale Press	184
99 B	**Billboard**, New York, Affiliated Publications	155
8 C	**Black Enterprise**, New York, Earl G. Graves Publishing Co	242
6 C	**Boating**, New York, Hachette Publications	163
18 C	**Bon Appetit**, Los Angeles, Knapp Communications Corp	63
30A C	**Boston**, Boston, MetroCorp	293
38 C	**Boston Globe Magazine**, Boston, Affiliated Publications	225
51 C	**Boys' Life**, Irving, Texas, Boy Scouts of America	164
7 C	**Bride's**, New York, Advance Publications	57
1 B	**Broadcasting**, Washington, Times Mirror Co	277
19 B	**Builder**, Washington, Handley-Wood Publications	137
72 B	**Business Insurance**, New York, Crain Communications	278
8 C	**Business Month**, New York, Goldhirsh Group	272
8 C	**Business Week**, New York, McGraw-Hill	8
7 B	**Business & Commercial Aviation**, White Plains, N.Y., McGraw-Hill	255
5A B	**BYTE**, Petersborough, N.H., McGraw-Hill	66
30B C	**Cable Guide**, Horsham, Pa., TVSM	28
30A C	**California**, Los Angeles, California Magazines Partnership	235
3 C	**Car Craft**, Los Angeles, Petersen Publishing Co	197
3 C	**Car & Driver**, New York, Hachette Publications	47
22 C	**Changing Times**, New York, Kiplinger Washington Editors	117
28 B	**Chemical Engineering**, New York, McGraw-Hill	261
28 B	**Chemical & Engineering News**, Bala Cynwyd, Pa., American Chemical Society	209
30A C	**Chicago**, Chicago, Adams Communications	268
38 C	**Chicago Tribune Magazine**, Chicago, Tribune Co	127
16 C	**Chronicle of Higher Education**, Washington, Chronicle of Higher Education	188
24 C	**Colonial Homes**, New York, Hearst Corp	217
142 B	**Communications Week**, Manhasset, N.Y., CMP Publications	179
5A B	**Computer Shopper**, New York, Ziff Communications	92
5A B	**Computerworld**, Framingham, Mass., International Data Group	51
46 C	**Condo Nast Traveler**, New York, Advance Publications	109
22 C	**Connoisseur**, New York, Hearst Corp	170
22 C	**Consumer Reports**, Mt. Vernon, N.Y., Consumers Union of U.S.	40
22 C	**Consumers Digest**, Chicago, Consumers Digest	245
1 C	**Continental Profiles**, New York, East/West Network	298
49 C	**Cooking Light**, Birmingham, Ala., Time Warner	271
49 C	**Cosmopolitan**, New York, Hearst Corp	17
24 C	**Country**, Greendale, Wis., Reiman Publications	259
24 C	**Country Home**, Des Moines, Meredith Corp	118
30A C	**Country Living**, New York, Hearst Corp	43
8 C	**Crain's Chicago Business**, Chicago, Crain Communications	256
5A B	**CRN/Computer Reseller News**, Manhasset, N.Y., CMP Publications	94
5 B	**CSN/Computer Systems News**, Manhasset, N.Y., CMP Publications	171
31A C	**Cycle**, Costa Mesa, Calif., Hachette Publications	282
31 B	**Daily News Record & DNR Monday**, New York, Capital Cities/ABC	202
142 B	**Data Communications**, New York, McGraw-Hill	213
5A B	**Datamation**, Newton, Mass., Reed International	186
1 C	**Delta Sky**, North Miami, Fla., Halsey Publishing Co	165
120 B	**Design News**, Newton, Mass., Reed International	126
5A B	**Digital Review**, Boston, Reed International	224
35A B	**Discount Store News**, New York, Lebhar-Friedman Publications	279
43 C	**Discover**, New York, Family Media	99
46 C	**Diversion**, New York, Hearst Corp	280
31A C	**Essayistars**, Agoura Hills, Calif., Pasano Publications Inc	237
22 C	**Ebony**, Chicago, Johnson Publishing Co	54
8 C	**Economist**, London, Economist Newspapers North America	108
40 B	**EDN**, Newton, Mass., Reed International	101
40 B	**Electronic Business**, Newton, Mass., Reed International	296
40 B	**Electronic Buyer's News**, Manhasset, N.Y., CMP Publications	181
40 B	**Electronic Component News (ECN)**, Radnor, Pa., Capital Cities/ABC	294
40 B	**Electronic Design**, Cleveland, Pittway Corp	196
40 B	**Electronic Engineering Times**, Manhasset, N.Y., CMP Publications	97
50 C	**Elle**, New York, Hachette Publications	39
46 C	**Endless Vacation**, Indianapolis, Endless Vacation Publications	84
41 B	**EMR**, New York, McGraw-Hill	192
8 C	**Entrepreneur**, Irvine, Calif., Entrepreneur Group	169
30 C	**Esquire**, New York, Hearst Corp	78
49 C	**Essence**, New York, Essence Communication	116
46 C	**European Travel & Life**, New York, News Corp	227
49 C	**Family Circle**, New York, New York Times Co	10
24 C	**Family Handyman**, Minneapolis, Reader's Digest	128
2 B	**Farm Journal**, Philadelphia, Farm Journal Inc	157
19 C	**Field & Stream**, New York, Times Mirror Co	49
8 C	**Financial World**, New York, Financial World Partners	107
49 C	**First For Women**, Englewood Cliffs, N.J., Bauer Publishing Co	64
7 B	**Flying**, New York, Hachette Publications	199
18 C	**Food & Wine**, New York, American Express Co	114
8 C	**Forbes**, New York, Forbes Inc	19
8 C	**Fortune**, New York, Time Warner	18
3 C	**Four Wheeler**, New York, General Media	229
8 C	**Frequent Flyer Magazine**, New York, Maxwell Communications	153
30 C	**Gallery**, New York, Montcalm Publishing Corp	196
50 C	**Glamour**, New York, Advance Publications	24
22 C	**Globe**, Boca Raton, Fla., Globe Communications Corp	77
45 C	**Golf**, New York, Times Mirror Co	73
45 C	**Golf Digest**, Trumbull, Conn., New York Times Co	36
45 C	**Golf Illustrated**, New York, Family Media	284
49 C	**Good Housekeeping**, New York, Hearst Corp	11
46 C	**Gourmet**, New York, Advance Publications	85
5A B	**Government Computer News**, Silver Spring, Md., Reed International	297
30 C	**GQ**, New York, Advance Publications	53
22 C	**Grit**, Williamsport, Pa., Stauffer Communications	208
42 C	**Guideposts**, Carmel, N.Y., Guideposts Associates	123
19 C	**Guns & Ammo**, Los Angeles, Petersen Publishing Co	189
50 C	**Harper's Bazaar**, New York, Hearst Corp	76
8 C	**Harvard Business Review**, Boston, Harvard Graduate School of Bus. Admin	226
23 C	**Health**, New York, Family Media	120
3 C	**Hemmings Motor News**, Bennington, Vt., Watering Inc	207
63B B	**HFD**, New York, Capital Cities/ABC	113
24 C	**HG**, New York, Advance Publications	98
51 C	**Highlights for Children**, Columbus, Ohio, Highlights for Children	65
24 C	**HOME**, Los Angeles, Knapp Communications Corp	111
24 C	**Home Mechanix**, New York, Times Mirror Co	125
8 C	**Home Office Computing**, New York, Scholastic Inc	234
24 C	**Homeowner**, New York, Family Media	193
3 C	**Hot Rod**, Los Angeles, Petersen Publishing Co	96
24 C	**House Beautiful**, New York, Hearst Corp	93
8 C	**Inc.**, Boston, Goldhirsh Group	61
20 B	**Industry Week**, Cleveland, Pittway Corp	210
5A B	**InformationWeek**, Manhasset, N.Y., CMP Publications	200
5A B	**InfoWorld**, Menlo Park, Calif., International Data Group	112
45 C	**Inside Sports**, Evanston, Ill., Century Publishing Co	190
73 B	**Interior Design**, New York, Reed International	212
36A C	**Jet**, Chicago, Johnson Publishing Co	75
74 B	**Jewelers' Circular-Keystone**, Radnor, Pa., Capital Cities/ABC	287
87 B	**Journal of the AMA**, Chicago, American Medical Association	185
49 C	**Ladies' Home Journal**, New York, Meredith Corp	16
49 C	**Lear's**, New York, Lear Publishing	214
22 C	**Life**, New York, Time Warner	30
30A C	**Los Angeles**, Los Angeles, Capital Cities/ABC	233
38 C	**Los Angeles Times Magazine**, Los Angeles, Times Mirror Co	150
120 B	**Machine Design**, Cleveland, Pittway Corp	140
5A B	**MacUser**, Foster City, Calif., Ziff Communications	102
5A B	**MacWeek**, San Francisco, Ziff Communications	264
5A B	**Macworld**, San Francisco, International Data Group	106
50 C	**Mademoiselle**, New York, Advance Publications	45
49 C	**McCall's**, New York, New York Times Co	22
H6 B	**Medical Economics**, Oradell, N.J., Thomson Corp	139
149A B	**Meetings & Conventions**, Secaucus, N.J., Reed International	263
24 C	**Metropolitan Home**, Des Moines, Meredith Corp	79
24 C	**Midwest Living**, Des Moines, Meredith Corp	244
40 C	**Mirabella**, New York, News Corp	211
5A B	**MSDWeek**, New York, Capital Cities/ABC	285
7 C	**Modern Bride**, New York, Reed International	62
H5 B	**Modern Healthcare**, Chicago, Crain Communications	291
28A C	**Modern Maturity**, Lakewood, Calif., American Association of Retired Persons	35
12 B	**Modern Sales**, Lincolnshire, Ill., Vance Communications	274
22 C	**Money**, New York, Time Warner	23
22 C	**Mother Earth News**, New York, New American Magazine Co	204
6 C	**Motor Boating & Sailing**, New York, Hearst Corp	257
3 C	**Motor Trend**, Los Angeles, Petersen Publishing Co	88
40 C	**Ms.**, New York, Lang Communications	276
30 C	**M-The Civilized Man**, New York, Capital Cities/ABC	265
19A C	**Muscle & Fitness**, Woodland Hills, Calif., I, Brute Enterprises	86
22 C	**National Enquirer**, Lantana, Fla., Macfadden Holdings	14
22 C	**National Examiner**, Boca Raton, Fla., Globe Communications Corp	110
22 C	**National Geographic**, Washington, National Geographic Society	13
46 C	**National Geographic Travel**, Washington, National Geographic Society	223
22 C	**National Geographic World**, Washington, National Geographic Society	269
19 C	**National Wildlife**, Washington, National Wildlife Federation	252
8 C	**Nation's Business**, Washington, Chamber of Commerce of the U.S.A.	156
127 B	**Nation's Restaurant News**, New York, Lebhar-Friedman Publications	149
22 C	**Natural History**, New York, Museum of Natural History	203
132A B	**Nature**, London/New York, Maxwell Communications	159
31 C	**Navy Times**, New York, Army Times Publishing Co	290
5A B	**Network World**, Framingham, Mass., International Data Group	201
28A C	**New Choices for the Best Years**, New York, Reader's Digest Association	220
H6 B	**New England Journal of Medicine**, Boston, New England Journal of Medicine	119
63B B	**New Equipment Digest**, Cleveland, Pittway Corp	262
49 C	**New Woman**, New York, News Corp	80
36A C	**New York Magazine**, New York, News Corp	60
38 C	**New York Times Magazine**, New York, New York Times Co	27
22 C	**New Yorker**, New York, Advance Publications	46
36A C	**Newsweek**, New York, Washington Post Co	6
H7 B	**Nursing88**, Springhouse, Pa., Elsevier Business Press	167
43 C	**Omni**, New York, General Media	83
47 C	**Outdoor**, Shelby, N.C., Triple D Publishing	239
21 C	**Organic Gardening**, Emmaus, Pa., Rodale Press	135
19 C	**Outdoor Life**, New York, Times Mirror Co	82
45 C	**Outside**, Chicago, Mariah Publications	231
22 C	**Parade**, New York, Advance Publications	7
49 C	**Parenting**, San Francisco, Time Warner	228
49 C	**Parents**, New York, Gruner & Jahr Publications	37
5A B	**PC Computing**, Cambridge, Mass., Ziff Communications	124
5A B	**PC Magazine**, New York, Ziff Communications	20
5A B	**PC Week**, Boston, Ziff Communications	42
5A B	**PC World**, San Francisco, International Data Group	89
30 C	**Penthouse**, New York, General Media	29
36A C	**People**, New York, Time Warner	3
5A B	**Personal Computing**, Totowa, N.J., VNU	90
30A C	**Philadelphia Magazine**, Philadelphia, MetroCorp	283
113B B	**Plant Engineering**, Des Plaines, Ill., Reed International	236
17 C	**Playbill**, New York, Playbill	241
30 C	**Playboy**, Chicago, Playboy Enterprises	34
49 C	**Playgirl**, New York, Playgirl Inc	158
30 C	**Popular Mechanics**, New York, Hearst Corp	71
39 C	**Popular Photography**, New York, Hachette Publications	105
43 C	**Popular Science**, New York, Times Mirror Co	72
6 C	**Power & Motoryacht**, Stamford, Conn., Reed International	222
24 C	**Practical Homeowner**, New York, Capital Cities/ABC	238
17A C	**Premiere**, New York, News Corp	172
23 C	**Prevention**, Emmaus, Pa., Rodale Press	50
19 B	**Professional Builder**, Des Plaines, Ill., Reed International	133
2 B	**Progressive Farmer**, Birmingham, Ala., Time Warner	195
22 C	**Psychology Today**, New York, New American Magazine Co	160
15 B	**Publishers Weekly**, New York, Reed International	299
70A B	**Purchasing Magazine**, Newton, Mass., Reed International	273
22 C	**Reader's Digest**, New York, Reader's Digest	5
19A B	**Real Estate Today**, Chicago, National Association of Realtors	295
49 C	**Redbook**, New York, Hearst Corp	26
127 B	**Restaurant Business**, New York, Bill Communications	180
127 B	**Restaurant Hospitality**, Cleveland, Pittway Corp	281
127 B	**Restaurants & Institutions**, Des Plaines, Ill., Reed International	91
H7 B	**RN**, Oradell, N.J., Thomson Corp	266
3 C	**Road & Track**, Newport Beach, Calif., Hachette Publications	68
33 C	**Rolling Stone**, New York, Straight Arrow Publishers	32
45 C	**Runners World**, Emmaus, Pa., Rodale Press	182
6 C	**Sail**, Charlestown, Mass., Meredith Corp	249
47 C	**Satellite Orbit**, Vienna, Va., CommTek Inc	191
8 C	**Savvy Woman**, New York, Family Media	215
132A B	**Science**, New York, American Assn./Advancement of Science	134
43 C	**Scientific American**, New York, Scientific American	122
49 C	**Sell**, New York, Advance Publications	58
49 C	**Sesame Street Magazine**, New York, Children's Television Workshop	154
49 C	**Seventeen**, New York, News Corp	52
49 C	**Shape**, Woodland Hills, Calif., Shape Magazine Inc	136
45 C	**Sid**, New York, Times Mirror Co	143
45 C	**Skiing**, New York, Times Mirror Co	151
45 C	**Skin Diver**, Los Angeles, Petersen Publishing Co	230
22 C	**Smithsonian**, Washington, Smithsonian Institution	38
49 C	**Soap Opera Digest**, New York, News Corp	59
24 C	**Southern Living**, Birmingham, Ala., Time Warner	31
45 C	**Sport**, Los Angeles, Petersen Publishing Co	141
45 C	**Sporting News**, St. Louis, Times Mirror Co	74
19 C	**Sports Afield**, New York, Hearst Corp	174
36A C	**Sports Illustrated**, New York, Time Warner	4
22 C	**Star Magazine**, Tarrytown, N.Y., Macfadden Holdings	21
33 C	**Stereo Review**, New York, Hachette Publications	115
8 C	**Success**, New York, Hal Holdings	243
2 B	**Successful Farming**, Des Moines, Meredith Corp	219
149A B	**Successful Meetings**, New York, Bill Communications	254
24 C	**Sunset**, Menlo Park, Calif., Time Warner	56
61 B	**Supermarket News**, New York, Capital Cities/ABC	194
49 C	**Teen**, Los Angeles, Petersen Publishing Co	132
45 C	**Tennis**, Trumbull, Conn., New York Times Co	131
30A C	**Texas Monthly**, Austin, Mediatex Communication Corp	178
36A C	**Time**, New York, Time Warner	2
149B B	**Tour & Travel News**, Manhasset, N.Y., CMP Publications	221
22 C	**Town & Country**, New York, Hearst Corp	87
8A C	**Trailer Life**, Agoura Hills, Calif., TL Enterprises	258
149B B	**Travel Agent Magazine**, New York, Capital Cities/ABC	253
149B B	**Travel Weekly**, Secaucus, N.J., Reed International	69
46 C	**Travel & Leisure**, New York, American Express Co	41
25A C	**Travel-Holiday**, New York, Reader's Digest	286
25A C	**Travelhost**, Dallas, Travelhost Inc	121
49 C	**True Story**, New York, Macfadden Holdings	142
36A C	**TV Guide**, Radnor, Pa., News Corp	1
24 C	**Unique Homes**, New York, Unique Homes Magazine Inc	251
17A C	**Us**, New York, Straight Arrow Publishers	55
22 C	**USA Weekend**, New York, Gannett Co	33
1 C	**USAir Magazine**, Greensboro, N.C., Pace Communications	292
36A C	**U.S. News & World Report**, Washington, U.S. News & World Report	12
22 C	**Vanity Fair**, New York, Advance Publications	67
49 C	**Victoria**, New York, Hearst Corp	188
47 C	**Video**, New York, Reese Communications	183
1 C	**Video Review**, New York, Viare Publishing	218
1 C	**Vis A Vis**, New York, East/West Network	176
50 C	**Vogue**, New York, Advance Publications	25
49 C	**W**, New York, Capital Cities/ABC	100
38 C	**Washington Post Magazine**, Washington, Washington Post Co	138
30A C	**Washingtonian**, Washington, Washington Magazine Co	246
49 C	**Weight Watchers**, New York, Weight Watchers Twentyfirst Corp	146
49 C	**Woman**, New York, Advance Publications	289
49 C	**Woman's Day**, New York, Hachette Publications	15
49 C	**Woman's World**, Englewood Cliffs, N.J., Bauer Publishing Co	44
29 C	**Wood**, Des Moines, Iowa, Meredith Corp	240
49 C	**Workbasket**, Kansas City, Mo., Modern Handcraft	267
49 C	**Working Mother**, New York, Lang Communications	152
49 C	**Working Woman**, New York, Lang Communications	95
45 C	**World Tennis**, New York, Family Media	187
6 C	**Yachting**, New York, Times Mirror Co	275
24 C	**Yankee**, Dublin, N.H., Yankee Publications	130
49 C	**YM**, New York, Gruner & Jahr Publications	162

Notes: C indicates consumer SRDS category. B indicates business SRDS category.

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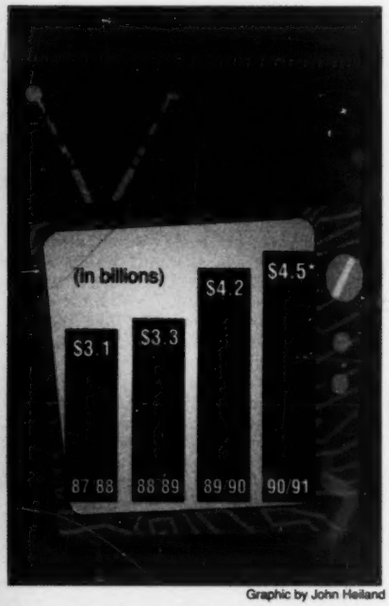
Hollywood fuels TV upfront

By Wayne Walley

Hollywood's movie studios, picking up the slack from flat-spending automakers, helped ignite what will be a record $4.5 billion upfront selling season for network TV.

Ratings guarantees, expected to be one of the most volatile issues in negotiations *(see related story on Page 60)*, have been all but ignored as each network is asking for, and getting, price increases of as much as 20% on a cost-per-thousand basis.



Graphic by John Heiland

Although agency media buyers earlier said this would be a bitter and hard-fought sales period, deals were quietly and quickly completed last week in what one buyer described as "a surreptitious upfront."

"Agencies bitch to the networks, we bitch to the agencies—everyone bitches. But when it comes time for upfront, everyone folds," said an executive with a major advertiser.

Agency sources said entertainment spending is up "appreciably," maybe as much as $150 million, and would more than cover a shortfall in automotive sales.

The car companies drove the upfront market into a frenzy last year by spending more than $700 million, but they're spending less this year, perhaps $600 million to $650 million.

"Fox [Broadcasting Co.] could have sold out every avail on Thursday to the movie companies if they wanted to do that," one agency source said. Fox's new Thursday night lineup is anchored by "The Simpsons."

"No one is meeting planning costs again," said an agency executive who asked to remain anonymous. "Everyone is in an absolute snit over price increases."

ABC initially asked for CPM increases of 25% for non-auto and non-movie categories, agency sources said. At least one major agency has closed a deal with the network at 18%, said buyers who refused to name the agency.

Top-rated NBC and third-ranked CBS also were said to be asking for more than 20% in CPM increases and making deals in the midteen range.

Fox, the fourth network, was getting CPM increases ranging from 20% to 42% from the movie studios.

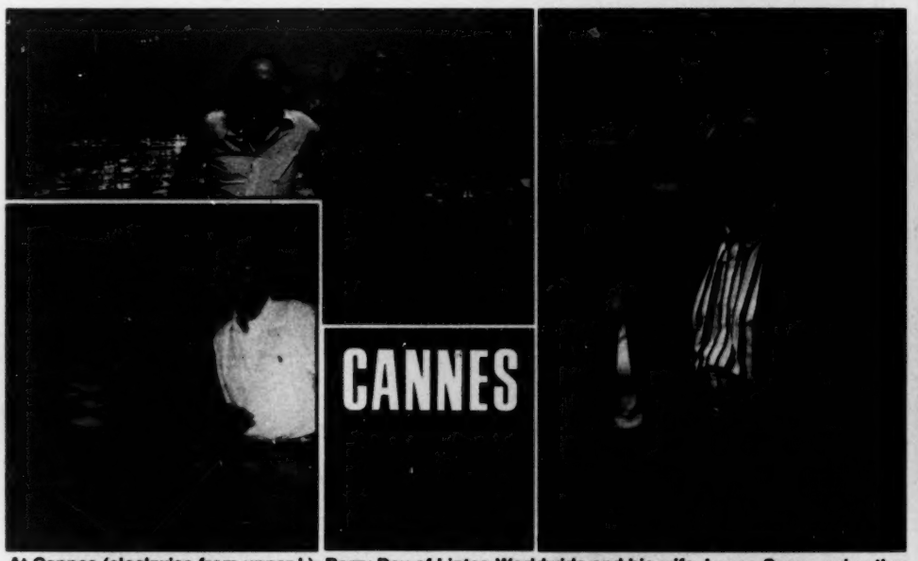
"The Simpsons," thanks to the demand, was getting as much as $300,000 for a 30-second spot, sources said.

Even though the marketplace has been tough, many say it doesn't compare with last year, when the market moved so fast deals were written in the middle of the night.

Network and agency sources now expect advance sales for prime-time programming to be near completion by the end of this week, with network news, daytime and late-night sales to follow quickly.

"Stuff is happening, but there isn't the same panic as last year,"

(Continued on Page 56)



Photos by Laurel Wentz

At Cannes (clockwise from upper l.): Barry Day of Lintas:Worldwide and his wife, Lynne Carey, enjoy the view; Mary Moore of Wells, Rich, Greene and Tim Mellors of Publicis U.K. have jury duty; Patricia Viotti of Jodaf, Washington Olivetto of W/Brasil and Tito Munoz of Saatchi & Saatchi/RCP get festive.

Top prize to U.K. shop

U.S. agencies bag 5 Gold Lions at festival

By Laurel Wentz

CANNES—A U.K. campaign for Maxell audiotapes won the Grand Prix at the International Advertising Film Festival here last week.

Three-year-old London agency Howell Henry Chaldecott Lury beat out a British Airways spot by Saatchi & Saatchi Advertising, London, and a Chanel spot from France for Egoiste perfume for men, created in-house.

The U.S.'s chance to win the top honor was diminished when Chiat/Day/Mojo's Energizer Bunny campaign for Eveready Battery Co. got thrown out by judges on the grounds it wasn't original *(see related story on Page 56)*.

Bob Garfield reviews the Maxell audiotape spot, the Grand Prix winner at Cannes—Page 60.

But U.S. shops did pick up five Gold Lions, including four from regional agencies, seven Silvers and 17 Bronzes.

Gold winners included BBDO Worldwide, New York, for its "Ray Charles" spot for Diet Pepsi, in which the blind musician tastes the difference when someone switches his Diet Pepsi with Diet Coke.

Other, unexpected winners included Minneapolis-based Fallon McElligott's "Handshake" spot for First Tennessee Bank, in which two men do a bizarre ritual greeting to show how hard it is to get a loan from other banks. Earle Palmer Brown Cos., Bethesda, Md., won a Gold for "Frank's Return" for Bob's Big Boy, in which a man returns home to his remarried wife after 15 years at a Big Boy.

In a bizarre spot from Steve

(Continued on Page 56)

LAST MINUTE NEWS

Heileman taps Della Femina

LA CROSSE, Wis.—G. Heileman Brewing Co. consolidated its approximately $20 million in ad business at Della Femina McNamee, New York. The agency also picked up $10 million in sales promotion spending, previously handled by a variety of shops. Previous agencies were Borders, Perrin & Norrander, Portland, Ore., and Seattle (Henry Weinhard); W.B. Doner & Co., Baltimore (Colt 45 malt liquor); Chiat/-Day/Mojo, San Francisco (Rainier and Lone Star); and Young & Rubicam, Chicago (Old Style and Special Export). Della Femina's Pittsburgh office previously had the Iron City brands of Pittsburgh Brewing Co., a Heileman sister company. The size of the Heileman account may hinge on how the brewer's debt is restructured. The restructuring—expected to be completed by week's end—is likely to put Heileman's banks in firm control, removing Australian brewing and media executive Alan Bond as a major factor.

Texas threatens Ragu

AUSTIN, Texas—The Texas Department of Health is threatening to seize Ragu Fresh Italian pasta sauce in a labeling dispute. The department said in a letter to Chesebrough-Pond's Ragu Foods unit that the state will start placing the product "under state detention at the wholesale level within 60 days." The letter said the sauce violates

(Continued on Page 8)

INSIDE

Ad Age reports on top 100 media companies (Starts after Page 34)

IN THIS ISSUE

- **Nike** knows that Bo knows sports, and in a new spot, 15 Bos (and a Bono) prove it 4
- **RJR** is testing two new cigarettes that are strikingly similar to the failed black-oriented Uptown brand 6
- **The Detroit Pistons** are shedding their "bad boy" image and shooting for more endorsement contracts 16
- **AT&T advertising** fends off a complaint from US Sprint in the May NAD review 48
- **Monet**, the U.S. costume jewelry leader, doubles its ad budget as competition for fickle consumers grows 49
- **P&G's Tide** detergent rides back into the AdWatch survey of top 10 ads on a wave of stronger advertising and an Earth Day promotion 50
- **A P&G** founder's descendant joins the fight to end Folgers' purchase of Salvadoran coffee beans 55

VIEWPOINT

- Sid Bernstein: "Ethics" and a White House faux pas .. 20
- Forum: A new ratings proposal 22
- James Brady: Barbour meets Jack, Doc & Reggie .. 32
- Joe Winski: The real life of Dick Tracy 32

Editorials ..... 20 The Next Trend 32
Letters 24

Focus on France

- Giant Havas eyes more growth 36
- BSN feasts on acquisitions 37

MEDIAWORKS

- Magazine ad pages continue to decline 38
- Consumer Linage 39

MARKETING TO HISPANICS

- Media, agencies squabble over TV rate jumps 40

PEOPLE

- People Moving 41
- Brady's Bunch 42
- Photo Review 46

- Maxell uses cue cards and garbled lyrics from actual songs to make it perfectly clear that today's music is meant to be heard on their audiotapes.

U.S. NewsWatch ..... 12 For the Record 58
Corrections & Clarifications . 24 Index to Advertisers 60
Classified 52

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ABP ABC

Suchard buy brings PM close to Nestle

By Judann Dagnoli and Dagmar Mussey

Philip Morris Cos. appears to have hit upon a seamless acquisition in Jacobs Suchard, a fit that will make Philip Morris a major power in European coffee and chocolate and closer in line with marketing superpower Nestle.

With the acquisition of Zurich-based Suchard last week, Philip Morris vaults into third place in the European confectionery market and the leading position in European ground-roast coffee.

Under the deal, announced Friday, a holding company owned by Suchard Chairman-CEO Klaus Jacobs becomes a unit of Philip Morris, giving the latter an estimated 60% control of the operating company. Philip Morris later will make a tender offer for the remainder of publicly traded Suchard shares. When the deal is completed, the acquisition cost is expected to be $3.8 billion.

The deal gives Philip Morris a well-established stable of brands, including Milka and Toblerone chocolates, and Kroenung, Night & Day and Jacobs Cafe coffee.

Not included in the purchase are Suchard's Canadian subsidiary, E.J. Brach in the U.S. and Suchard's industrial chocolate business. Mr. Jacobs is buying these back.

The combination will give Philip Morris, which in 1989 had $5 billion in international cigarette revenues and $3 billion in international food revenues, a total of $11.6 billion in revenues outside the U.S. Philip Morris' total revenues for 1989 were $52 billion.

Suchard offers Philip Morris an "entree into the $26 billion European confectionery market" and a stronger foothold in the $8 billion European coffee market, said Diana Temple, Salomon Bros. analyst.

The acquisition also will put Philip Morris well ahead of Nestle in the European ground-coffee race.

In 1989, Suchard held an estimated 15% share of the total European roasted coffee market. Philip Morris-owned General Foods International held a 6.5% European share last year while Nestle held 3.3%.

Les Pugh, Salomon analyst in London, said the Suchard deal will "make PM a much more formidable competitor with Nestle," which he said now holds 22% of the European confectionery market, vs. Mars Inc.'s 18% and Suchard's 11%.

Suchard's ad agency lineup also seems to be a neat fit with Philip Morris' international agency roster.

Young & Rubicam, Frankfurt, is worldwide agency for Suchard's Milka and also Philip Morris' agency for its Kaffee Hag coffee. Saatchi & Saatchi Advertising handles Suchard coffee, and Philip Morris already is indirectly linked with that shop through New York-based Backer Spielvogel Bates Worldwide, which handles Miller Brewing Co. and Parliament cigarettes. Both shops are units of Saatchi & Saatchi Co., London.

Suchard has been seeking a

(Continued on Page 60)

Texas warns Heartwise

By Jennifer Lawrence and Julie Liesse

Kellogg Co.'s Heartwise cereal may be yanked from store shelves in Texas unless the company can prove the product isn't a drug.

The Texas Department of Health, through the state attorney general's office, last week notified Kellogg that the department's food and drugs division believes Heartwise's psyllium content makes the cereal an "unapproved new drug."

Psyllium is an Indian grain used in some laxatives. It's a concentrated form of soluble fiber that Kellogg research shows can help reduce cholesterol.

On Friday, Celeste Clark, Kellogg VP-nutrition marketing and communications, told *Advertising Age*, "We are particularly perplexed at the inconsistency of the state's position on Heartwise, given their recently announced position that a food manufacturer would be permitted to represent his product as part of a diet low in cholesterol and saturated fat—one that can reduce the risk of heart disease.

"When you look at this inconsistency, it's a clear example of why national uniformity in labeling and health claims is necessary and critical."

Kellogg has staked a lot on Heartwise. Although the company has scaled down expectations for the product, its previous public statements indicate it's unlikely to back down in a confrontation with Texas.

"We continue to be committed to Heartwise and are optimistic about its potential in the marketplace," Ms. Clark said.

Kellogg Chairman-CEO William LaMothe is a vocal opponent of state intervention in health claims and labeling, and has stated repeatedly the company believes strongly in the science behind Heartwise's product proposition.

The company complied with a request for more information on Heartwise last fall from the U.S. Food & Drug Administration (AA, April 9). The FDA inquiry is still under way—a factor that prompted Texas officials to take immediate action, sources say.

Kellogg last week received a cover letter from Texas Assistant Attorney General Stephen Gardner dated June 20 that included a copy of a letter to him from Dennis Baker, the state health department's director of the division of food and drugs.

Mr. Baker's letter, dated June 15, said psyllium doesn't have "Generally Recognized as Safe" (GRAS) status with the Food & Drug Administration. For that reason, Heartwise violates Texas law and could be prohibited from sale there. □

EPA may set green claims

By Steven W. Colford

WASHINGTON—Draft legislation from Sen. Frank Lautenberg (D., N.J.) would make the Environmental Protection Agency responsible for establishing definitions governing all environmental marketing claims.

The draft bill, a copy of which was obtained last week by *Advertising Age*, is being circulated among business, consumer and environmental groups for comments.

The proposal would set up a 13-member board of consumer, environmental and industry advocates to come up with product marketing rules or guides.

An aide to Sen. Lautenberg said a bill is expected to be introduced before the Aug. 6 Senate recess, but it's not clear how closely it will resemble the draft version.

Ever since Sen. Lautenberg said at a May 16 Senate hearing that he was drafting legislation to deal with marketers' burgeoning use of environmental claims, some observers have feared the bill might try to establish definitions for such terms as biodegradable or recyclable. But instead, the draft legislation calls for the new board to handle that task.

Under the proposal, that board would recommend to the EPA within six months of its first meeting a set of "definitions and standards to be used in regulating environmental marketing claims on a national basis."

The draft would appear to let states sue marketers believed to have violated the established definitions. It stipulates a civil penalty of up to $25,000 for each violation and a criminal penalty of $25,000 per day of violation and jail of up to a year, or both.

Initial reactions to the draft hasn't been positive.

The Sierra Club, for example, says the federal government should stick to research and leave details like definitions and standards to private organizations.

A section of the draft that's particularly upsetting business interests would require marketers using environmental claims relating to the "recyclable" nature of a product or its packaging to provide information "that specifies each state in which such product or packaging is recycled at a sufficient level . . . to warrant the use of such term." □

100 LEADING MEDIA COMPANIES

Top 100's media revenues up 8% to $71 billion, but cutoff dips for first time

By R. Craig Endicott

Time Warner executives can utter the classic second-place lament: Wait until next year.

Although Capital Cities/ABC again can claim the title as the nation's top media company with $4.8 billion in 1989 revenues, Time Warner is poised to offer the greatest challenge for the lead in recent years. Time Warner's $4.6 billion revenue figure fell just $192 million shy of Cap Cities' total, according to *Advertising Age's* 10th annual report on the 100 Leading Media Companies.

Time Warner appears to represent that which is best in generating media revenues: magazines and cable systems.

The nation's top 100 media companies built up strong 1989 returns largely from cable and magazine properties. They collected media revenues of $71.2 billion, up 8% from 1988.

Time Warner, a merger of Time Inc., No. 2 in last year's report, and Warner Communications, previously No. 30, is the apotheosis of the two hot media categories, drawing 59.9% of its media net revenues from cable (Warner Cable Communications, American Television & Communications Corp. and Home Box Office) and the remainder from a powerful roster of consumer magazines.

Although the $14 billion merger of Time and Warner still left the combo in Time's old runner-up spot, there was plenty of maneuvering within the Top 10.

- Gannett Co. replaced General Electric Co. in the No. 3 slot as the latter's NBC-TV Network and its owned-and-operated stations suffered a 6.8% decline in net revenue.
- CBS Inc. retained No. 5, while Advance Publications moved to No. 6 from No. 7, switching with Times Mirror Co.
- Acquisition-minded TCI exploded from No. 11 a year ago to No. 8.
- Last year's No. 8, Knight-Ridder, clung to the No. 9 position, barely holding off fast-charging News Corp.

Magazine revenues generated by the 37 media companies on the list grew a strong 12.8% to $11.9 billion, increasing the category's share of the 100's total media pie from 15.9% in 1988 to 16.7% in 1989.

That growth rate likely will not hold. Publishers Information Bureau reports consumer magazine advertising is up only 1.9% from January through May this year.

Cable continued to climb, although not as rapidly in terms of percentage growth as in previous years.

Thirty-four companies with cable operations among the Top 100 pushed the category's net revenues to $13.4 billion, up 17.9% from the prior year but off the 23.9% pace charted by the same cable properties in 1988. Cable boosted its share of the Top 100's total media revenues to 18.7%, up from 17.2% in 1988.

Both magazines and cable stole share points from the other major media categories even though the others recorded marginal to modest growth.

TV slipped from 22.9% to 21.6% of total media and radio dipped from 1.6% to 1.5%.

While still the biggest revenue generator, newspapers fell the furthest in terms of contributing to total revenues, falling from 37.4% to 36%.

Indicative of magazines' relative health as a media property, revenues of two of the four new entries to this year's Top 100 were fueled by magazines. Additions include No. 73 Family Media and No. 95 Pittway Corp.

Ackerley Communications entered the chart at No. 99 with its outdoor media, and Heritage Communications reached No. 84 through its purchase of Actmedia Inc., an in-store company that accounts for 70.4% of Heritage's net revenues.

To qualify for the Top 100 list, a media company required net revenues of $130.1 million, represented by No. 100 DTH Media, parent of the *Dallas Times-Herald*. It edged Knapp Communications, which earned $130 million in revenue.

For the first time in the 10 years *Advertising Age* has been tracking media companies, the revenue cutoff declined. This illustrates the impact of consolidations over the past few years among leading media companies and the relatively slow growth in several media categories in 1989.

Magazine sector growth engineered some dramatic leaps on the chart. Moving at least eight places were Reed Publishing USA (formerly Cahners Publishing Co.), from No. 37 to No. 27; International Data Group from No. 52 to No. 41; Ziff Communications from No. 71 to No. 63; Forbes Inc. from No. 76 to No. 68; Maclean Hunter from No. 77 to No. 69; Edgell Communications from No. 91 to No. 72; U.S. News & World Report from No. 93 to No. 82; and CMP Publications from No. 98 to No. 89

However, it wasn't all rosy in the magazine category. Reader's Digest Association dipped to No. 26 from No. 23 a year earlier based on a 1.8% decline in net revenues largely associated with the flat performance of *Reader's Digest*.

Consolidation among cable properties continued to influence net revenue growth. TCI joined with No. 66 Adelphia Communications Corp. in buying out Cooke Media's cable operations for $1.6 billion. Continental Cablevision, No. 20, spent $500 million for five major cable systems.

Such consolidations helped push revenue growth above 20% for a number of cable companies, with TCI up 38%.

TV operations, unlike cable, fared poorly. The 43 companies with TV properties saw net revenues crawl forward to $15.4 billion, a 1.8% advance compared with a 6.3% movement in the prior year.

Newspapers turned in a decidedly lackluster performance. Net revenues of 49 companies with newspaper operations grew 3.9% to $25.6 billion, reflecting the same growth rate as in 1988.

Both media categories are not likely to rebound in 1990 as TV and newspaper advertising continues to soften. Although the major newspaper companies' growth was marginal, the public companies among them performed fairly well. *(See chart on Page S-3.)*

The public companies' percentage of media to total revenues slipped from 32.9% in 1988 to 32.4% in 1989. Media revenues of the 49 public companies grew to $50.3 billion, up 7.9%, while total revenues expanded 9.9% to $155.2 billion. □

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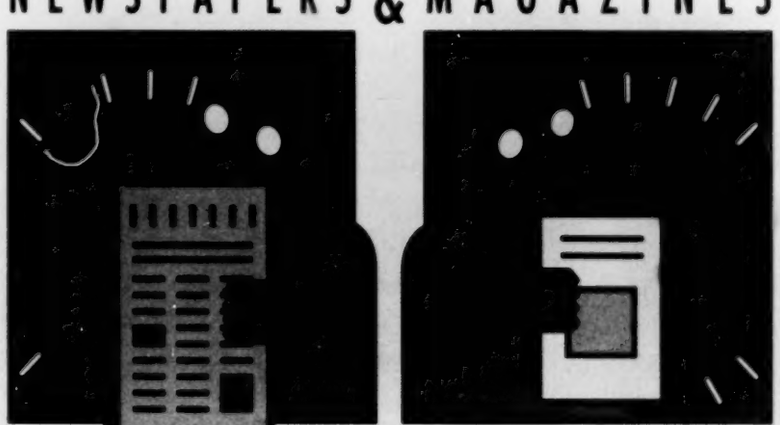
INSIDE THIS REPORT

Sagging broadcast segment looks to rebound from its sharply reduced ad revenue increases; leader remains General Electric S-7

Cable revenues of leaders gain 17.9%, a somewhat slower growth rate; meantime, pay cable is struggling for subscribers S-8



Illustrations by Steve Musgrave

Print media are heading in separate directions as far as the Top 100 are concerned. Newspapers are feeling the advertising pinch, while magazines are posting hefty percentage gains; Gannett leads the category with nearly $3 billion in newspaper revenues, and Time Warner dwarfs the magazine competition S-6

Top 15 publicly held companies ranked by return on sales S-6

Paced by GTE, Yellow Pages leaders gain 8% to $7.7 billion S-8

100 leading media companies by revenue

Rank 1989	Rank 1988	Company, headquarters	Total media revenue 1989	Total media revenue 1988	% chg	Newspaper revenue 1989	Newspaper revenue 1988	Magazine revenue 1989	Magazine revenue 1988	Broadcast* revenue 1989	Broadcast* revenue 1988	Cable TV revenue 1989	Cable TV revenue 1988	Other media revenue 1989	Other media revenue 1988
1	1	**Capital Cities/ABC**, New York	$4,767.0	$4,588.5	3.9	$490.9	$468.9	$376.1	$370.0	$3,584.9	$3,506.5	$315.1	$241.1	—	—
2	2	**Time Warner**, New York	4,575.0	4,142.0	10.5	—	—	1,855.0	1,752.0	—	—	2,720.0	2,390.0	—	—
3	4	**Gannett Co.**, Arlington, Va.	3,518.2	3,314.5	6.1	2,852.0	2,697.9	—	—	408.3	360.5	—	—	$257.9	$226.1
4	3	**General Electric Co.**, Fairfield, Conn.	3,392.0	3,638.0	(6.8)	—	—	—	—	3,392.0	3,638.0	—	—	—	—
5	5	**CBS Inc.**, New York	2,959.9	2,776.8	6.6	—	—	—	—	2,959.9	2,776.8	—	—	—	—
6	7	**Advance Publications**, Newark, N.J.	2,881.7	2,655.5	8.5	1,745.0	1,681.1	841.9	745.0	—	—	294.8	229.4	—	—
7	6	**Times Mirror Co.**, Los Angeles	2,807.1	2,677.0	4.8	2,065.9	1,997.7	305.9	298.5	102.8	99.0	332.5	282.7	—	—
8	11	**TCI**, Denver	2,353.0	1,705.1	38.0	—	—	—	—	—	—	2,353.0	1,705.1	—	—
9	8	**Knight-Ridder**, Miami	2,261.8	2,077.1	8.9	1,988.4	1,917.4	—	—	—	—	—	—	273.4	159.7
10	13	**News Corp.**, Sydney	2,203.0	1,683.3	30.9	284.0	195.7	713.0	509.6	700.0	620.0	—	—	506.0	358.0
11	10	**Tribune Co.**, Chicago	2,098.6	1,985.5	5.7	1,630.7	1,561.7	—	—	468.1	423.8	—	—	—	—
12	9	**Hearst Corp.**, New York	2,094.5	1,986.0	5.5	700.0	689.0	992.5	919.0	270.5	263.0	20.5	15.0	111.0	100.0
13	12	**New York Times Co.**, New York	1,766.9	1,700.1	4.0	1,398.5	1,360.1	295.6	240.1	65.0	62.5	—	—	8.0	8.4
14	14	**Cox Enterprises**, Atlanta	1,664.0	1,578.2	5.4	754.0	739.0	—	—	400.5	367.4	509.5	471.8	—	—
15	15	**Washington Post Co.**, Washington	1,372.9	1,305.6	5.2	728.7	682.7	334.4	327.5	182.5	180.2	129.3	115.2	—	—
16	17	**Thomson Corp.**, Toronto	1,327.6	1,126.0	17.9	594.5	530.0	733.1	596.0	—	—	—	—	—	—
17	18	**Viacom International**, New York	1,198.7	1,113.8	7.6	—	—	—	—	146.1	141.2	1,052.6	972.6	—	—
18	16	**E.W. Scripps**, Cincinnati	1,180.0	1,133.8	4.1	780.1	770.2	—	—	222.6	214.1	177.3	149.5	—	—
19	19	**Dow Jones & Co.**, New York	975.2	973.1	0.2	941.2	937.1	34.0	36.0	—	—	—	—	—	—
20	22	**Continental Cablevision**, Boston	780.0	622.0	25.4	—	—	—	—	—	—	780.0	622.0	—	—
21	26	**Turner Broadcasting System**, Atlanta	726.7	537.6	35.5	—	—	—	—	—	—	726.7	537.6	—	—
22	20	**Ingersoll Publications Co.**, Princeton, N.J.	669.5	645.0	3.8	669.5	645.0	—	—	—	—	—	—	—	—
23	21	**Westinghouse Electric Corp.**, Pittsburgh	646.0	632.8	2.1	—	—	—	—	646.0	632.8	—	—	—	—
24	24	**Advo-Systems**, Windsor, Conn.	617.7	589.0	4.9	—	—	—	—	—	—	—	—	617.7	589.0
25	25	**Belo Corp.**, Dallas	594.2	572.4	3.8	594.2	572.4	—	—	—	—	—	—	—	—
26	23	**Reader's Digest**, Pleasantville, N.Y.	589.4	600.4	(1.8)	—	—	589.4	600.4	—	—	—	—	—	—
27	37	**Reed Publishing USA**, Newton, Mass.	580.0	420.0	38.1	—	—	580.0	420.0	—	—	—	—	—	—
28	28	**McGraw-Hill**, New York	557.3	509.8	9.3	—	—	460.0	413.7	97.3	96.1	—	—	—	—
29	32	**Meredith Corp.**, Des Moines, Iowa	531.4	474.7	11.9	—	—	417.1	365.1	114.3	109.6	—	—	—	—
30	40	**Valassis Inserts**, Livonia, Mich.	525.0	400.0	31.3	—	—	—	—	—	—	—	—	525.0	400.0
31	33	**SCI Holdings**, Miami	516.0	472.1	9.3	—	—	—	—	—	—	516.0	472.1	—	—
32	29	**Affiliated Publications**, Boston	515.1	506.5	1.7	435.6	444.5	79.5	62.0	—	—	—	—	—	—
33	30	**Comcast Corp.**, Bala-Cynwyd, Pa.	502.0	404.1	24.2	—	—	—	—	—	—	502.0	404.1	—	—
34	27	**United Artists Entertainment Co.**, Denver	501.3	513.6	(2.4)	—	—	—	—	—	—	501.3	513.6	—	—
35	31	**Cablevision Systems Corp.**, Woodbury, N.Y.	492.7	493.5	(0.2)	—	—	—	—	—	—	492.7	493.5	—	—
36	35	**Media General**, Richmond, Va.	451.1	445.0	1.4	298.1	298.9	13.5	13.5	56.2	61.8	83.3	70.8	—	—
37	38	**Freedom Newspapers**, Irvine, Calif.	449.7	432.0	4.1	367.0	353.0	—	—	82.7	79.0	—	—	—	—
38	34	**Harte-Hanks Communications**, San Antonio, Texas	436.3	462.7	(5.7)	319.0	342.4	—	—	24.3	26.0	—	—	93.0	94.3
39	36	**Central Newspapers**, Indianapolis	436.2	417.0	4.5	436.2	417.0	—	—	—	—	—	—	—	—
40	43	**Chronicle Publishing Co.**, San Francisco	421.0	384.0	9.6	247.0	234.0	—	—	99.0	96.0	75.0	54.0	—	—
41	52	**International Data Group**, Framingham, Mass.	420.0	312.0	19.3	—	—	420.0	352.0	—	—	—	—	—	—
42	42	**A.H. Belo Corp.**, Dallas	417.1	385.4	8.2	238.0	220.1	—	—	179.2	165.3	—	—	—	—
43	49	**Landmark Communications**, Norfolk, Va.	414.0	363.6	13.9	341.2	293.6	—	—	29.8	27.9	43.2	32.2	—	—
44	41	**Pulitzer Publishing Co.**, St. Louis	402.2	391.0	2.9	296.8	287.2	—	—	105.4	103.8	—	—	—	—
45	47	**Oklahoma Publishing Co.**, Oklahoma City	398.8	374.0	6.6	127.0	125.0	—	—	159.6	156.0	113.0	93.0	—	—
46	44	**Morris Communications**, Augusta, Ga.	395.3	382.6	3.3	265.5	258.3	—	—	—	—	—	—	129.8	124.3
47	48	**Hachette Filipacchi**, Paris	395.0	368.0	7.9	—	—	395.0	368.0	—	—	—	—	—	—
48	45	**Copley Newspapers**, La Jolla, Calif.	392.9	381.3	3.0	384.5	373.9	—	—	—	—	8.4	7.4	—	—
49	46	**Advance Inc.**, Greenville, S.C.	384.7	374.0	2.9	137.9	135.2	—	—	136.9	136.9	109.9	101.9	—	—
50	53	**Reuters Holdings PLC**, London	378.2	351.3	7.7	—	—	—	—	—	—	—	—	378.2	351.3
51	50	**Gates Rubber**, Denver	367.0	354.0	3.7	—	—	—	—	367.0	354.0	—	—	—	—
52	51	**McClatchy Newspapers**, Sacramento, Calif.	365.6	352.6	3.7	365.6	352.6	—	—	—	—	—	—	—	—
53	54	**Cowles Media Co.**, Minneapolis	329.8	315.0	4.7	280.3	273.0	49.5	42.0	—	—	—	—	—	—
54	55	**Donrey Media Group**, Fort Smith, Ark.	312.2	300.0	4.1	236.8	228.1	—	—	9.7	9.6	11.4	10.3	54.3	52.0
55	57	**Journal Communications**, Milwaukee	285.7	274.9	3.9	232.6	222.7	—	—	53.7	52.7	—	—	—	—
56	58	**Associated Press**, New York	275.7	261.3	5.5	—	—	—	—	—	—	—	—	275.7	261.3
57	59	**3M**, St. Paul	264.8	249.8	6.0	—	—	—	—	—	—	—	—	264.8	249.8
58	61	**Providence Journal Co.**, Providence, R.I.	260.0	243.0	7.0	133.0	133.0	—	—	42.0	32.0	85.0	78.0	—	—
59	60	**National Geographic Society**, Washington	255.5	245.4	4.1	—	—	255.5	245.4	—	—	—	—	—	—
60	63	**Lee Enterprises**, Davenport, Iowa	250.0	234.8	6.5	180.2	166.9	—	—	69.8	67.9	—	—	—	—
61	62	**Chicago Sun-Times Co.**, Chicago	249.5	235.4	6.0	249.5	235.4	—	—	—	—	—	—	—	—
62	64	**Claris-Craft Industries**, New York	246.7	230.6	7.0	—	—	—	—	246.7	230.6	—	—	—	—
63	71	**Ziff Communications**, New York	240.0	200.0	20.0	—	—	240.0	200.0	—	—	—	—	—	—
64	66	**Sammons Communications**, Dallas	239.0	215.8	10.8	—	—	—	—	—	—	239.0	215.8	—	—
65	65	**Blade Communications**, Toledo, Ohio	232.6	225.2	3.3	180.6	174.0	—	—	17.0	16.2	35.0	35.0	—	—
66	75	**Adelphia Communications Corp.**, Coudersport, Pa.	231.5	185.0	25.1	—	—	—	—	—	—	231.5	185.0	—	—
67	74	**Petersen Publishing Co.**, Los Angeles	214.8	186.7	15.0	—	—	214.8	186.7	—	—	—	—	—	—
68	76	**Forbes Inc.**, New York	213.1	181.4	17.5	6.6	6.4	206.5	175.0	—	—	—	—	—	—
69	77	**Maclean Hunter**, Toronto	210.7	180.3	16.9	—	—	79.4	73.1	—	—	131.3	114.1	—	—
70	72	**Times Publishing Co.**, St. Petersburg, Fla.	209.0	194.0	7.7	181.0	169.1	28.0	24.9	—	—	—	—	—	—
71	68	**Scripps League Newspapers Inc.**, Cincinnati, Ohio	208.1	204.1	2.0	140.0	140.0	2.1	2.1	63.3	62.3	—	—	—	—
72	91	**Edgell Communications**, Cleveland	205.0	148.3	38.2	—	—	205.0	148.3	—	—	—	—	—	—
73	NA	**Family Media**, New York	204.2	185.0	10.4	—	—	204.2	185.0	—	—	—	—	—	—
74	78	**TeleCable Corp.**, Norfolk, Va.	204.0	180.0	13.3	—	—	—	—	—	—	204.0	180.0	—	—
75	70	**Seattle Times Co.**, Seattle	200.0	200.0	0.0	200.0	200.0	—	—	—	—	—	—	—	—
76	67	**Macfadden Holdings**, New York	198.0	209.0	(5.3)	153.0	164.0	45.0	45.0	—	—	—	—	—	—
77	69	**Cox Newspapers Inc.**, Cincinnati	197.7	200.4	(1.3)	—	—	—	—	197.7	200.4	—	—	—	—
78	83	**Century Communications Corp.**, New Canaan, Conn.	186.4	160.0	16.5	—	—	—	—	—	—	186.4	160.0	—	—
79	81	**Hearst Business Publications**, Albany, N.Y.	182.6	170.2	7.3	—	—	—	—	—	—	182.6	170.2	—	—
80	79	**Patrick Media Group**, Scranton, Pa.	182.0	175.0	4.0	—	—	—	—	—	—	—	—	182.0	175.0
81	80	**Knight-Ridder Financial**, New York	180.2	173.4	3.9	152.7	147.1	—	—	27.5	26.3	—	—	—	—
82	93	**U.S. News & World Report**, Washington	170.2	141.8	20.0	—	—	170.2	141.8	—	—	—	—	—	—
83	85	**Times Journal Co.**, Springfield, Va.	169.5	157.1	7.9	169.5	157.1	—	—	—	—	—	—	—	—
84	NA	**Heritage Media Corp.**, Dallas	165.0	46.5	254.8	—	—	—	—	48.9	46.5	—	—	116.1	—
85	87	**Whitney Communications**, Rockville, Md.	160.0	150.0	6.7	—	—	69.0	69.0	—	—	73.0	—	18.0	81.0
86	84	**LIN Broadcasting**, New York	162.4	158.4	2.5	—	—	23.4	21.2	139.0	137.2	—	—	—	—
87	89	**Meredith/New Heritage**, New York	160.0	152.0	5.3	—	—	160.0	152.0	—	—	—	—	—	—
88	73	**Howard Publications**, Oceanside, Calif.	160.0	190.0	(15.8)	160.0	155.0	—	—	—	20.0	—	15.0	—	—
89	88	**Hubbard Broadcasting**, St. Paul	157.4	153.0	2.9	23.4	19.8	24.1	20.6	—	—	—	—	—	—
90	96	**Univision Holdings**, New York	153.1	136.3	12.3	—	—	—	—	153.1	136.3	—	—	—	—
91	90	**Park Communications**, Ithaca, N.Y.	152.1	148.2	2.6	83.8	87.2	—	—	68.3	61.0	—	—	—	—
92	82	**Houston Industries**, Houston, Texas	150.4	162.9	(7.7)	—	—	—	—	—	—	150.4	162.9	—	—
93	92	**Providence Journal**, Charleston, S.C.	149.0	145.0	2.8	—	—	139.1	139.1	—	—	9.9	5.9	—	—
94	95	**Crain Communications**, Chicago	145.1	137.2	5.8	—	—	144.7	136.8	0.4	0.4	—	—	—	—
95	86	**Cox Cable Communications**, Atlanta	144.8	156.8	(7.7)	—	—	144.8	156.8	—	—	—	—	—	—
96	94	**H&C Communications**, Houston	140.0	140.0	0.0	—	—	—	—	140.0	140.0	—	—	—	—
97	97	**Deseret News Publishing**, Salt Lake City	139.4	131.4	6.1	—	—	—	—	39.2	131.4	—	—	—	—
98	100	**Berkshire Hathaway**, Omaha	135.6	131.7	3.0	135.6	131.7	—	—	—	—	—	—	—	—
99	NA	**Cox Enterprises**, Atlanta	133.3	133.3	0.0	—	—	—	—	81.1	81.1	—	—	52.2	52.2
100	99	**DTH Media**, Dallas	130.0	132.5	(1.9)	130.0	132.5	—	—	—	—	—	—	—	—

Notes: Dollars are in millions. All figures are net revenues and AA estimates. See Page 5-3 for methodology. *Broadcast revenues include TV and radio.

Compiled by: Sarah Polster. AA chart: Kevin Brown

Top 15 publicly held media companies by return on sales

Rank 1989	Rank 1988	Company, headquarters	Percent return on sales 1989	1988	change	Total revenues 1989	1988	% chg	Net income 1989	1988	% chg	Total media revenues 1989	1988	% chg
1	31	Chris-Craft Industries*, New York	176.9	4.3	172.62	$267.5	$250.8	6.7	$473.3	$10.8	4,280.7	$246.7	$230.6	7.0
2	2	LIN Broadcasting, New York	22.9	36.4	(13.51)	250.7	225.5	11.2	57.4	82.1	(30.1)	162.4	158.4	2.5
3	6	Dow Jones & Co., New York	18.8	14.2	4.55	1,687.9	1,603.1	5.3	317.0	228.2	38.9	975.2	973.1	0.2
4	4	Berkshire Hathaway, Omaha	18.0	16.2	1.82	2,484.0	2,465.0	0.8	447.5	399.3	12.1	135.6	131.7	3.0
5	17	Thomson Corp., Toronto	17.5	9.2	8.28	5,112.0	4,726.0	8.2	895.0	436.0	105.3	1,327.6	1,126.0	17.9
6	5	Lee Enterprises, Davenport, Iowa	16.0	16.2	(0.24)	269.5	252.5	6.7	43.0	40.9	5.1	250.0	234.8	6.5
7	7	Reuters Holdings PLC, London	15.3	13.4	1.88	1,910.9	1,777.0	7.5	291.7	237.8	22.7	378.2	351.3	7.7
8	15	New York Times Co., New York	15.1	9.9	5.21	1,768.9	1,700.0	4.1	266.6	167.7	59.0	1,768.9	1,700.1	4.0
9	3	Washington Post Co., Washington	13.7	19.7	(5.97)	1,444.1	1,367.6	5.6	198.0	269.1	(26.4)	1,372.9	1,305.8	5.2
10	8	Park Communications, Ithaca, N.Y.	12.3	12.8	(0.51)	152.5	149.6	1.9	18.7	19.1	(2.1)	152.5	149.6	1.9
11	9	Journal Communications, Milwaukee	11.7	11.2	0.48	471.1	443.2	6.3	55.0	49.6	10.9	285.7	274.9	3.9
12	10	Gannett Co., Arlington, Va.	11.3	11.0	0.30	3,518.2	3,314.5	6.1	397.5	364.5	9.1	3,518.2	3,314.5	6.1
13	12	Hearst Industries, Houston	10.9	10.8	0.08	3,769.3	3,649.5	3.6	413.5	395.3	4.6	150.4	162.9	(7.7)
14	21	Knight-Ridder, Miami	10.9	7.5	3.39	2,268.3	2,083.3	8.9	247.2	156.4	58.1	2,261.8	2,077.1	8.9
15	11	3M, St. Paul	10.4	10.3	(0.53)	11,990.0	10,581.0	13.3	1,244.0	1,154.0	7.8	264.6	249.6	6.0

Notes: Dollars are in millions. 1988 rankings are based on the position of 49 publicly-held media companies in this report. * Chris-Craft reported $1.3 billion in income associated with large holdings in Warner Communications. **Sources:** Corporate annual reports. **AA chart:** Kevin Brown

Methodology

Companies listed on the 100 Leading Media Companies chart, whether U.S.- or foreign-based, were ranked by net revenues generated by their U.S. media properties. Net revenues exclude agency commission on the ad side and such items as provisions for newsstand returns, unpaid subscriptions and subscription agency commissions on the circulation side.

Figures used were either calendar year 1989 or the latest available fiscal returns.

Treatment of acquisitions and divestitures was on a pro forma basis where available. A pro forma reading was obtained for Time Warner reflecting combined net revenues had the merger been consummated at the beginning of 1988. Macfadden Holdings would not include *Star* magazine, purchased this year from News Corp.

Ratings shown for 1988 in this year's report are based on figures reported by companies or estimated by *Ad Age* this year.

The careful reader will note that a newcomer to this year's list, Family Media, publisher of such titles as *Discover*, *Health* and *Savvy*, should not have been a newcomer. Its 1988 total revenues ultimately were estimated at $165 million, surpassing that year's cutoff of $131.7 million.

With more than half the companies in this report private, estimates were required. Estimates by *Ad Age* or from secondary sources such as "Duncan's Radio Market Guide" for radio or Paul Kagan Associates for cable were shown to the media company whenever possible. Most private companies were forthcoming with their total net revenues and media category breakouts.

Ad Age identifies all the numbers as estimates even though most were confirmed by the companies because many of the numbers credited to certain media categories, such as TV and radio, rarely appear in such form in audited results. Most companies, for example, couple TV and radio under "broadcast" without specifying amounts in either.

Similarly, many media companies are involved in what *Ad Age* considers non-media activities, such as contract printing, book publishing, book and record clubs, movie production, etc. □

R. Craig Endicott, Kevin Brown and Sarah Polster compiled information for this report.

We treat Madison Avenue like it's Main Street.

Our national advertiser rates are a lot closer to our local rates than you expect. And we help you reach the entire metro market with one of the lowest CPMs, because you can reach up to 85 percent of metro Harrisburg's mainstream adults in a single issue. Want to know more? Call Bob Cobaugh, our national advertising manager, at (717) 255-8203. He'll treat you like you were a Harrisburger yourself.

The Patriot-News

Harrisburg, Pa. It's a buyer's market.

A Newhouse Newspaper

Magazines run hotter than papers

Newspaper properties of the 100 Leading Media Companies, unlike their magazine counterparts, were locked in an industrywide ad crunch in 1989.

Newspaper volume leader Gannett Co. drew $2.9 billion from its newspaper operations for a 5.7% increase. The only other top 10 newspaper company to surpass this was Washington Post Co. with 6.4% growth. No other top 10 company grew more than 4.4% in revenue.

Those returns parallel the nationwide slippage in newspaper ad volume growth trends.

Newspaper ad growth in 1988 hit 6.1%, followed by last year's slower 3.8% uptick to $32.4 billion. The first quarter of this year continued the shrinkage as total advertising topped out at $7.3 billion, down 0.3% from the comparable quarter in 1989.

Classified advertising, particularly vulnerable to economic declines, dropped 11.2% for the quarter.

Competitive forces in the marketplace altered the newspaper landscape in 1989.

Hearst Corp.'s *Los Angeles Herald Examiner* closed down at yearend. Capital Cities/ABC's evening *Kansas City Star* early this year merged with the morning *Times*.

Ingersoll Publications' St. Louis *Sun* folded, and the Supreme Court approved the biggest joint operating agreement, in Detroit.

Magazine companies reported handsome gains that made Time Warner's advance of 5.9% seem paltry. On a volume basis, however, Time Warner's net revenue of almost $1.9 billion, nearly doubled Hearst's $992.5 million.

News Corp. registered the largest year-to-year percentage gain of 39.9% as it folded in full-year's results of its 1988 acquisition of Triangle Publications.

Some of the leading magazines changed hands during 1989 and early 1990 as *McCall's* went from Lang Communications to the New York Times Co.; *Sunset* was bought by Time Warner; the *Star* moved from News Corp. to Macfadden Holdings; and the travel publications of News Corp. left for Reed International.

In the first five months of 1990, ad volume of about $3 billion represented a slight increase of 1.2% over the comparable period in 1989. The increase, however, resulted from boosting rates; ad pages dipped 4.3% below earlier levels, according to Publishers Information Bureau. □

Media companies by print revenue

Newspaper companies

Rank 1989	Rank 1988	Company	Newspaper revenue 1989	Newspaper revenue 1988	% chg	Newspaper as % of total media 1989	Newspaper as % of total media 1988	Total media 1989
1	1	Gannett Co.	$2,852.0	$2,697.9	5.7	81.1	76.7	$3,518.2
2	2	Times Mirror Co.	2,065.9	1,997.7	3.4	73.6	71.2	2,807.1
3	3	Knight-Ridder	1,968.4	1,917.4	3.7	87.9	84.8	2,238.8
4	4	Advance Publications	1,745.0	1,681.1	3.8	60.6	58.3	2,881.7
5	5	Tribune Co.	1,630.7	1,561.7	4.4	77.7	74.4	2,099.8
6	6	New York Times Co.	1,398.5	1,380.1	1.3	79.1	78.0	1,768.9
7	7	Dow Jones & Co.	941.2	937.1	0.4	96.5	96.1	975.2
8	8	E.W. Scripps	780.1	770.2	1.3	66.1	65.3	1,180.0
9	9	Cox Enterprises	754.0	739.0	2.0	45.3	44.4	1,664.6
10	11	Washington Post Co.	726.7	682.7	6.4	52.9	49.7	1,372.9
11	10	Hearst Corp.	700.0	689.0	1.6	33.4	32.8	2,094.5
12	12	Ingersoll Publications Co.	669.5	645.0	3.8	100.0	96.3	669.5
13	14	Thomson Corp.	594.5	530.0	12.2	44.8	39.9	1,327.6
14	13	MediaNews Group	594.2	572.4	3.8	100.0	96.3	594.2
15	15	Capital Cities/ABC	490.9	468.9	4.7	10.3	9.8	4,767.0
16	17	Central Newspapers	436.2	417.6	4.5	100.0	95.7	436.2
17	16	Advance Publications	435.6	444.5	(2.0)	84.6	86.3	515.1
18	18	Copley Newspapers	384.5	373.9	2.8	97.9	95.2	392.9
19	19	Freedom Newspapers	367.0	353.0	4.0	81.6	78.5	449.7
20	20	McClatchy Newspapers	365.6	352.6	3.7	100.0	96.4	365.6
21	22	Landmark Communications	341.2	303.5	12.4	82.4	73.3	414.0
22	21	Harte-Hanks Communications	319.0	342.4	(6.8)	73.1	78.5	436.3
23	23	Media General	298.1	298.9	(0.3)	66.1	66.5	451.1
24	24	Pulitzer Publishing Co.	296.8	287.2	3.3	73.8	71.4	402.2
25	33	News Corp.	284.0	195.7	45.1	12.9	8.9	2,203.0
26	25	Cowles Media Co.	280.3	273.0	2.7	85.0	82.8	329.8
27	26	Morris Communications	265.5	258.3	2.8	67.2	65.3	395.1
28	27	Chicago Sun-Times Co.	249.5	235.4	6.0	100.0	94.3	249.5
29	28	Donrey Publishing Co.	247.0	234.0	5.6	58.7	55.6	421.0
30	31	A.H. Belo Corp.	238.0	220.1	8.1	57.1	52.8	417.1
31	29	Donrey Media Group	236.8	228.1	3.8	75.8	73.1	312.2
32	30	Journal Communications	232.0	222.2	4.4	81.2	77.8	285.7
33	32	Seattle Times Co.	200.0	200.0	0.0	100.0	100.0	200.0
34	35	Times Publishing Co.	181.0	169.1	7.0	86.6	80.9	209.0
35	34	Media Communications	180.6	174.0	3.8	77.6	74.8	232.7
36	36	Lee Enterprises	180.2	166.9	8.0	72.1	66.8	250.0
37	38	Times Journal Co.	166.5	157.1	6.0	100.0	94.4	166.5
38	39	Howard Publications	160.0	155.0	3.2	100.0	96.9	160.0
39	37	Manchester Holdings	153.0	164.0	(6.7)	77.3	82.9	198.0
40	40	Macromedia	152.7	147.1	3.8	84.7	81.6	180.2
41	41	Dispatch Printing Co.	140.0	140.0	0.0	68.2	68.2	205.4
42	42	Multimedia Inc.	137.9	135.2	2.0	35.8	35.1	384.7
43	45	Berkshire Hathaway	136.6	131.7	3.0	100.0	97.1	136.6
44	47	CMP Publications	133.4	113.0	18.1	84.7	71.7	157.5
45	43	Providence Journal Co.	133.0	133.0	0.0	51.2	51.2	259.8
46	44	DTH Media	130.0	132.5	(1.9)	100.0	101.9	130.0
47	46	Oklahoma Publishing Co.	127.0	125.0	1.6	31.8	31.3	399.8
48	48	Park Communications	89.9	87.3	3.0	59.0	57.2	152.5
49	49	Forbes Inc.	6.6	6.4	3.1	3.1	3.0	213.1

Magazine companies

Rank 1989	Rank 1988	Company	Magazine revenue 1989	Magazine revenue 1988	% chg	Magazine as % of total media 1989	Magazine as % of total media 1988	Total media 1989
1	1	Time Warner	1,855.0	1,750.0	6.0	40.5	38.3	4,581.2
2	2	Hearst Corp.	992.5	919.0	8.0	47.4	43.9	2,094.5
3	3	Advance Publications	841.9	745.6	13.0	29.2	25.9	2,881.7
4	5	Thomson Corp.	733.1	596.0	23.0	55.2	44.9	1,327.6
5	4	Reed Elsevier	713.8	589.8	21.0	38.1	31.5	1,872.4
6	6	Reader's Digest	589.4	600.4	(1.8)	100.0	101.9	589.4
7	7	Reed Publishing USA	586.8	496.8	18.1	60.8	51.4	965.4
8	8	McGraw-Hill	460.0	413.7	11.2	82.5	74.2	557.3
9	12	International Data Group	430.0	287.0	49.8	93.4	62.3	460.4
10	11	Meredith Corp.	417.1	365.1	14.2	78.5	68.7	531.4
11	10	Rupert Murdoch	396.0	393.0	0.8	39.9	39.6	992.5
12	9	Capital Cities/ABC	376.1	370.0	1.6	7.9	7.8	4,767.0
13	13	Dun & Bradstreet	310.0	285.0	8.8	29.5	27.1	1,051.0
14	14	Times Mirror Co.	305.9	298.5	2.5	10.9	10.6	2,807.1
15	15	New York Times Co.	285.8	248.1	15.2	16.2	14.0	1,768.9
16	16	National Geographic Society	255.5	245.4	4.1	100.0	96.0	255.5
17	17	Gruner + Jahr	250.0	230.0	8.7	23.9	22.0	1,045.8
18	18	Petersen Publishing Co.	214.8	186.7	15.0	100.0	86.9	214.8
19	21	Hachette	210.0	160.0	31.3	20.0	15.2	1,050.0
20	22	Edgell Communications	205.0	148.3	38.2	100.0	72.3	205.0
21	20	Ziff-Davis Publishing	200.0	190.0	5.3	19.1	18.1	1,047.1
22	23	U.S. News & World Report	170.2	141.8	20.0	100.0	83.3	170.2
23	24	Newsweek Inc.	150.0	140.0	7.1	14.3	13.3	1,050.0
24	24	Crain Communications	144.7	136.8	5.7	99.7	94.3	145.1
25	25	Conde Nast	144.0	131.0	9.9	13.7	12.5	1,050.0
26	26	Playboy Enterprises	126.1	120.4	4.7	85.4	81.5	147.7
27	27	Rodale Press Inc.	120.0	110.0	9.1	11.4	10.5	1,050.0
28	29	Affiliated Publications	79.5	62.0	28.2	15.4	12.0	515.1
29	28	Ingersoll Publications	75.0	70.0	7.1	11.2	10.5	669.5
30	31	Cowles Media Co.	49.5	42.0	17.9	15.0	12.7	329.8
31	30	Dow Jones & Co.	34.0	36.0	(5.6)	3.5	3.7	975.2
32	32	Dun & Bradstreet Corp.	31.0	30.0	3.3	2.9	2.8	1,051.0
33	33	Forbes Inc.	26.5	25.6	3.5	12.4	12.0	213.1
34	35	CMP Publications	24.1	20.0	20.5	15.3	12.7	157.5
35	34	Fairchild Publications	23.0	21.0	9.5	2.2	2.0	1,050.0
36	36	Media General	13.5	13.5	0.0	3.0	3.0	451.1
37	37	Rolling Stone Co.	7.1	7.1	0.0	1.7	1.7	420.0

Notes: Dollars are in millions. All figures are AA estimates. See Page S-3 for methodology. Compiled by: Sarah Peaker. Art chief: Kevin Brown

Drugstore chains that ignore New York's Hispanics are in for a big headache.

New York's Hispanics spend more than $44 million annually on drug store items, everything from aspirin to hair spray, from tooth paste to nail polish.

Want to reach these health and beauty-minded consumers?

Advertise on WNJU 47, New York's #1 Spanish-language station.

It's as simple as that!

WNJU 47
Telemundo in New York

For more information, call Rosemarie Lieberman (212) 492-5603

Source: MOR 1987, New York Market.

Media companies by broadcast

TV companies

Rank 1989	Rank 1988	Company	TV revenue 1989	TV revenue 1988	% chg	TV as % of total media 1989	TV as % of total media 1988	Total media 1989
1	1	General Electric Co.	$3,392.0	$3,638.0	(6.8)	100.0	100.0	$3,392.0
2	2	Capital Cities/ABC	3,370.5	3,306.3	1.9	70.7	69.4	4,767.0
3	3	CBS Inc.	2,778.7	2,612.1	6.4	93.9	88.2	2,959.9
4	4	News Corp.	700.0	620.0	12.9	31.8	28.1	2,203.0
5	5	Westinghouse Electric Corp.	530.0	521.2	1.7	82.0	80.7	646.0
6	6	Tribune Co.	419.4	381.3	10.0	20.0	18.2	2,098.8
7	7	Gillett Holdings	367.0	354.0	3.7	100.0	96.5	367.0
8	8	Gannett Co.	319.0	305.5	4.4	9.1	8.7	3,518.2
9	9	Cox Enterprises	306.2	286.6	6.8	18.4	17.2	1,664.0
10	11	Chris-Craft Industries	246.7	230.6	7.0	100.0	93.5	246.7
11	10	Hearst Corp.	245.0	234.7	4.4	11.7	11.2	2,094.5
12	12	E.W. Scripps	208.6	197.2	5.8	17.7	16.7	1,180.0
13	13	Washington Post Co.	182.5	180.2	1.3	13.3	13.1	1,372.9
14	14	A.H. Belo Corp.	179.2	165.3	8.4	43.0	39.6	417.1
15	18	Univision Holdings	153.1	136.3	12.3	100.0	89.0	153.1
16	15	Oklahoma Publishing Co.	152.0	148.9	2.1	38.0	37.3	399.6
17	17	LIN Broadcasting	139.0	137.2	1.3	85.6	84.5	162.4
18	16	H&C Communications	137.5	137.5	0.0	98.2	98.2	140.0
19	19	Great American Communications Co.	129.6	134.1	(3.4)	65.6	67.8	197.7
20	20	Multimedia Inc.	125.9	125.9	0.0	32.7	32.7	384.7
21	21	Meredith Corp.	114.3	109.6	4.3	21.5	20.6	531.4
22	22	Times Mirror Co.	102.8	99.0	3.8	3.7	3.5	2,807.1
23	24	Chronicle Publishing Co.	99.0	96.0	3.1	23.5	22.8	421.9
24	23	McGraw-Hill	97.3	96.1	1.2	17.5	17.2	557.3
25	25	Pulitzer Publishing Co.	92.2	92.7	(0.5)	22.9	23.0	402.2
26	26	Viacom International	89.9	89.8	0.1	7.5	7.5	1,198.7
27	27	Freedom Newspapers	82.7	79.0	4.7	18.4	17.6	449.7
28	28	Lee Enterprises	69.8	67.9	2.8	27.9	27.2	250.0
29	29	Bonneville International Corp.	63.1	64.0	(1.4)	46.5	47.2	135.7
30	32	New York Times Co.	60.3	56.4	6.9	3.4	3.2	1,768.9
31	31	Dispatch Printing Co.	59.4	59.4	0.0	28.9	28.9	205.4
32	30	Media General	56.2	61.8	(9.1)	12.5	13.7	451.1
33	37	Providence Journal Co.	42.0	32.0	31.3	16.2	12.3	260.0
34	34	Park Communications	40.4	35.8	12.8	26.5	23.5	152.5
35	33	Journal Communications	39.3	38.8	1.3	13.8	13.6	285.7
36	36	Ackerley Communications	35.8	33.0	8.5	26.6	24.5	134.5
37	35	Heritage Media Corp.	33.3	34.2	(2.6)	20.2	20.7	165.0
38	38	Macromedia	27.5	26.3	4.6	15.3	14.6	180.2
39	40	Landmark Communications	26.0	23.2	12.1	6.3	5.6	414.0
40	39	Harte-Hanks Communications	24.3	26.0	(6.5)	5.6	6.0	436.3
41	41	Wade Communications	17.0	16.2	4.9	7.3	7.0	232.6
42	42	Donrey Media Group	9.7	9.6	1.0	3.1	3.1	312.2

Radio companies

Rank 1989	Rank 1988	Company	Radio revenue 1989	Radio revenue 1988	% chg	Radio as % of total media 1989	Radio as % of total media 1988	Total media 1989
1	1	Capital Cities/ABC	214.4	202.2	6.0	4.5	4.2	4,767.0
2	2	CBS Inc.	181.2	164.7	10.0	6.1	5.6	2,959.9
3	3	Westinghouse Electric Corp.	116.0	111.6	3.9	18.0	17.3	646.0
4	5	Cox Enterprises	94.3	80.8	16.7	5.7	4.9	1,664.0
5	4	Gannett Co.	88.3	85.0	5.0	2.5	2.4	3,518.2
6	6	Bonneville International Corp.	72.6	67.4	7.7	53.5	49.7	135.7
7	7	Great American Communications Co.	68.1	66.3	2.8	34.4	33.5	197.7
8	8	Viacom International	56.2	51.4	9.3	4.7	4.3	1,198.7
9	9	Tribune Co.	48.7	42.5	14.6	2.3	2.0	2,098.8
10	10	Hearst Corp.	25.5	28.3	(9.9)	1.2	1.4	2,094.5
11	11	Park Communications	22.2	26.5	(16.2)	14.6	17.4	152.5
12	14	Heritage Media Corp.	15.6	12.3	26.8	9.5	7.5	165.0
13	13	Journal Communications	14.4	13.9	3.0	5.0	4.9	285.7
14	16	Ackerley Communications	14.3	11.0	30.0	10.6	8.2	134.5
15	12	E.W. Scripps	14.0	16.9	(17.2)	1.2	1.4	1,180.0
16	15	Pulitzer Publishing Co.	13.2	11.1	18.9	3.3	2.8	402.2
17	17	Multimedia Inc.	11.0	11.0	0.0	2.8	2.8	384.7
18	18	Oklahoma Publishing Co.	7.6	7.1	7.0	1.9	1.8	399.6
19	19	New York Times Co.	5.5	6.1	(9.8)	0.3	0.3	1,768.9
20	21	Dispatch Printing Co.	3.9	2.9	34.5	1.9	1.4	205.4
21	20	Landmark Communications	3.6	4.7	(23.4)	0.8	1.1	414.0
22	22	H&C Communications	2.5	2.5	0.0	1.8	1.8	140.0
23	23	Triple Crown Communications	0.4	0.4	11.0	0.3	0.3	145.1

Notes: Dollars are in millions. All figures are AA estimates. See Page S-3 for methodology.

Compiled by: Sarah Polster. AA chart: Kevin Brown

Top broadcast property deals

Property/ies	Buyer	Seller	Price
WCRX-FM/WCPT, Washington; WLLZ-FM, Detroit;		Legacy Broadcasting	
WSMV-TV, Nashville	Cook-Inlet	Gillett Holdings	110
delphia; WDCA-TV, Washington; KTXH-TV, Hous-			
KJOI-FM, Los Angeles (renamed KXEZ); KHOW/-	Viacom International	Command Communications	101.5
WKYC-TV, Cleveland (51%)	Multimedia	General Electric Co.	65
KNTV-TV, San Jose	Granite Broadcasting	Landmark Communications	60
KQQA-FM, Houston; KJOY-FM, San Diego	Command Communications	Westinghouse	45

Notes: Dollars are in millions.

Compiled by: R. Craig Endicott

Sagging broadcast seen rebounding

The days when TV stations were seen as "cash cows" are over.

In fact, the revenue stream of the broadcast industry—TV *and* radio—has trickled to far below the double-digit growth enjoyed up to two years ago.

The 43 media companies with TV properties on the *Ad Age* 100 combined to show only a 1.8% gain in revenues—a figure somewhat misleading because of the impact on the group of No. 1 General Electric Co.

GE, with $3.4 billion in net revenue generated by its NBC-TV Network and owned-and-operated stations, represents 22% of the $15.4 billion TV aggregate.

Without GE, the other 42 companies collectively would have grown 4.6%. GE revenues dropped because 1988 figures were inflated by the NBC-aired Olympics, which powered NBC to a 12.2% annual gain in 1988.

In general, TV's fortunes are expected to revive in 1990. First-quarter network TV results showed advertising at $2.6 billion, up 13.6% compared with the first quarter of 1989. Spot TV had a modest 3.4% gain while syndication, which includes Fox TV Network, ballooned 32%, according to Arbitron's Broadcast Advertisers Reports.

Showing particular strength among the top 10 TV companies in 1989 was News Corp. with estimated growth of 12.9% largely tied to Fox TV Network, and Tribune Co., up 10%—a credit to its strong stations in New York, Los Angeles and Chicago.

Buyouts slowed to a trickle. The only major group moving in '89 was TVX Broadcast, a unit of six independent TV stations, 49% of which was bought by Paramount Communications. One of the largest single station deals was Cook-Inlet's $125 million purchase of WSMV-TV, Nashville, from Gillett Holdings.

The 23 media companies active in radio among the Top 100 returned net revenues of $1.1 billion in 1989, up 6.6%, but below the 11.1% growth recorded for 1988. The industry grew 6.7% to $8.3 billion in 1989 ad revenues.

If national spot ad totals for the first quarter of 1990 establish a pattern this year, radio owners are in for tough times. Ad revenues plunged 42.2% from the prior year period, to $192.9 million—most of the drop from spot's two leading categories, food products and automotive. □

Banks that ignore New York's Hispanics may be robbing themselves.

Approximately half of New York's Hispanics have a checking and/or savings account in one of New York's banks.

Want to reach these bank-minded New Yorkers?

Advertise on WNJU 47, New York's #1 Spanish-language station.

It's as simple as that!

WNJU 47
Telemundo in New York

For more information, call Rosemarie Lieberman (212) 492-5603

Source: MOR 1987, New York Market.

BEST AVAILABLE COPY

Yellow Pages leaders gain 8% to $7.7 billion; GTE on top

By Sarah Polster

Revenues of the top 10 Yellow Pages publishers continued their steady climb in 1989, rising 8% to $7.7 billion in *Advertising Age's* 100 Leading Media Companies.

The top 10 companies represent about 93% of total Yellow Pages advertising, which the Yellow Pages Publishers Association places at $8.3 billion, up 6.4% from 1988. The association figure also includes advertising in white pages, as do *Ad Age's* figures.

Communications Trends, a Yellow Pages tracking service, predicts the industry will grow 7.3% in 1990 to $8.3 billion—an estimate that excludes white pages.

In this medium, white pages are just one of the components in the mix that is no longer "yellow." Talking Yellow Pages and image processing already are contributing promising revenue streams.

GTE remained the leader with revenues of $1.4 billion. Nynex entered the ranking for the first time—it would not divulge its 1988 Yellow Pages revenues—landing in the No. 5 spot based on 1989 revenues of $818 million.

The only other change was Southwestern Bell's drop from No. 5 in 1988 to No. 7 in 1989.

The only year-to-year decline in Yellow Pages revenues among the top 10 was the 1.1% drop by Donnelley Directory, attributed by Donnelley to the expiration of a sales agency contract with Chesapeake & Potomac Telephone Co. □

Top 10 Yellow Pages cos. in 1988

Rank	Company	Yellow Pages revenue	Total rev.
1	GTE	$1,430.0	$17,400.0
2	BellSouth	1,053.5	14,227.7
3	Bell Atlantic	902.0	11,448.6
4	Pacific Telesis, Pacific Bell Directory	867.0	9,593.0
5	Nynex	818.0	13,211.0
6	U.S. West	736.5	9,691.0
7	Southwestern Bell	732.0	8,729.8
8	Ameritech	529.9	10,211.3
9	Dun & Bradstreet, R.H. Donnelley	437.0	4,321.8
10	United Telecom	215.2	7,549.0

Notes: Dollars are in millions. Yellow Pages revenue per company includes the following: 1. GTE directory revenues; 2. Revenues from directory publishing and advertising; 3. Total directory operations revenues; 4. Directory advertising only; 5. White and Yellow Pages; 6. U.S. West Marketing Resources Group; U.S. West Direct; Trans Western Publishing; U.S. Marketing Resources Co.; 7. Various directories, including Yellow Pages and white pages; 8. Estimated directory revenues; 9. Total publishing revenues from Donnelley Directory and Donnelley Information Publishing; 10. DirectoriesAmerica.

Auto accessory chains that ignore New York's Hispanics are in for a bumpy ride.

New York's Hispanics spend more than $31 million annually on auto accessories—everything from anti-freeze to oil filters, from tires to mufflers.

Want to reach these car-minded consumers?

Advertise on WNJU 47, New York's #1 Spanish-language station.

It's as simple as that!

WNJU 47
Telemundo in New York

For more information, call Rosemarie Lieberman (212) 492-5603

Source: SRC's "1988 New York Hispanic Market" report.

Cable gains 17.9%

Growth pace slows, pay cable is struggling

Cable continues to outpace growth in other media, although possible re-regulation and tighter financial markets are slowing acquisition activity and system upgrading.

Total cable revenues of the 34 companies with cable operations among *Ad Age's* 100 Leading Media Companies increased 17.9% to $13.1 billion, slowing down from 23.9% growth a year ago.

Total industrywide cable ad spending rose 28.5% to more than $1.9 billion in 1989, according to Cabletelevision Advertising Bureau. Subscription fees still contribute more to total cable revenues than advertising, which is becoming increasingly important as subscriber counts flatten.

Newly merged Time Warner claimed the No. 1 cable spot among the *Ad Age* 100, the same position held by its predecessor Time Inc. in 1988. Tele-Communications Inc., with 38% revenue growth, was No. 2 again.

TCI continued to add properties, buying 50% of Viacom's Showtime Networks for $225 million, splitting the purchase of Cooke Media's cable with Adelphia Communications and others for $1.6 billion and snapping up a slice of Centel Cable.

Perhaps fearing proposed cable regulations that would prohibit cable operators from owning systems that control more than 15% of the national market, this January TCI split into two publicly traded companies covering cable and programming services.

The only new entry to the cable chart was Whittle Communications, whose controversial Educational Network brought in $10.9 million. Advertising on its Channel One contributed the revenues, but in early 1990 two other services were added to the network—the Educators Channel and the Classroom Channel.

New pay channels such as The Comedy Channel and HA! aren't faring as well as Whittle's niches. Their receptivity has been low, leading their respective parents, Time Warner and Viacom, to merge the two channels later this year.

Pay cable in general struggled through the year, dropping 5% in average weekly viewership, according to CAB. Basic cable viewership is growing the fastest; average weekly viewing for cable households went up 13% in 1989.

During the year, major deals included Centel Corp.'s divestiture of its cable systems for $1.4 billion to various MSOs including Time Warner and TCI.

Cooke Media Group, last year's No. 18 on the cable chart, dropped off the list after selling its cable systems to TCI and Adelphia for $1.6 billion.

Howard Publications sold its only cable property, a partial share of Hearst Cable. Early this year, Cablevision Systems snapped up major Long Island and Cleveland suburban systems from Viacom for $550 million.

Chronicle Publishing Co. outpaced all other MSO operators in year-to-year revenue cable growth at 39%, just ahead of TCI's 38%, Hearst Corp.'s 37% and Turner Broadcasting System's 36%. □

—*Sarah Polster*

Companies with cable channels

Parent	Channel	Subscribers 1989	Subscribers 1988
Capital Cities/ABC*	ESPN	54.0	50.0
General Electric	CNBC	14.0	NA
Landmark Communications	Weather Channel	41.0	38.0
Oklahoma Publishing Co.	Nashville Network	49.0	43.0
Playboy Enterprises	Playboy Channel	0.4	0.5
Time Warner	Cinemax	6.0	6.0
	HBO	17.0	17.0
	Comedy Channel***	6.0	NA
Turner Broadcasting	CNN	53.2	48.4
	Headline News	40.4	34.2
	SuperStation TBS	51.0	47.0
	TNT	35.0	23.0
Viacom	Showtime	7.2	9.7
	The Movie Channel	3.2	2.6
	MTV:Music Television	49.9	44.2
	Nickelodeon	50.0	43.3
	VH-1	35.9	29.6
	HA!***	NA	NA
	Lifetime**	46.0	42.0

Notes: Subscribers are in millions. Only companies among the 100 leading media companies are listed. TCI bought 50% of Viacom's Showtime Networks. * Capital Cities/ABC owns 80% of ESPN. ** Viacom owns 33.3% of Lifetime. *** merger pending. **Source:** Cabletelevision Advertising Bureau, Cable TV Fact Book, 1990 edition.

Media companies by cable revenue

Rank 1989	Rank 1988	Company	Cable TV revenue 1989	Cable TV revenue 1988	Cable TV revenue % chg	Cable TV as % of total media 1989	Cable TV as % of total media 1988	Total media 1989
1	1	Time Warner	$2,720.0	$2,390.0	13.8	58.5	52.2	$4,575.0
2	2	TCI	2,353.0	1,705.1	38.0	100.0	72.5	2,353.0
3	3	Viacom International	1,052.6	972.6	8.2	87.8	81.1	1,198.7
4	4	Continental Cablevision	780.0	622.0	25.4	100.0	79.7	780.0
5	5	Turner Broadcasting System	728.7	537.6	35.5	100.0	73.8	728.7
6	8	SCI Holdings	516.0	472.1	9.3	100.0	91.5	516.0
7	6	Rupert Murdoch	508.5	471.8	8.0	30.6	28.4	1,664.0
8	10	Comcast Corp.	502.0	404.1	24.2	100.0	80.5	502.0
9	9	Hearst Argyle Television Co.	501.3	513.6	(2.4)	100.0	102.5	501.3
10	7	Cablevision Systems Corp.	492.7	493.5	(0.2)	100.0	100.2	492.7
11	11	Times Mirror Co.	332.5	282.7	17.6	11.6	10.1	2,865.3
12	12	Capital Cities/ABC	315.1	241.1	30.7	6.6	5.1	4,767.0
13	13	Tribune Broadcasting	294.8	229.4	28.5	10.2	8.0	2,881.2
14	14	Sammons Communications	239.0	215.8	10.8	100.0	90.3	239.0
15	15	Post-Newsweek Stations	231.8	188.0	23.3	100.0	81.1	231.8
16	16	TeleCable Corp.	204.0	180.0	13.3	100.0	88.2	204.0
17	19	Young Broadcasting Corp.	196.4	118.5	65.8	100.0	60.3	196.4
18	17	Cablevision Industries Corp.	185.0	170.2	8.7	100.0	92.0	185.0
19	20	A.H. Belo Corp.	177.3	149.6	18.4	13.8	11.7	1,286.5
20	18	Houston Industries	150.4	162.9	(7.7)	100.0	108.3	150.4
21	22	Newhouse Newspapers	131.3	116.1	13.1	92.5	81.8	292.2
22	21	Washington Post Co.	129.3	115.2	12.2	9.4	8.4	1,372.9
23	24	Providence Journal Co.	111.5	96.8	15.2	17.8	15.5	626.2
24	23	Multimedia Inc.	109.9	101.9	7.9	28.6	26.5	384.7
25	25	Gannett Co.	98.7	79.8	23.7	2.1	1.7	4,787.0
26	26	Media General	83.3	70.8	17.7	18.5	15.7	451.1
27	27	Knight-Ridder Inc.	74.6	64.6	15.5	3.6	3.1	2,071.5
28	29	Landmark Communications	43.2	32.2	34.2	10.4	7.8	414.0
29	28	Scripps Howard	35.0	33.4	4.8	10.9	10.4	320.8
30	30	Playboy Enterprises	21.6	23.4	(7.7)	14.6	15.8	147.7
31	31	Cox Enterprises	17.5	15.1	15.9	1.3	1.1	1,350.0
32	32	Dispatch Media Group	11.4	10.3	10.7	3.7	3.3	312.2
33	33	Freedom Newspapers	10.3	9.3	10.8	3.3	3.0	312.0
34	34	Copley Newspapers	8.4	7.4	13.5	2.1	1.9	392.9

Notes: Dollars are in millions. All figures are AA estimates. See Page 5-3 for methodology. Compiled by: Sarah Polster. AA chart: Kevin Brown

MEDIAWORKS

MAY AD RESULTS

Magazine ad pages continue downhill run

By Scott Donaton

Magazine ad pages took their steepest plunge of the year in May, following an April that had some publishers predicting the end of the ad page drought.

Ad pages fell 6.5% to 15,301.86 for the month, down more than 1,000 pages from the year before, according to Publishers Information Bureau. Year-to-date pages were off 3.2%, to 71,399.28.

Following a 3.5% drop in the first quarter, page counts rose a slim 0.4% in April, boosting some publishers' hopes. But May's dismal performance may negate that optimism.

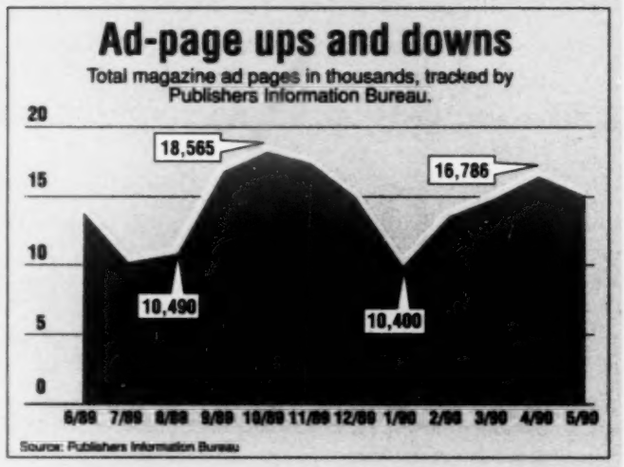
Advertising softness has already led to a number of magazines folding or going on the selling block. Industry consultants predict a major shakeout.

Last year's ad page leader, *Business Week* took the top spot for the first time this year despite dropping 13.1% in pages. The McGraw-Hill magazine carried 1,551.37 ad pages through May, compared to 1,785.54 in the same period last year.

Forbes, one of the few titles to see ad pages rise in the first five months, ran a close second with 1,502.73 pages, a 7.5% gain. Rival *Fortune* carried 1,245.63 pages, up 2.2%.

Time Warner's *People* continued its downward slide with 1,428.27 pages, a 10.1% drop. Rupert Murdoch's *TV Guide*, meanwhile, saw pages fall 12% to 1,287.53 pages through May.

The top newsweeklies all posted declines for the year through May. *Time* was down 8.2% with 1,054.2 ad pages; *Newsweek* was off 12.2% with 902.78 pages; and *U.S. News & World Report* carried 744.3 pages, a 6% drop.



CYNTHIA WATSON

In the women's service field, Hearst Corp.'s *Good Housekeeping* passed *Family Circle* to take the ad page lead in the category with 679.43 ad pages, up 8.7%. Hearst's *Redbook* was the only other women's service title to register a gain with 464.31 ad pages, up 0.1%.

On the down side, *Family Circle* posted an 18.3% decline with 660.5 pages, and *Woman's Day* carried 636.74 pages through May, down 18.1%. *Better Homes & Gardens* was off 12% with 527.76 ad pages. *McCall's* had 404.01 pages, down 13.7%. *Ladies' Home Journal* dipped only slightly, down 0.7% with 648.97 ad pages.

Among men's magazines, *Sports Illustrated* carried 1,057.67 pages, a 17.2% decline; *GQ* carried 765.23 ad pages, down 8.4%; and *Esquire*, with 488.07 pages, was off 1.7%. *Playboy's* pages fell 9.6% to 285.32 pages. *Penthouse* was up 4.6% with 255.83 pages.

Among magazines posting double-digit ad page gains through May: *Entrepreneur* (845.58 pages, up 10.3%); *Popular Photography* (495.71 pages, up 23.9%); *Financial World* (465.78 pages, up 41.4%); *Conde Nast Traveler* (457.93 pages, up 17.5%); *Bon Appetit* (453.86 pages, up 12.9%); *HG* (452.71 pages, up 18.2%); *Parenting* (287.26 pages, up 21.2%); *Child* (236.37 pages, up 13.9%); *European Travel & Life* (220.78 pages, up 10.6%); *Spin* (209.29 pages, up 21.4%); *Cooking Light* (184.37 pages, up 20.1%); *Health* (179.05 pages, up 13.2%); *Decorating Remodeling* (164.19 pages, up 79.3%); *Practical Homeowner* (157.83 pages, up 60.9%); and *National Geographic* (121.16 pages, up 12.5%). □

Magazine ad page leaders

Publishers Information Bureau figures through May 1990.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	1,551.37	(13.1)	89,955,377	(8.0)
2	Forbes	1,502.73	7.5	85,439,388	14.0
3	People	1,428.27	(10.1)	194,254,317	(1.2)
4	Bride's	1,294.98	5.5	22,900,540	14.9
5	TV Guide	1,287.53	(12.0)	138,652,378	(4.6)
6	Fortune	1,245.63	2.2	89,313,087	8.2
7	Vogue	1,201.94	(11.7)	44,293,940	10.3
8	The Economist	1,101.48	16.9	9,568,324	33.3
9	Sports Illustrated	1,057.67	(17.2)	132,021,584	(6.8)
10	Time	1,054.20	(8.2)	144,291,128	(8.7)
11	New York Magazine	1,050.95	(13.8)	16,724,378	(8.7)
12	Modern Bride	1,025.24	5.5	16,979,500	10.4
13	Cosmopolitan	940.90	(6.1)	55,699,296	2.9
14	The New Yorker	910.82	6.0	23,275,894	17.2
15	Newsweek	902.78	(12.2)	89,537,102	(3.8)
16	Elle	892.00	(3.2)	28,057,896	1.9
17	Entrepreneur	845.58	10.3	8,083,392	41.9
18	Rolling Stone	766.12	0.2	27,248,609	4.4
19	GQ	765.23	(8.4)	18,720,548	(6.1)
20	Glamour	760.79	(10.1)	38,027,315	(4.6)
21	U.S. News & World Report	744.30	(6.0)	60,026,799	2.3
22	Architectural Digest	738.67	(3.3)	19,865,810	3.4
23	American Way	720.91	(3.9)	9,484,310	17.9
24	Yachting	710.83	(0.1)	4,302,899	1.0
25	Good Housekeeping	679.43	8.7	63,301,899	19.0
26	Family Circle	660.50	(18.3)	53,978,357	(7.1)
27	Sunset	651.22	(5.7)	20,303,378	4.1
28	Ladies' Home Journal	648.97	(0.7)	45,544,151	18.8
29	Women's Day	636.74	(18.1)	45,572,083	(17.8)
30	Mademoiselle	631.71	(8.7)	20,592,299	0.4
31	Town & Country	628.36	(2.6)	15,200,566	11.5
32	Travel & Leisure	620.42	(8.0)	25,327,680	12.2
33	Golf Digest	600.44	(1.7)	29,656,880	1.8
34	W	598.29	(6.1)	13,709,351	7.1
35	Parents	567.62	(0.5)	23,971,799	9.0
36	Golf Magazine	564.33	(13.8)	17,431,191	(1.5)
37	Harper's Bazaar	562.12	1.8	15,479,021	9.2
38	Salt Water Sportsman	516.85	(19.9)	3,774,082	(17.2)
39	Skin Diver	514.46	0.3	5,400,089	5.2
40	Texas Monthly	508.41	7.8	6,303,088	9.8
41	Self	505.94	(1.0)	21,360,225	20.3
42	Southern Living	549.53	(7.8)	26,960,283	(1.7)
43	Seventeen	547.23	(2.3)	16,236,680	(1.3)
44	Vanity Fair	539.74	(0.3)	18,916,695	23.3
45	Better Homes & Gardens	527.76	(12.0)	88,334,367	(7.3)
46	Gourmet	527.54	6.5	14,089,864	17.2
47	Muscle & Fitness	522.28	(23.0)	6,919,248	(5.6)
48	Metropolitan Home	514.66	(4.7)	16,146,231	2.4
49	Money	512.83	(0.1)	31,471,223	(1.1)
50	Bicycling	498.30	(8.7)	6,915,395	8.8
51	Popular Photography	495.71	23.9	11,894,957	39.7
52	Esquire	488.07	(1.7)	14,948,491	5.9
53	Car & Driver	488.41	(8.2)	10,182,514	(12.6)
54	Ebony	477.39	(6.3)	16,667,677	2.9
55	San Francisco Focus	477.00	(9.1)	8,194,269	3.7
56	Reader's Digest	470.17	2.7	46,462,770	9.2
57	Financial World	465.78	41.4	10,795,492	71.9
58	Redbook	464.31	0.1	58,933,889	(6.3)
59	Conde Nast Traveler	457.93	17.5	12,799,888	41.2
60	Country Living	454.16	(7.3)	18,751,480	(2.0)
61	Bon Appetit	453.86	12.9	13,477,018	16.7
62	HG	452.71	18.2	11,207,980	29.7
63	Ski	441.70	(9.6)	17,858,444	(1.6)
64	Retail & Trade	435.21	(11.2)	12,818,888	(17.7)
65	Mirabella	430.08	1,000.0	6,670,420	100.0
66	Jet	429.71	(11.6)	7,339,551	(1.9)
67	Smithsonian	412.61	(4.2)	17,406,891	(0.1)
68	Working Woman	410.99	(8.2)	12,436,888	(1.8)
69	McCall's	404.01	(13.7)	38,144,547	(4.6)
70	Essence	398.12	2.0	8,669,888	11.0
71	Seventeen	392.75	(17.3)	7,761,291	(5.4)
72	New Woman	385.66	(16.4)	6,610,472	(11.0)
73	Art & Antiques	381.51	0.4	8,217,239	21.1
74	Four Wheeler	379.39	(4.8)	2,913,788	3.0
75	Field & Stream	363.75	(19.3)	14,468,945	(21.0)
76	Delta Sky	357.45	(7.3)	8,033,888	(1.3)
77	Popular Mechanics	341.88	(22.5)	10,739,888	(19.6)
78	Outdoor Life	340.88	(28.4)	10,007,170	(22.0)
79	Motor Trend	340.09	(23.2)	12,174,380	(16.7)
80	Sports Afield	338.94	(5.8)	6,441,888	5.3
81	Hot Rod	336.18	(28.9)	7,647,091	(27.0)
82	California	333.21	12.2	4,888,484	21.5
83	Black Enterprise	330.41	(2.0)	5,333,710	7.8
84	Southern Accents	328.04	(1.2)	5,344,540	6.8
85	Popular Science	320.70	(23.5)	8,670,110	(22.3)
86	Yachting	318.03	(2.4)	3,700,888	8.0
87	1,001 Home Ideas	316.07	0.7	6,700,888	20.0
88	House Beautiful	315.69	(5.8)	11,484,888	8.0
89	Entertainment Weekly	314.58	1,000.0	8,000,000	100.0
90	Cleveland	312.62	(6.4)	5,000,000	8.0
91	US	310.87	2.1	5,000,000	8.0
92	Jr.	309.87	2.1	5,000,000	8.0
93	Weight Watchers	309.87	2.1	5,000,000	8.0
94	Premiere	309.87	2.1	5,000,000	8.0

NEWSSTAND

Print advertising opportunities.

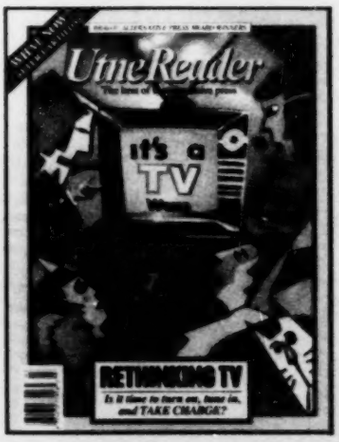
Practical Horseman and **Performance Horseman**, Unionville, Pa., "General store" special advertising sections, September issues; ad close: July 1. B&w one-ninth page (combination buy): $370.

Cooking Light, New York, "Spas and resorts" special editorial section, September/October issue; ad close: July 2. B&w one-sixth page: $2,320.

People, New York, "Fall fashion portfolio" special advertising section, Sept. 10 issue; ad close: July 2. Color page: $28,115.

Prevention, Emmaus, Pa., "High nutrition: past, present and future" special editorial section, September issue; ad close: July 2. B&w page: $29,585; color page: $38,760.

Rolling Stone, New York, "Four decades of rock: the '60s" special editorial section, Aug. 23 issue; ad close: July 2. B&w page: $32,305; color page: $43,040.



Southern Living, Birmingham, Ala., "All-South 1990" special editorial section, September issue; ad close: July 2. B&w page: $40,460; color page: $57,060.

Utne Reader, Minneapolis, "Fall smorgasbord" special editorial supplement, September/October issue; ad close: July 3. B&w one-ninth page: $625.

Tennis, Trumbull, Conn., "Tennis USTA" special editorial supplement, September issue; ad close: July 5. Color page: $16,000.

New York Woman, New York, "How we live" special editorial section, September issue; ad close: July 6. B&w page: $8,239; color page: $11,770.

The Sporting News, St. Louis, "All-star game" special editorial section, July 23 issue; ad close: July 6. B&w page: $15,990; color page: $20,140.

Charleston, Charleston, S.C., "Real estate" special advertising supplement, September/October issue; ad close: July 8. Color page: $2,500. □

Wayne Walley coordinates MediaWorks.

CONSUMER MAGAZINE AD LINAGE

	May 1990	May 1989	Year-to-date 1990	Year-to-date 1989
■ Auto/cycle/rec.vehicles				
AutoWeek (52X)	149.9	210.9	738.6	762.7
Car & Driver C.	109.8	124.8	486.4	518.5
Car Collector & Car Classics	16.6	16.5	81.2	84.2
Car Craft	80.5	88.2	333.5	358.2
Circle Track	97.1	106.7	445.0	446.7
Cycle	51.5	67.2	207.4	244.5
Cycle World	53.5	63.1	233.8	227.0
Dirt Rider	48.6	36.2	196.2	163.2
Dune Buggies & Hot VWs	71.8	68.4	339.7	336.0
Family Motor Coaching	164.3	196.9	818.7	922.1
4 Wheel & Off-Road	88.1	99.3	371.4	398.6
Four Wheeler C.	90.8	91.9	379.3	397.0
Hot Rod C.	78.8	121.4	336.2	472.5
Motorcyclist	59.1	56.8	207.9	228.4
Motor Trend C.	71.2	129.4	340.1	442.9
Motorhome	102.8	97.1	478.3	473.3
Rider	50.9	45.3	173.2	186.8
Road & Track C.	106.0	124.2	435.2	490.1
Trailblazer	40.0	58.0	225.0	289.0
Trailer Life	93.3	112.8	451.3	490.9
Total Group	**1,624.6**	**1,915.1**	**7,276.3**	**7,934.4**
% change	**-15.2%**		**-8.3%**	
■ Boating & yachting				
Boating	116.2	151.5	737.2	868.5
Chesapeake Bay	57.0	59.3	221.2	259.2
Cruising World	109.7	115.4	583.4	603.8
Lakeland Boating (11X)	87.0	105.6	437.0	505.6
Motor Boating & Sailing	176.4	152.0	691.1	855.4
Sail	105.4	117.5	605.9	614.8
Trailer Boats (11X)	66.2	85.9	383.7	441.4
Western Boatman	31.3	50.3	158.4	152.1
Yachting C.	136.7	123.6	710.8	711.5
Total Group	**885.9**	**961.1**	**4,528.8**	**5,012.3**
% change	**-7.8%**		**-9.6%**	
■ Civic/fraternal				
Elk (10X)	14.1	10.9	80.3	75.7
Kiwanis	14.9	17.2	86.6	78.4
Lion (10X)	3.7	3.8	19.9	19.4
Rotarian	14.6	12.1	81.1	64.6
V.F.W. (11X)	27.0	22.8	134.3	147.1
Total Group	**74.3**	**66.8**	**402.2**	**385.2**
% change	**11.3%**		**4.4%**	
■ General				
American Health (10X) C.	32.2	63.3	243.5	319.9
American Heritage (8X) C.	49.2	48.5	162.5	174.8
American Legion	31.9	29.2	187.1	178.4
American West (6X)	17.7	29.0	69.5	104.6
Art & Antiques (10X) C.	85.7	88.9	381.3	348.7
ARTnews (10X)	149.3	110.0	604.7	573.0
The Atlantic A. C.	61.7	47.5	268.7	271.9
Bon Appetit A. C.	103.2	86.4	453.9	402.0
Cable Guide C.	28.0	40.9	145.9	179.2
Changing Times C.	59.5	49.4	277.4	277.7
Conde Nast Traveler C.	90.2	76.7	457.9	389.9
Connoisseur C.	72.4	95.4	310.5	399.3
Consumers Digest (6X) C.	34.1	27.0	82.2	77.4
Cooking Light C.	52.9	41.4	184.4	153.6
Ebony C.	107.4	128.9	477.4	509.7
European Travel & Life (10X) C.	50.4	51.6	220.8	199.6
Food & Wine C.	81.8	67.5	295.4	300.4
Games (6X) C.	—	23.6	34.1	50.6
Golden Years (6X)	34.2	35.4	108.2	161.3
Gourmet C.	130.7	122.0	527.5	495.5
Harper's Magazine A. C.	28.5	24.4	151.5	158.7
Harrowsmith (6X)	49.7	50.4	154.1	174.2
Islands (6X)	74.0	76.2	186.5	196.9
Let's Live	49.0	45.0	250.0	232.0
Life C.	118.2	73.9	296.3	356.2
Longevity C.	40.0	26.5	161.2	79.7
Modern Maturity (6X) C.	—	—	76.9	83.3
Money C.	111.8	108.8	512.8	513.4
Mother Earth News C.	55.7	79.5	202.5	242.0
National Geographic C.	23.5	22.2	121.2	107.7
National Geographic Traveler (6X) C.	58.6	40.6	157.6	103.4
Natural History C.	49.5	30.4	233.5	226.9
New Choices C.	27.1	34.2	153.3	187.1
Prevention C.	44.0	58.6	255.5	283.4
Reader's Digest A. C.	119.7	117.3	470.2	457.9
Saturday Evening Post (9X) C.	33.1	43.0	147.0	178.6
Smithsonian C.	80.4	80.1	412.5	430.7
Town & Country C.	135.9	160.2	628.4	644.9
Travel-Holiday C.	38.6	38.2	211.1	212.8
Travel & Leisure C.	120.4	133.0	620.4	674.0
Travelhost	1,274.3	1,293.0	6,258.0	6,224.1
Vanity Fair C.	93.7	129.2	539.7	541.5
Yankee C.	57.8	62.3	315.6	323.3
Total Group	**3,955.9**	**3,989.5**	**18,008.6**	**18,200.2**
% change	**-0.8%**		**-1.1%**	
■ Home				
Americana (6X)	13.2	17.7	34.8	63.6
Architectural Digest A. C.	158.6	213.8	738.7	763.8
Better Homes & Gardens C.	148.6	143.4	527.8	599.7
Colonial Homes (6X) C.	—	—	98.3	124.3
Columbus Monthly-Homes (4X)	—	—	57.2	60.9
Country Home (6X) C.	—	—	114.4	157.1
Country Living C.	98.0	105.4	454.2	490.1
Family Handyman (10X) A. C.	56.6	59.7	184.2	242.7
Florida Home & Garden	55.7	74.5	330.6	440.4
Flower & Garden (5X) C.	39.9	34.1	134.1	144.7
Home C.	64.6	59.6	296.7	301.0
Home Mechanix C.	68.3	59.4	235.5	268.3
Homeowner (10X) C.	28.5	33.6	125.4	147.0
Horticulture	59.7	50.0	247.9	227.5
House Beautiful C.	76.3	74.5	312.7	331.9
House & Garden C.	105.8	99.9	452.7	382.9
Metropolis	97.7	104.8	262.6	305.4
Metropolitan Home C.	94.4	152.1	514.1	539.6
Midwest Living C.	—	—	128.5	136.6
1,001 Home Ideas C.	71.2	61.2	314.0	286.1
Organic Gardening (10X) C.	45.4	32.4	230.3	231.1
Phoenix Home/Garden	72.2	72.5	358.1	371.7
Practical Home-owner (9X) C.	—	—	157.8	98.1
San Diego Home/Garden	118.3	120.4	382.7	385.7
Southern Accents (6X) C.	91.4	131.9	326.6	330.6
Southern Living C.	114.2	119.8	549.5	595.0
Sunset Magazine A. C.	163.9	176.7	651.2	690.6
Workbench (6X)	42.5	44.2	111.4	136.7
Total Group	**1,884.9**	**2,041.7**	**8,331.9**	**8,952.9**
% change	**-7.7%**		**-5.9%**	
■ In-flight & other passenger				
Aboard Group (6X)	45.2	37.2	122.7	108.3
Air Group One:				
Delta Sky C.	71.7	75.2	357.5	385.5
TWA Ambassador B.	41.3	—	197.5	—
Alaska Airlines	74.7	60.0	336.0	298.6
America West Airlines (6X)	—	—	300.0	259.2
American Way (24X) C.	180.6	151.3	720.9	749.9
East/West Network:				
Continental Profiles	56.6	59.1	263.7	311.5
Eastern Review	31.0	62.8	161.4	265.9
Pan Am Clipper	51.8	50.1	237.7	233.7
Southwest Spirit	65.3	63.8	260.6	334.4
Vis `A Vis	72.6	84.0	344.8	431.4
Pace Communications:				
US Air Magazine	69.7	69.9	303.2	280.2
Spirit of Aloha	31.9	22.4	168.3	96.4
Total Group	**751.1**	**735.7**	**3,576.7**	**3,755.0**
% change	**2.1%**		**-4.7%**	
■ Men's				
Esquire A. C.	100.6	106.2	488.1	496.7
Firehouse Magazine	20.7	37.5	161.5	176.0
Gentlemen's Quarterly A. C.	143.4	169.6	765.2	835.7
M Magazine C.	40.8	43.7	308.4	337.1
Men's Health (6X)	27.9	—	52.2	—
Muscle & Fitness C.	105.3	127.7	522.3	677.9
Penthouse A. C.	49.4	49.9	255.8	244.6
Playboy A. C.	62.3	67.1	285.3	315.7
Salute (10X)	47.3	30.5	179.9	108.8
Total Group	**597.7**	**632.2**	**3,018.7**	**3,192.5**
% change	**-5.5%**		**-5.4%**	
■ Metropolitan				
Aloha (6X)	46.8	30.2	134.6	87.0
Atlanta	79.2	71.3	345.8	316.0
Baltimore	67.0	89.3	310.7	342.4
Boston	115.3	138.4	512.3	662.1
California C.	86.1	69.7	333.2	296.9
Chicago	99.7	128.0	455.0	562.3
Chicago's North Shore	105.0	115.8	456.6	500.4
Cincinnati	35.9	41.9	189.2	232.2
Cleveland	51.7	74.9	219.1	278.8
Columbus Monthly	51.2	63.8	293.9	334.6
Connecticut	98.0	102.3	448.2	513.4
D/Magazine	59.5	70.8	276.0	348.9
Detroit Monthly	59.2	51.9	281.9	268.9
Grand Rapids	32.7	32.7	141.8	170.0
Honolulu	50.4	54.9	254.7	249.9
Houston Metropolitan Magazine	79.0	87.6	319.9	286.1
Inside Chicago (8X)	31.3	45.8	87.6	122.8
Los Angeles	188.4	180.9	676.4	756.5
Louisiana Life (6X)	32.7	34.2	90.0	67.4
Madison	46.0	45.0	195.0	208.0
Memphis	51.0	68.0	258.1	326.0
Mid Atlantic Country	53.8	50.6	223.6	191.5
Milwaukee	64.2	64.8	294.7	267.5
Minneapolis/St. Paul	97.1	108.4	523.8	548.1
Minnesota Monthly Mag.	89.7	45.3	339.8	219.6
Nashville	15.4	24.5	65.6	127.8
New England Monthly	44.0	51.1	191.4	255.5
New Jersey Monthly	74.7	100.3	342.7	442.7
New Mexico	43.9	44.0	211.5	222.2
Ohio	81.6	65.9	266.7	253.1
Orlando	82.0	96.0	478.7	473.7
Pacific Northwest	51.5	54.9	247.3	246.9
Palm Beach Life	41.1	47.3	392.7	434.8
Palm Springs Life	96.5	97.5	690.9	715.4
Philadelphia	131.8	135.3	624.9	674.6
Phoenix	29.9	44.9	189.8	260.1
Pittsburgh	68.0	63.3	316.1	302.5
Rhode Island Monthly	82.6	61.6	285.3	256.4
Sacramento Magazine	47.7	51.4	272.9	257.1
St. Louis	31.3	30.4	227.0	208.0
San Diego	140.0	149.4	638.6	647.2
San Francisco Focus C.	117.4	124.8	477.2	519.0
Sarasota	71.0	67.0	476.0	478.0
South Florida Magazine	73.1	94.0	460.2	563.9
Texas Monthly C.	139.3	133.6	568.4	528.8
Ultra	102.4	42.2	229.4	221.2
The Virginian (6X)	—	—	46.0	88.0
Washington (10X)	41.9	88.0	141.9	233.0
Washington-Dossier	37.4	34.7	197.9	177.1
The Washingtonian	153.0	181.0	668.6	844.2
Total Group	**3,588.4**	**3,749.5**	**16,368.5**	**17,808.6**
% change	**-4.8%**		**-7.0%**	
■ Music/entertainment				
Audio	96.8	97.2	422.6	455.7
Dance Magazine	61.1	66.8	317.7	304.8
Playbill	67.1	55.0	237.1	254.0
Video Magazine	62.3	58.0	335.7	294.1
Total Group	**287.3**	**276.9**	**1,313.1**	**1,308.6**
% change	**3.8%**		**0.3%**	
■ Outdoor & sport				
Alaska	39.2	44.5	213.2	217.3
The American Handgunner (6X)	59.0	50.0	172.0	155.0
American Hunter	12.6	14.8	83.7	83.5
American Rifleman	22.9	18.1	108.3	106.6
Backpacker (7X) C.	40.0	43.8	105.4	93.0
Bass Master (10X) A. C.	73.1	72.6	392.7	475.0
Bicycling (9X) C.	147.2	150.5	496.3	531.7
Cross Country Skier (5X)	—	—	73.6	70.5
Ducks Unlimited (6X)	27.6	22.0	77.2	73.7
Field & Stream C.	71.6	108.5	363.8	450.8
Fishing World (6X)	33.9	38.9	161.8	152.5
Florida Sportsman	120.1	130.4	717.6	738.4
Golf Digest C.	123.7	133.6	600.4	611.0
Golf Illustrated C.	51.0	44.7	230.8	220.4
Golf Magazine C.	93.6	117.8	584.3	678.1
Gun Dog (6X)	43.1	48.1	119.3	125.5
Guns	38.0	35.0	199.0	179.0
Guns & Ammo	43.4	36.9	228.2	218.2
In-Fisherman (7X)	—	—	322.5	389.5
Outdoor Life C.	70.9	101.9	340.5	463.7
Outside Magazine	85.6	88.3	323.5	326.1
Petersen's Hunting	41.5	35.2	177.0	196.6
Runner's World (12X) C.	39.1	45.8	163.8	190.4
Salt Water Sportsman C.	103.0	113.2	576.9	720.0
Shooting Times	28.4	24.9	152.5	154.4
Sierra (6X)	43.0	47.4	112.5	144.3
Ski (8X) A. C.	—	—	292.8	336.4
Skiing (7X) A. C.	—	—	230.0	216.4
Skin Diver C.	129.0	131.6	574.4	572.7
Southern Outdoors (9X)	37.1	33.7	230.1	296.4
Southern Saltwater (8X)	38.4	53.6	226.4	288.2
Sport Magazine C.	27.5	37.7	141.5	177.2
Sports Afield C.	57.7	54.0	339.9	361.4
Surfing	71.5	79.1	348.2	373.9
Tennis C.	61.0	80.4	291.2	337.2
Waterski (9X)	75.7	86.2	319.7	353.4
Western Outdoors (10X)	—	37.7	166.6	222.1
Wildfowl (6X)	15.5	16.9	57.3	47.5
WindRider (8X)	74.0	62.5	204.0	159.0
Wing & Shot (6X)	14.7	14.7	46.1	44.0
World Tennis C.	38.3	48.1	179.6	243.4
Total Group	**2,091.7**	**2,302.6**	**10,744.7**	**11,794.4**
% change	**-9.2%**		**-8.9%**	
■ Photography				
American Photo (6X) C.	57.1	35.2	143.8	164.3
Petersen's Photographic	27.7	36.8	116.5	143.7
Popular Photography C.	98.8	79.5	495.7	400.2
Total Group	**183.6**	**151.5**	**756.0**	**708.2**
% change	**21.2%**		**6.8%**	
■ Science/electronic/mech				
Discover C.	33.6	38.0	179.9	200.7
Home Office Computing C.	36.7	50.8	243.6	236.9
Omni C.	53.5	56.7	263.6	301.6
Personal Computing	133.0	152.0	652.0	865.0
Popular Mechanics C.	85.2	132.4	341.7	441.0
Popular Science C.	84.7	110.8	320.7	451.0
Scientific American C.	51.3	49.0	189.7	209.4
Spectrum C.	55.0	50.4	262.0	298.1
Total Group	**533.0**	**640.0**	**2,453.2**	**3,003.6**
% change	**-16.7%**		**-18.3%**	
■ Woman/fashion/service				
Bride's Magazine (6X) A. C.	—	—	1,295.0	1,227.1
Cosmopolitan A. C.	305.9	273.2	940.9	1,001.8
Elle C.	206.5	195.1	892.0	921.8
Essence C.	123.4	84.4	396.1	388.4
Family Circle (17X) A. C.	122.7	155.2	660.5	808.7
Glamour C.	197.6	198.8	750.8	834.7
Good Housekeeping A. C.	155.0	150.7	679.4	625.3
Harper's Bazaar C.	104.3	105.4	582.1	572.9
Health C.	35.1	32.0	179.1	158.2
Imagen	123.3	124.2	507.4	420.3
Ladies' Home Journal C.	150.9	164.2	649.0	653.2
Lear's C.	55.8	61.6	276.3	276.3
Mademoiselle C.	151.9	166.7	631.7	692.2
McCall's C.	98.4	122.9	404.0	468.1
Military Lifestyle (10X)	206.4	81.7	375.6	259.2
Mirabella C.	63.3	—	433.0	—
Modern Bride (6X) C.	—	—	1,025.2	972.1
New Woman C.	84.2	109.0	385.6	455.5
Parents Magazine A. C.	146.0	141.6	587.6	590.8
Redbook C.	105.3	113.3	464.3	463.9
Savvy C.	33.3	56.4	173.3	245.1
Self C.	155.0	144.5	565.0	570.7
Seventeen C.	97.8	124.8	547.2	559.9
Shape C.	69.6	76.5	268.7	331.8
Soap Opera Digest (26X) C.	45.8	52.5	181.5	195.0
Soap Opera Update	12.5	9.0	51.5	47.0
Teen Magazine	75.1	68.6	248.2	220.2
True Story A. C.	49.7	54.0	271.3	264.7
Vogue C.	201.9	255.5	1,201.9	1,360.4
W Magazine (26X) C.	66.6	90.4	596.3	634.9
Weight Watchers C.	31.5	32.7	182.1	173.3
Woman (10X) C.	28.9	36.2	124.3	150.7
Woman's Day (15X) A. C.	186.0	213.8	636.7	777.8
Workbasket	17.9	21.9	104.9	123.1
Working Mother C.	62.5	126.3	305.6	369.4
Working Woman C.	80.9	99.7	410.9	447.7
Total Group	**3,650.9**	**3,744.8**	**17,985.1**	**18,262.1**
% change	**-2.5%**		**-1.5%**	
■ Youth				
Boys' Life C.	17.3	13.8	91.1	91.5
Campus Life (10X)	26.7	23.4	204.5	214.0
Total Group	**43.9**	**37.2**	**295.6**	**305.5**
% change	**18.1%**		**-3.3%**	
■ Business/national				
Barron's	163.4	183.5	723.4	724.2
Black Enterprise C.	49.5	72.0	330.4	338.8
Business Month C.	40.3	36.9	177.8	164.0
Business Week (52X) A. C.	369.1	463.6	1,551.4	1,785.5
Entrepreneur C.	168.5	137.1	845.6	796.8
Financial World (26X) C.	109.8	73.0	465.8	329.4
Forbes (26X) C.	344.8	528.6	1,502.7	1,397.5
Fortune (26X) C.	292.8	229.6	1,245.6	1,218.3
Frequent Flyer	46.3	46.3	199.0	218.4
Futures	42.7	43.9	206.9	221.8
Inc. Magazine C.	132.7	102.5	441.7	479.8
Income Opportunities	71.6	72.8	315.1	344.3
Industry Week (23X) A.	83.9	108.3	437.5	433.9
Nation's Business (12X) A. C.	25.9	44.7	128.9	189.3
Total Group	**1,941.3**	**2,142.8**	**8,571.7**	**8,612.2**
% change	**-9.4%**		**-0.5%**	
■ Business/regional				
Advantage-Nashville's Bus. Monthly	22.6	39.7	112.3	168.5
Bus. First of Buffalo	67.8	78.6	325.7	376.2
Bus. Jrnl.-Milwaukee	154.3	158.4	588.3	622.5
Bus. Jrnl.-Sacramento	82.7	84.8	434.5	395.1
Bus. North Carolina	48.3	49.8	193.5	197.5
Capital Dist. Bus. Review (52X)	54.1	75.0	336.5	348.8
Caribbean Business	178.7	155.7	565.7	584.1
Corporate Report Minnesota	44.9	61.1	225.1	288.1
Crain's Chicago Bus. (52X)	162.5	177.4	698.6	692.7
Crain's Cleveland Bus. (52X)	91.1	108.1	383.1	388.5
Crain's Detroit Bus. (52X)	95.8	93.5	445.6	377.0
Crain's New York Bus. (52X)	81.7	70.0	329.5	278.0
Florida Trend (13X)	48.4	60.5	253.2	316.2
Georgia Trend	40.3	39.5	209.6	243.1
Grand Rapids Bus. Jrnl.	58.7	44.1	273.0	220.7
Hawaii Business	57.3	58.8	252.3	226.4
Houston Bus. Jrnl. (52X)	74.0	88.0	297.0	284.0
Indianapolis Business Journal (52X)	144.9	162.9	694.4	694.6
Manhattan Inc. C.	56.7	59.8	205.4	230.2
New England Bus. (12X) A.	31.0	41.3	166.8	220.6
New Orleans City Bus.	47.9	37.4	242.1	203.4
Pacific Bus. News (52X)	94.9	109.4	501.2	503.7
Philadelphia Business Journal	128.4	202.6	632.5	693.1
Pittsburgh Business Times (52X)	92.3	146.5	475.8	579.0
Regardie's/Washington	122.0	144.0	687.0	765.0
St. Louis Bus. Jrnl. (52X)	105.0	104.1	541.8	534.6
Warfield's Monthly Baltimore	79.2	92.0	310.1	332.0
Total Group	**2,265.4**	**2,543.0**	**10,380.5**	**10,783.5**
% change	**-10.9%**		**-3.8%**	
■ National Sunday mags				
Parade (52X) C.	73.3	70.0	286.7	303.9
USA Weekend (52X) C.	52.7	44.5	272.7	256.8
Vista Magazine (52X)	28.4	22.1	92.0	102.6
Total Group	**154.4**	**136.6**	**651.4**	**663.3**
% change	**13.0%**		**-1.8%**	
■ Newspaper Sunday magazine				
Boston Globe	171.9	212.3	879.8	1,037.5
Chicago Tribune	150.9	151.4	530.8	549.3
Cleveland Plain Dealer	71.3	79.1	301.9	331.4
The Dallas Morning News	53.3	62.5	257.9	327.8
Detroit Free Press	70.0	45.0	265.0	229.0
L.A. Times C.	78.1	116.6	429.6	538.7
Louisville Courier-Jrnl.	37.0	42.0	121.0	155.0
New York Times Magazine C.	340.7	292.2	1,602.9	1,624.0
Philadelphia Inquirer	100.9	94.1	458.3	455.1
Seattle Times	92.0	81.0	392.0	335.0
St. Louis Post Dispatch	81.6	80.6	377.6	415.9
Toledo Blade Magazine	33.5	30.2	171.5	163.0
Washington Post	146.1	160.7	552.6	693.4
Total Group	**1,427.3**	**1,447.7**	**6,340.9**	**6,956.1**
% change	**-1.4%**		**-7.5%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	125.3	143.6	642.6	754.1
Army Times Military Group: Air Force Times (52X)	156.5	179.8	760.9	783.8
Army Times (52X)	158.0	173.4	751.0	756.5
Navy Times (52X)	165.4	199.1	794.0	866.4
Capper's (26X)	28.6	21.0	156.4	174.7
Commonweal (22X)	10.5	9.0	55.2	45.8
Golf World (40X)	121.5	127.7	721.5	618.0
Grit (52X) A.	37.0	26.5	197.0	180.0
National Journal (50X) C.	60.0	53.0	282.8	312.0
National Review (25X)	27.2	29.5	130.1	125.1
New Republic (48X)	43.5	59.7	204.6	223.3
New York Mag. (50X) C.	219.3	325.8	1,051.0	1,219.1
New Yorker C.	168.9	201.3	910.8	859.0
Newsweek (52X) A. C.	213.1	289.5	902.8	1,027.9
People (51X) C.	366.6	471.5	1,428.3	1,588.0
Rolling Stone (25X) C.	213.8	177.6	766.1	764.4
Sporting News (52X) C.	37.6	51.7	215.9	245.4
Sports Illustrated (52X) A. C.	242.5	302.2	1,057.7	1,277.2
Time (52X) A. C.	252.8	316.6	1,054.2	1,148.1
TV Guide (52X) A. C.	253.9	255.6	1,287.5	1,482.9
US Magazine (26X) C.	84.0	95.7	309.3	303.1
U.S. News & World Report (50X) A. C.	182.6	195.4	744.3	791.7
Total Group	**3,148.5**	**3,706.0**	**14,424.0**	**15,536.6**
% change	**-15.0%**		**-7.1%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. Ad Age makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Katie Welybi.

Tide ad recall sprouts with help of Earth Day

By Kate Fitzgerald

Procter & Gamble Co.'s Tide detergent flowed back into the list of the 10 best-recalled ads last month on the strength of heavier overall advertising and promotions.

Tide shared the No. 10 spot (its first top 10 appearance since November) with Chrysler in *Advertising Age's* AdWatch poll for May.

Tide scored high thanks to a heavier print ad schedule in women's magazines, new TV executions and several special promotions including one tied to Earth Day on April 22.

That promotion, part of P&G's "Keep America Beautiful" campaign, incorporated a free standing insert underscoring P&G's commitment to the environment, such as Tide powder detergent boxes made of 100% recycled paper.

P&G also ran another promotion for the "Pro Bass Sweepstakes" in May, for both its Tide and Bold brands. Saatchi & Saatchi, New York, handles.

First place in the unaided-recall race went to Coca-Cola, which pushed rival Pepsi-Cola back to the No. 2 spot in the ongoing duel for cola dominance.

Ford maintained its spot among the top three for the fifth consecutive month, finishing No. 3 in May. Anheuser-Busch's Budweiser and Chevrolet tied for fourth.

McDonald's held steady in the No. 6 spot, while Nike tiptoed down the charts to No. 9, behind Toyota at No. 8.

Gone from the top 10 in May was Infiniti, which fell not quite to infinity but to No. 14 last month from No. 10 in April.

AT&T moved up one notch to No. 7 in its second month back in the top 10, after its TV and print blitz to launch the new Universal credit card broke last March. Lord Einstein O'Neill & Partners, New York, created the campaign in partnership with Young & Rubicam.

In aided awareness, H.J. Heinz Co.'s 9 Lives reappeared in the **pet food** category in the No. 5 spot, due to the popularity of its 15-second TV spot for 9 Lives Kitten Dinners. The commercial features kittens making human baby sounds, ending with a burp. Leo Burnett USA, Chicago, handles.

AdWatch is a joint project of *Ad Age* and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is plus or minus 3.1%. □

AdWatch survey of advertising awareness Top 10 in May

Each month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 5/90	Rank 4/90	Advertiser	Agency
1	2*	Coca-Cola	McCann-Erickson Worldwide
2	1	Pepsi-Cola	BBDO Worldwide
3	2*	Ford	J. Walter Thompson USA
4	5	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham Worldwide
4	4	Chevrolet	Lintas:Campbell-Ewald
6	6*	McDonald's	Leo Burnett USA
7	8*	AT&T	N W Ayer/Ogilvy & Mather/Young & Rubicam
8	8*	Toyota	Saatchi & Saatchi DFS/Pacific
9	6*	Nike	Wieden & Kennedy
10*	10*	Chrysler	Bozell
10*	—	Tide	Saatchi & Saatchi Advertising

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Cleaning up at Clios

BBDO wins 5; Riney gets best nat'l campaign

By Jon Lafayette

NEW YORK—BBDO Worldwide was the big winner at the 31st annual Clio Awards show here last week.

The agency took five Clios: for its Pizza Hut spot called "Right Field," a Diet Pepsi spot titled "Missing Link," "Excuses" for General Electric Co. and "Entrepreneur" for Apple Computer. In addition to winning the retail food category, the Pizza Hut spot also won for new adaptations of music.

Hal Riney & Partners, San Francisco, won the best national campaign Clio for its Stroh's Light spots.

American Honda Motor Co.'s "Art Gallery" spot by Rubin Postaer & Associates, Los Angeles, won three Clios, for automotive, special effects and original scoring.

Other agencies winning multiple Clios included HDM for Lea & Perrins steak sauce ("Rifle") and Mita Copiers ("Flip Card Man"); Korey, Kay & Partners for apparel marketer Members Only and the Tri-Honda Dealers Association ("First Sale"); Goodby, Berlin & Silverstein, San Francisco, for the University of California("125 Years & Still No Sports") and the Oakland Society for the Prevention of Cruelty to Animals ("Toby"); Fallon McElligott, Minneapolis, for Timex Corp. ("Psychic") and KRIV-TV, Dallas ("Weather Watch"); and Leo Burnett USA, Chicago, for Prell ("Baseball") and Glad Lock plastic bags ("Angry Bees").

Other winners included: Goldsmith/Jeffrey, best local cable spot; Wieden & Kennedy, Portland, Ore., best apparel spot for Nike; Cliff Freeman & Partners, entertainment promotion Clio for Home Box Office; Ammirati & Puris, retail services Clio for a United Parcel Service spot; and the now defunct New York office of Keye/Donna/Pearlstein, a media promotion-print Clio for a spot for *Playboy*.

Riney wins again for its pseudo-Stroh's pitchmen.

In the international competition, Simons Palmer Denton Clemmow & Johnson, London, won three Clios—automotive, cinematography and editing—for one spot for Samson Car Batteries. TBWA, London, won best TV campaign for the Opticians Association.

The winners were chosen from 25,490 entries from 59 countries. □

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WPP's odious little phone number

By Laurel Wentz

LONDON—Once a year, WPP Group proves it's really a fun company by publishing a subtle joke in its annual report.

This year, the touch of humor is the line OLJ-x213, printed inconspicuously on the back cover of the annual report at the end of a list of stock market codes. WPP watchers know OLJ could only stand for Odious Little Jerk, David Ogilvy's sobriquet for WPP Group Chief Executive Martin Sorrell.

Mr. Ogilvy called Mr. Sorrell that last year when Mr. Sorrell made his successful bid to buy Ogilvy & Mather. Mr. Ogilvy has since become chairman of WPP Group and stopped referring to his new employer in that manner.

Mr. Sorrell's direct extension at WPP headquarters is number 213. □

Cannes fest

(Continued from Page 1)

& Warren's Excellent Ad Venture, Portland, Ore., for the Portland International Film Festival, a woman is shown eating disgusting food such as giant beetles and raw dogmeat. In W.B. Doner & Co.'s "Baltimore's Other Major League Team" spot for Baltimore Symphony Orchestra, fans, musicians and athletes comment on the BSO as if it were a baseball team. Doner's Baltimore office created the spot.

A depressed ad market worldwide forced agencies and production companies to cut back this year on their usual lavish entertainment, villas and boats.

Although the overall number of spots entered rose 5.9% to 3,742 from 3,532 last year—and U.S. entries were up 1.8% to 831 from 816—17 of the 42 countries participating entered fewer spots.

Brazil was especially hard hit, with entries falling 78.4% to 37 from 171. The U.K. signed up 405 spots, down 0.2% from last year's 429, and France's entries were down 24.1% to 265 from 349.

There was confusion for several days about whether a Leo Burnett USA spot for Procter & Gamble Co.'s Prell shampoo was in the festival or out. Burnett tried to remove the spot in the belief P&G didn't want it to compete, sources said, then re-entered it when P&G didn't object.

In the commercial, male baseball players discuss split ends; a relief pitcher is sent in because the coach likes the highlights in his hair.

P&G pulled the spot from a U.S. test market because it considers Prell a woman's brand, though sources said Burnett is still urging wider airing.

The Screen Advertising World Association, the festival's organizer, voted during the week to back its U.S. member, Screenvision, in its fight against Walt Disney Co. and Warner Bros. ultimatums to U.S. theater owners to stop showing paid advertising before their movies.

The U.S. film studios haven't tried to ban commercials elsewhere, but association members said they believe that could happen.

"I'm afraid this will become a problem all over the world," association President Massimo Momigliano said.

The group's support will include financial help with legal fees, he said.

Screenvision President Terry Laughren said the Federal Trade Commission is studying the issue but hasn't decided whether to launch an official investigation into possible antitrust and free speech violations.

Agencies continuing to use Cannes for international meetings this year included Saatchi & Saatchi Advertising, RSCG and DDB Needham Worldwide.

DDB Needham's two-day meeting included talks about bringing to Europe the "guaranteed results" compensation program the New York-based agency is trying in the U.S.

"What we're doing is thoroughly evaluating the possibility of the guarantee in Europe," said David Fernley, the agency's VP-Europe. He said the guarantee could be offered to clients in Europe by yearend.

Herve Brossard, chairman-creative director of DDB Needham France, Paris, said his office has been testing the guarantee program with one client since the beginning of the year.

This year's top fashion accessory —the male ponytail—was sported by jury president Tim Mellors, executive creative director of Publicis U.K., London, and South African judge Robyn Putter, executive creative director and chairman of Ogilvy & Mather Rightford Searle-Tripp & Makin, Cape Town. The look also was popular among many young admen at the all-night bar at the Martinez, the serious party-goers' hotel.

The jury of 22 judges from 15 countries gave many spots 0 to 3 on a scale to 10 during the 3 seconds they have to vote on each entry.

U.S. judge Rick Fizdale, president-chief creative officer of Leo Burnett Co., Chicago, said after watching almost 2,000 commercials: "I only gave three top marks—to Energizer, Nike and Maxell tapes."

The spots for Maxell (U.K.) feature people singing the wrong words to songs because they're not listening to a Maxell tape.

"The funny stuff goes down well because everybody gets so bored," said U.S. judge Mary Moore, vice chairman-chief creative officer of Wells, Rich, Greene/Worldwide, New York.

Another popular spot was Chanel's ad, created in-house, for Egoiste—French for "selfish"—men's cologne. In the commercial, a series of glamorous women throw open shuttered windows to shout "egoiste" at a man who has broken their hearts and mistreated them. □

Judges boot copycat 'Bunny'

By Laurel Wentz

CANNES—In a shocking move, judges threw out early Grand Prix favorite Eveready Battery Co.'s "Bunny" campaign, on the grounds it wasn't original.

Early last week, the determined pink bunny captivated judges and attendees at the International Advertising Film Festival, making its commercials an early favorite for the Grand Prix.

But the European judges were quick to point out the campaign from Chiat/Day/Mojo, Venice, Calif., showing the bunny marching through fictitious TV spots, was similar in concept to a U.K. campaign for Bass' Carling Black Label beer.

Sources said the Bunny spots had enough points to win a Gold Lion, but the judges considered the basic idea of the spot unoriginal.

The Carling campaign, created by WCRS, London, four years ago, consisted of a series of spoof commercials in which two Carling Black Label spokesmen appeared at the end and said, "I bet he drinks Carling Black Label."

Judges said the Energizer Bunny idea was derivative of this Carling Black Label spot—and threw it out of the competition.

In one three-spots-in-one commercial, a cowboy runs across a desert, has a beer in a Wild West saloon and takes off on horseback pursued by bad guys. The camera then switches to a parody ad for an album of love songs and the cowboy soon canters across the screen. The scene then shifts to a supermarket where two housewives are discussing detergents when the cowboy rides through the store.

At the end of the spot is the beer's long-running slogan, used to describe anyone who does something unusual: "I bet he drinks Carling Black Label."

"I'm somewhat disappointed Energizer is ripping off Carling Black Label. While it could win a Gold, I don't know if in all conscience I could vote for it for the Grand Prix," one judge said earlier in the week.

The 4,000 Cannes delegates would probably have voted differently. When the short-list spots were screened Friday to a packed auditorium, the audience applauded enthusiastically throughout the two Energizer commercials.

Sources said Chiat was aware of the Carling Black Label campaign before it entered three "Bunny" spots at Cannes. In the spots, the bunny marches through spoof commercials for coffee, nasal spray, greatest-hits records and Alarm soap. □

Upfront

(Continued from Page 1)

said Lou Schultz, exec VP-director of media services for Lintas:USA, New York.

"One automaker is up and the other is down. Total [auto] spending is flat," an agency source said. "Autos simply won't drive the upfront this year. But entertainment companies are up and package goods are up. It will make for a bigger upfront marketplace, but it won't do to the market what the autos did last year."

Arthur Kesteloot, manager-advertising and media relations for Chrysler Corp., said the No. 3 domestic automaker "consciously went into the upfront market with less money than a year ago" because of expected price increases.

He wouldn't specify how much money was pulled from the network budget but said the money saved would go to cable TV and other media.

General Motors Corp., by making a three-year, $500 million to $750 million deal with NBC for prime-time, sports and cable in early May, helped calm the automotive spending spree.

But that deal did help ABC and CBS command CPM increases of between 14% and 20%.

Automotive buyers had hoped to keep costs down this year, but because GM had already locked up preferred positions in desired programs on NBC, the rivals flocked to the other networks and drove prices skyward despite reduced overall spending.

Although the furor over ratings guarantees apparently died down when ABC, CBS and NBC adopted a uniform viewer-counting plan to reduce liability for advertiser make-goods (AA, June 18), buyers said the issue remains part of the negotiation process.

Still, the flap over ratings guarantees has apparently benefited syndication and cable TV.

Barter syndicators now expect to reap $1.2 billion in upfront sales this year, up 20%, while cable TV is predicting at least a 50% increase to $750 million to $800 million in upfront sales.

"The turmoil in network television pricing and ratings guarantee strategies really fueled the barter syndication upfront," said Karl Kuechenmeister, senior VP, Warner Bros. Media Sales. "Advertisers wanted to protect themselves from getting hurt in the network upfront. We're close to being done now."

Campbell Soup Co. will put "a lot more money than anticipated" into syndication this year because of the network guarantee situation, said Paul Mulcahy, VP-advertising. But he also said his company couldn't afford to abandon network TV entirely, a refrain heard from many advertiser and agency executives because of what the alternatives were.

"Major syndicators tried to package too much garbage with the good stuff," said Jon Mandel, senior VP-director of national broadcast for Grey Advertising. "They've got clearance, scheduling and other unknowns to contend with. As a result, overall, syndication has been a relatively soft marketplace. Only a handful of top shows got really good increases. The rest of it was single-digit CPM increases." □

Nets nix Eastern, Bart

CBS rejects airline ads; ABC, NBC turn down BK

By Jennifer Lawrence and Scott Hume

The ad careers of Martin Shugrue, Eastern Airlines' court-appointed trustee, and the animated Simpson family have hit snags with the Big 3 TV networks.

Four Eastern commercials featuring Mr. Shugrue have been shut out of ad time on CBS news programming in their current form.

The $10 million to $15 million campaign still broke June 17 as scheduled on ABC and NBC.

The spots show Mr. Shugrue at an employee meeting in an unscripted context.

The airline, operating under federal bankruptcy protection, and its agency, Ogilvy & Mather, New York, refused CBS' demand that the spots carry a corporate logo or the words "corporate message" during news programming.

"Our concern was that Mr. Shugrue was standing at a microphone at an employee conference that could be an actual news event," said Matthew Margo, VP-program practices, CBS/Broadcast Group. "CBS asked for a small but important change to put viewers on notice that it is a commercial."

Eastern and O&M had no objection to CBS' request that in network non-news programming, the spots should be preceded and followed by other commercials—or "podded"—to avoid viewer confusion. No logo or superimposition would be required.

Two new spots, filmed on an actual Eastern flight, focus on Mr. Shugrue talking with passengers.

CBS approved the first commercial in that series late last week and at press time hadn't seen the second spot.

In an interesting turn of events, CBS was the only one of the Big 3 networks that said last week it's willing to air upcoming TV spots for Burger King Co.'s promotional tie-ins with the Simpsons, the characters from the popular Fox Broadcasting Co. series of the same name.

Burger King has planned an August through October promotion with the characters. But ABC and NBC turned down TV spots even though no finished commercials have been submitted to them.

ABC said it would refuse to air any Burger King spots with the Simpsons because of a longs anding policy not to cross-promote competitors' shows.

The network has accepted spots that featured stars of competing TV shows but only when the actor isn't in character. While admitting the use of animated characters "is fuzzy," ABC said it believed the Burger King spots were a cross-promotion.

ABC is reviewing its policy at the fast-food chain's request, but sources at the network say they doubt the decision will be reversed.

NBC also said it would nix the Burger King spots, citing a similar policy. The network said the policy won't be reviewed.

CBS said it would accept the spots as long as the name of the Fox program isn't mentioned.

This could present a problem for the chain, because the media schedule sent to franchisees promised a total of 2,200 gross rating points of TV support for the three-pronged promotion.

Company sources put the TV budget at $15 million and total media spending at $20 million. Saatchi & Saatchi Advertising, New York, is the agency.

Franchisees have been stocking up on 32-ounce beverage cups for the first phase of the promotion, to run July 30 to Sept. 9.

A "Summer Vacation With the Simpsons" promotion with Simpson figurines is slated for Aug. 6 to Sept. 16, and a promotion involving posable Simpson dolls is set to run from Sept. 17 to Oct. 28.

Whether network TV spots for the promotions will run now is in question.

Burger King's official line last week was that it "has made no announcements concerning tie-ins with 'The Simpsons' and all reports are just speculation." □

Wayne Walley contributed to this story.

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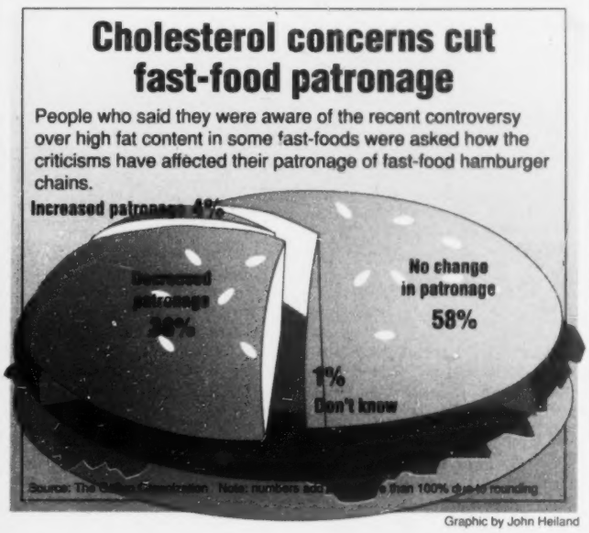
Cholesterol concerns cut fast-food patronage
People who said they were aware of the recent controversy over high fat content in some fast-foods were asked how the criticisms have affected their patronage of fast-food hamburger chains.
Increased patronage 4%
Decreased patronage 39%
No change in patronage 58%
Don't know 1%

Graphic by John Heiland

Ad industry arms for new tax battle

Deductibility likely to become issue again

By Steven W. Colford

WASHINGTON—President Bush's announcement that higher taxes may be included in any deficit-reduction package triggered a new wave of concern among advertising and media groups that tax proposals are headed their way.

President Bush last week said the "size of the deficit problem" may require "tax revenue increases," and that prompted an instant summit among industry leaders here.

"When the president said we have to consider new options for revenues, he put us back on table as being potential tax targets," said Hal Shoup, VP at the American Association of Advertising Agencies.

The biggest issue is the full tax deductibility that advertising, as a cost of doing business, now enjoys.

A congressional aide—who works for Rep. Pete Stark (D., Calif.), longtime sponsor of legislation to deny deductibility to tobacco and alcohol advertisers—said President Bush's statement dramatically changed the climate for raising taxes.

The aide said it's more than

(Continued on Page 30)

Fast-food faces wary public

GALLUP SURVEY

By Scott Hume

A significant percentage of consumers are making fewer trips to fast-food chains following public charges about high-fat foods, an *Advertising Age*/Gallup Organization survey shows.

Almost 40% of those respondents who were aware of saturated-fat and cholesterol charges said they had cut back fast-food eating either "somewhat" or "greatly" in the past 30 days.

Consumers surveyed said their declining patronage applied to all such chains, not just McDonald's Corp., even though it was McDonald's that came under attack by crusader Phil Sokolof. Mr. Sokolof's advocacy ads claimed some of that chain's food is too high in saturated fat and cholesterol.

Other fast-food chains have tried to distance themselves from McDonald's by promoting changes in products or cooking methods that reduce the amount of fat in their foods.

In April, in page newspaper ads from his National Heart Savers Association and in subsequent appearances on TV news programs, Mr. Sokolof charged McDonald's is part of a "poisoning of America."

The chain's use of both beef fat for french fry cooking and hamburger meat that's too high in saturated fat contributes to the nation's high rate of heart disease, he said.

The fast-food industry responded quickly. McDonald's said it's testing the cooking of

(Continued on Page 32)

Tampons go for green

J&J, Tambrands use environmental claims

By Judann Dagnoli

A new wave of environmental ad efforts is turning up in a rather unexpected marketing category—feminine hygiene products.

The ad strategies, from Johnson & Johnson Personal Products Co. and Tambrands, are partly a reaction to garbage, including medical waste and tampon applicators, that has washed up on the nation's shores in recent years.

J&J is the latest to join the environmental bandwagon, this week breaking a $2 million campaign calling its o.b. tampon an environmental alternative because it comes wrapped in a biodegradable film, with no applicator to throw away.

The network TV and radio campaign, themed "Everything I want, and no waste," is from Cadwell Davis Partners, New York.

The TV spot shows a young woman walking through a park, talking about why she uses that brand. At one point, she kicks a discarded soft-drink can and says, "When this environmental problem came along, I suddenly realized with o.b., no applicator to throw away means no waste."

An o.b. spot shows a woman talking about how using the non-applicator product means no waste.

In radio commercials breaking July 5, J&J gives rather humorous tips on how teens can clean up the environment. One spot suggests bringing coffee mugs into school to avoid using paper cups and another suggests swatting insects rather than using repellent, with exercise being a side benefit, said agency President Franchellie Cadwell. Promotions involve the giveaway of coffee mugs and fly swatters, she said.

GREEN

Market leader Tambrands is also planning an extensive environmental campaign involving consumers and the trade.

Tambrands is running a network TV spot that shows a woman walking in a meadow with the voice-over saying: "We thought

(Continued on Page 32)

LAST MINUTE NEWS

Headaches at Bauer

NEW YORK—Bauer Publishing's *First for Women* was left last week without a top sales executive in the U.S. Senior VP Todd Selbert left the Magazine Consultancy, which handles ad sales for *First* and sister publication *Woman's World*. This follows last month's departure of Exec VP J. Riley McDonough for *Newsweek* after just a few weeks at Bauer. The departures were the latest trouble for *First*, which cut its rate base 25% to 3 million in April and had to abandon a controversial plan for agency volume discounts. In addition, sources close to *First* said, the women's service monthly is carrying an average of 20 paid ad pages per issue, down from 37 last year. Bauer executives couldn't be reached.

Nuprin goes to JWT

NEW YORK—Bristol-Myers Products moved its $30 million Nuprin analgesic account to J. Walter Thompson USA, already the agency for the company's Gerber baby formula. Grey Advertising had handled Nuprin since its 1984 introduction. Grey remains a Bristol-Myers agency for products including Miss Clairol, Ultress and Windex.

Carl's Jr. sets review

ANAHEIM, Calif.—Carl's Jr., a West Coast fast-food chain, sent out letters to southern California agencies regarding a review of its estimated $20 million ac-

(Continued on Page 8)

INSIDE

David Appleby/Tri-Star Pictures

Arnold Schwarzenegger is the June Cover Story King -Page 19

Should marketers target blacks? P. 20 • **Lipstein's unstable empire** P. 33 • **Garfield does Cannes** P. 34

NEWS SUMMARY

■ **Deductibility of advertising** for tax purposes could be revised now that President Bush has opened the door to new taxes, ad industry groups warn. 1

■ **Feminine hygiene product** marketers are using a variety of environmental appeals in new ad campaigns for o.b. tampons and Tampax. 1

■ **Young & Rubicam's Anacin** account is under pressure as American Home Products tests an Anacin III commercial, via Partners & Shevack, that includes a tag for regular Anacin. 3

■ **L.A. Gear** is banking on the star quality of San Francisco 49ers quarterback Joe Montana and singer Michael Jackson, plus a $64.8 million marketing budget, to reverse a decline in earnings. 3

■ **Mitsubishi**, with a $120 million ad budget, is trying to dislodge Mazda from the No. 4 spot among U.S. auto importers. 3

■ **A French ban on ads** for tobacco and alcohol won National Assembly approval. Philip Morris said it may move its sponsorship of the Grand Prix race. 4

■ **Food labeling regulations** are a matter of debate in the Bush administration: Should state or federal rules prevail? 9

■ **Crystal Cruises**, a Japanese company, sets sail next month hoping to dominate the luxury end of the $6.3 billion cruise market. North America accounts for about 80% of the business. 11

■ **AT&T's new Universal card**, growing fast, is prompting speculation that competing cards will substantially beef up fourth-quarter marketing efforts. 12

■ **Sony audio and videotapes**, opening a new marketing battlefield, will get $14 million in ad support 12

■ **Classified advertising** linage, about 40% of newspapers' ad revenue, posts a decline. Revenues were off 6.4% in the first quarter and several publishers report continued slippage. 13

■ **FKB Group**, a financially strapped London-based company that owns eight U.S. sales promotion and direct marketing agencies, is seeking a new financial partner. 22

■ **A U.S.-Soviet newspaper** joint venture produced its first prototype of *WE/Mbl* but drew less advertising than anticipated by partners Hearst and *Izvestia*. 28

■ **A 6% tax on advertising** in-state proposed by a Pennsylvania legislator got little early support, but ad industry groups plan a counteroffensive. 29

■ **Competition for IBM's PS/1** is expected from Tandy when it introduces a home computer next month priced at $750 to $1,500, lower than IBM's new line. 31

■ **Independent TV stations** are making it easier for advertisers to buy "unwired networks"; Grey Advertising has already placed $10 million of upfront money. 32

DEPARTMENTS

Brady's Bunch	24	Index to Advertisers	34
Classified	26	Letters	17
Creativity supplement starts after Page	18	MediaWorks	19
		People Moving	24
Editorials	16	Photo Review	25
For the Record	29	Sales Promotion	20
Global Gallery	18	U.S. NewsWatch	10

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ABP MPA ABC CMPA

New Apple president takes on marketing

By Bradley Johnson

Apple Computer, trying to boot up its sluggish U.S. sales, last week quietly eliminated its top domestic marketing post and turned over responsibilities to its new operations-minded U.S. president.

David Hancock, 44, senior VP-marketing of Apple USA, left on a company-mandated six-week sabbatical and will return to a post yet to be determined.

Robert Puette, 48, who filled the slot of Apple USA president last week, will take over Mr. Hancock's duties.

The changes came a week after Apple USA's top sales executive, Senior VP William Coldrick, 48, moved into a part-time advisory role. Michael Dionne, formerly a regional sales VP, succeeded him as VP-sales.

The management shifts cap a shake-up that began in January when Chairman-CEO John Sculley brought in Apple Europe President Michael Spindler, Wunderkind of Apple's international business, as chief operating officer to revive Apple's domestic operation.

Apple, long the practitioner of what one observer called "just-in-time marketing," has little time to spare. It still must decide what ad strategy to take with the expected October launch of a low-price Macintosh computer (AA, June 25), critical to re-establishing Apple's position on the low end.

It faces more competition from IBM Corp.'s new, entry-level PS/1 (AA, June 18). And it faces an assault from Microsoft Corp.'s Windows 3.0 software, which lets IBM-compatible personal computers mimic Macintosh's popular graphics features.

Management changes weren't unexpected given the dismal performance of Apple's U.S. arm. In the first half of fiscal 1990, ended March 30, Apple's U.S. sales fell 2% from a year ago to $1.7 billion; international sales soared 23% from a year ago to $1.2 billion.

D. Hancock

Mr. Puette, a 24-year Hewlett-Packard Co. veteran, had been general manager of Hewlett-Packard's PC division since 1981 and built it into a nearly $1 billion business. At Apple, he replaces Allan Loren, a one-time insurance industry executive who was forced out as Apple USA president in January. Mr. Spindler had been acting president since January.

Mr. Puette also takes over for Mr. Hancock, a Britisher who ran U.S. marketing for about two years and served in international posts earlier. Mr. Hancock left July 1 on a six-week sabbatical, a vacation mandated for all Apple employees every five years.

"When he returns, we will begin exploring new assignments," Mr. Spindler said in an internal memo.

Efforts to reach Mr. Hancock weren't successful.

In an interview, Mr. Puette said he intends to leave corporate vision and direction to Messrs. Spindler and Sculley.

"I don't like to be a dreamer," he said. "I like to be a great team builder, [an] implementer."

While Mr. Puette likely will look heavily to his bosses for ad strategies, he still vows to play an active role in advertising.

Mr. Puette leans toward a conservative, consistent ad approach, though, he said, occasionally "we might do a few wild hair things."

He said his favorite computer ads are two recent Apple spots from BBDO Worldwide, Los Angeles, in which an IBM PC devotee wonders how it could be that his company's employees flock to Macintoshes. As for Apple's breakthrough "1984" spot six years ago, Mr. Puette said, "I thought that was a bit bizarre."

Industry observers say Apple's latest management arrangement is also a bit bizarre in that Apple's best-known marketer, Mr. Sculley, isn't doing much marketing. Mr. Sculley, the ex-president of Pepsi-Cola Co., is focusing on product development; Mr. Spindler, an ex-engineer, is running worldwide operations and marketing; Mr. Puette, an

(Continued on Page 29)

Peugeot gets transparent

By Raymond Serafin

What can follow Infiniti's much-discussed don't-show-the-cars advertising? Maybe the now-you-see-it, now-you-don't TV spot from Peugeot Motors of America.

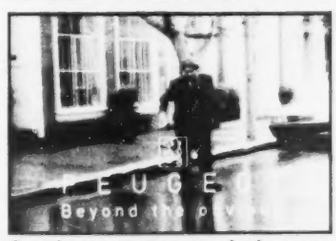
In the 30-second commercial breaking today on cable and spot TV, a Peugeot 405 sedan is heard, but the car and its driver are invisible to viewers and several people the car passes on a country road.

The first glimpse comes when the car is parked on a city street. The driver, a man in a business suit, is seen as he opens a still-invisible door, revealing some of the car's interior.

As the man walks away, he looks back at the car. This time, viewers see it with him as the voice-over says, "The Peugeot 405. It takes a special eye to appreciate it." The spot closes with a woman on a motorbike looking on in consternation as the man returns to the once-more invisible car to polish off some blemish with a handkerchief.

The TV spot closes with the theme line, "Beyond the obvious," which will also be used in print ads. Newspaper ads break in mid-July, followed by a variety of magazines beginning in August issues. HDM, New York, handles.

"It wasn't intended to be a parody of Infiniti, but some people in our test groups brought up the comparison," said Daniel Petit, national marketing manager for Peugeot.



A curious young woman looks on as a man polishes his invisible Peugeot, in a new spot from HDM, New York.

"We're really trying to go with our strength, which is to appeal to people who tend to be open-minded," he said. "We can't sell to someone who is worried because no one else on his block owns one."

"We're not trying to keep our car invisible to people," HDM President Patrick Hillman said. "We're trying to make it more visible by its absence in part of the communication."

Visibility is a chronic problem for Peugeot, with an estimated ad budget of about $20 million. The company sold 2,021 cars in the U.S. in the first five months of 1990, only 0.05% of the total car market.

The 405 was introduced in the U.S. two years ago after being named European Car of the Year but never has really taken off. The model had already received the bulk of Peugeot's ad spending but will get even more now that the larger 505 line is being discontinued except for a station wagon in the 1991 model year.

With a price range of $15,300 to $21,700, the 405's competitors range from top-of-line Honda Accords to entry-level products from BMW, Infiniti and Lexus.

Mr. Hillman said the "Beyond the obvious" theme is intended to last a long time. "Until Peugeot becomes obvious, it's a direction we can extend," he said.

Peugeot and HDM are also preparing a direct marketing effort that could reach as many as 100,000 people who travel to France, subscribe to French magazines or are French-language teachers.

While the direct mail piece will mention Peugeot's French origins, the general media campaign doesn't, because the image of French technology is weak.

"It's not that the image for French technology is so negative," Mr. Hillman said. "It's just that the image for other French things —style, perfume, fashion, love, sex, wine—is so strong. People look for simple labels, and it's not something we can fix with a few ads." □

LETTERS

Guaranteed pitfalls

Your editorial "DDB pay plan: A small step" (AA, May 21) correctly identified several problems inherent in the "guaranteed results" program proposed by Keith Reinhard.

Some may argue that the move is genius, an effective means of gaining more of their clients' overall marketing dollar, while maintaining greater control over the creative product. It certainly seems like a brilliant response to the continuing shift away from traditional advertising and media.

But there are major flaws in this plan. As the editorial points out, an agency has no control over such common occurrences as raw materials shortages, strikes and competitive breakthroughs. They also have no say in production levels, product pricing, sales and distribution, and a host of other essential pieces crucial to the entire marketing puzzle.

It surely appears that DDB Needham has offered to take on a risk far greater than the return. There are just too many unforeseeable roadblocks in the path from advertising idea to consumer sale for it to work as well in practice as it may on paper.

Our company has had such arrangements in the new-product area and has learned that, even though the concept and strategy are on target, there are innumerable ways to derail a sure bet.

The DDB plan is a bold effort, but will inevitably fall short. After all, it would require clients to relinquish some of the control they've regained in the past decade. And that is not likely to happen today.

Frank Hone
President
S&H New Products
River Edge, N.J.

To Herzbrun's defense

I found David Herzbrun's book, "Playing in Traffic on Madison Avenue," to be a thoroughly delightful read. I especially enjoyed the chapter covering the Ogilvy years, which you excerpted in your April 23 issue, since I was on hand at the time.

I was a bit puzzled to read a letter in your June 11 issue which claimed that none of Ogilvy's top management could recall a particular incident involving the Sears account. It certainly had quite an impact on David, since it caused him to resign from the agency.

Bob Cox
President, Cox Landey & Partners
New York

As one of David Herzbrun's writers when he pitched Sears, I was cross to see anyone questioning that episode in David's book. It's the utter, mere truth—just how it happened.

The fact that David is so entertaining doesn't mean he exaggerated. He didn't have to.

Cynthia Beck
Senior VP, Young & Rubicam
New York

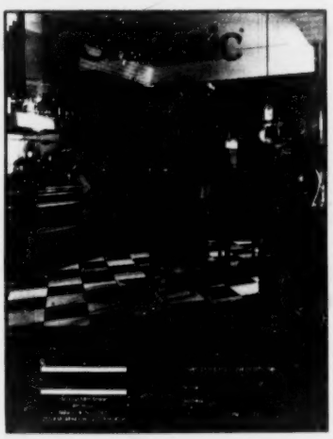
The 'Newsday' combo

The "Top 100 newspapers by daily circulation" listing (AA, May 7) had only one entry for the New York tri-state *Newsday* family, "(New York) Newsday."

If this is a composite of *Newsday*, the Long Island paper, and New York *Newsday*, which claims to be a NYC paper, then I don't think the combo has earned its No. 8 ranking.

Ira J. Friedman
Brooklyn, N.Y.

Editor's note: ABC's FAS-FAX lists only the combined figure and Newsday *offers advertisers the combined circulation, thus qualifying for the combined figure.*



Get the white ink

I was ready to buy a new kitchen, but I couldn't find my pen with white ink. . . . This ad leads one to hope that they don't let the ad director near the kitchen blueprints.

In commemoration of the 60th anniversary of *Ad Age*, I'd like to suggest an Incompetence Hall of Fame feature collecting examples of coupons with drop-out type over the years, with special mention for those offering planning and design services.

Charles G. Salmans
New York

Anti anti-smokers

In a recent letter (AA, June 4), New Jersey anti-smoker John Slade claims that "future cigarette sales depend on addicting new smokers before they are out of high school." This is as nonsensical as saying future real estate sales depend on selling mortgages to high school students.

Mr. Slade's comment is a textbook example of the way anti-smokers attempt to use the issue of youth as an excuse to harass and restrict the behavior of adult smokers and their access to product information. The truth is, Mr. Slade objects to all tobacco advertising and sponsorships, and the fact that tobacco advertising is addressed solely to adults who choose to smoke does nothing to dispel his opposition. . . .

On the other hand, Mr. Slade praises California's government-sponsored media blitz against the tobacco industry. He is delighted by that state's $28 million worth of commercials which portray tobacco executives as callous fat cats hatching their plots in smoke-filled rooms. Perhaps he would not be so delighted to be on the receiving ends of such attacks: if, for example, the tobacco industry were to run ads depicting anti-smokers as blue-nosed prigs and self-appointed moralists with little respect for the rights of others.

Although such advertisements are not contemplated, based on the recent extreme positions sanctioned by anti-smokers, they would be entirely justified.

John R. Nelson
VP-corporate affairs
Philip Morris USA
New York

Truth in smoking

In your editorial (AA, June 11) you say that limiting the sale of cigarettes to minors will allow "cigarette makers to advertise truthfully to adults, including young adults." My heart leaps at the thought of cigarette makers advertising "truthfully."

I await the first Marlboro ad that tells young men that smoking will cut 18 years off their lives. Or the first Virginia Slims ad that advises women that smoking during pregnancy seriously damages the health of their unborn children.

Cigarette makers have always been free to truthfully advertise what cigarettes do to people who are addicted to them. They have never advertised that truth in the past. What makes you think they are going to start now?

Joseph M. Valerio
President, Marketing Dynamics
Rochester, N.Y.

The Oreo Blues

It gave me the blues recently to see that the marketers of Oreo cookies (a unique original, I always assumed) think that an imitation is as good as the original.

In their TV spot the copy asks, "Ever wonder what made Chubby Checker think of the Twist?" implying that he was the creator of this "oldie but goodie." The writer should know that Chubby's version was, in fact, a much less satisfying imitation of the original by R&B great Hank Ballard and the Midnighters.

Bob Foster
Foster & Assoc.
San Antonio, Texas

A capital section

I was impressed with your Washington supplement (AA, June 11). As the publisher of one of the District's oldest community newspapers, I can appreciate the complexity faced in putting this together in such a cogent and interesting manner. Congratulations on a job well done!

P.L. Wolff
Publisher, *The InTowner*
Washington

CORRECTIONS & CLARIFICATIONS

■ In the *Ad Age* 300 top magazines ranking (June 18, P. S-6), *Playboy* should have ranked 23rd; correct total gross revenues were $144.1 million.

■ The following corrections pertain to the "Sales Promotion Agency Report" published April 30: Frankel & Co.'s listing on the sales promotion agency chart should have indicated its gross revenue total was verified by an outside accountant (P. S-2); Noble Communications' sales promotion billings were transposed for 1989 and 1988, so that the 1989 figure should have been $8,378,500, which would rank Noble 25th instead of 39th among ad agencies based on their sales promotion billings (P. S-3); Keller Crescent Co., No. 30 on the sales promotion agency chart (P. S-2), should have been on the chart ranking U.S.-based ad agencies by their sales promotion billings, where it would have been No. 7. □

FREEZE FRAME

Bill Whitehead

"How about throwing in a promotional budget?"

Danger of flashing lights

I have been fascinated with advertising since I was about 10 years old. That's when I first saw Cary Grant in "Mr. Blandings Builds His Dream House."

For the life of me, however, I cannot understand why major advertising agencies insist on using flashing lights in their television commercials. Don't they understand that there are people such as myself with epilepsy? My seizures (of the grand mal type) are a result of being photosensitive. Translated, that means sensitive to flashing lights.

Oh, I know, I could turn away when the flashing light commercials come on, but would you like me, as a consumer, to block out your product? I'm not the only person with epilepsy; we're about 2 million strong. I'm sure not all of us are photosensitive, but how many are?

I don't want to threaten anyone. I just ask that ad agencies be more aware. After all, isn't the '90s the decade of awareness?

Anne-Marie Norizsan
Bayside, N.Y.

Advertising Age *welcomes letters to the editor, but we ask that they be held to no more than 250 words in length. Address letters to* Advertising Age, *Viewpoint Editor, 220 E. 42nd St., New York 10017.*

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MEDIAWORKS

BROADCAST-INC.

Network clutter on the rise

Program and business-side developments in broadcasting.

Clutter up. If it seems like there are more commercials on network TV today, it's not your imagination. The American Association of Advertising Agencies and Association of National Advertisers have proof that time set aside for commercials on the Big 3 networks is rising *(see charts)*.

The two groups commissioned Advertising Information Services to monitor program and non-program activity on the networks during the week of Nov. 8-14 and for daytime shows Nov. 13.

Although the networks claim self-imposed guidelines limit their amount of commercial time, all three exceed the old National Association of Broadcasters non-program material standards of 10 minutes per hour in prime time and 16 minutes per hour in all other dayparts. A lawsuit brought the death of the NAB commercial code in the 1970s.

The results of the 1989 report are somewhat startling. The number of minutes of non-program material per hour—commercial and billboard time—in prime time on ABC and CBS reached record highs in 1989—10 minutes, 42 seconds and 11 minutes, 40 seconds, respectively—while NBC declined from seconds to 10 minutes, 58 seconds. Fox Broadcasting Co., measured in the study for the first time, had even more non-program material per hour, 13 minutes, 23 seconds.

The number of commercial messages per network pod didn't increase in 1989, the report found. NBC was unchanged while the average number of spots in different length pods in different dayparts decreased on CBS and NBC.

In a limited monitoring of syndicated series, the report showed "Star Trek: The Next Generation" had 14 minutes, 10 seconds of non-program time (7 minutes of national commercial/billboard time and 7 minutes, 10 seconds of local commercials/promotions), the most among 1-hour shows monitored. "A Current Affair" totaled 9 minutes of non-program time (1 minute national commercial, 30 seconds national promotion and 7 minutes, 30 seconds local commercial/promotion) during its half-hour telecasts, while "Entertainment Tonight" had 8 minutes, 33 seconds. Syndicated repeats of "The Cosby Show" had 8 minutes, 10 seconds, while "Jeopardy!" had 7 minutes, 38 seconds.

Tee time. Helene Curtis Industries, General Mills, Sara Lee Corp., Sharp Electronics Corp. and Toyota Motor Sales USA have committed to ad time on the Crosby 1990 celebrity golf tournament. The telecast will be syndicated to TV stations for airing July 7 to 29. Program Syndication Services, a unit of Saatchi & Saatchi Advertising, New York, has cleared 110 stations, including the top 25 markets.

Educated launch. The Discovery Channel, with the Public Broadcasting Service; WNET-TV, New York; and WGBH-TV, Boston, is exploring the feasibility of launching a cable TV service focused on education. PBS President Bruce Christensen characterized the discussions as in the "early" stages but said the project would involve a partnership with the more than 175 PBS affiliates. □

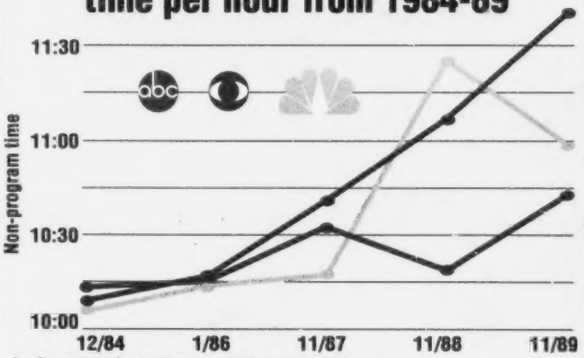
What's on when the show's not

Minutes per TV hour devoted to commercials and network promotions instead of programs, by daypart.

Network	Network prime-time	Network daytime	Early morning	Late fringe	Evening news*
abc	10:42	16:39	14:42	9:00*	7:45*
CBS	11:40	16:45	14:06	16:42	6:44*
NBC	10:58	16:37	13:12	15:34	7:14*
FOX	13:23	—	—	—	—

* Per half hour. Fox was monitored Sat.-Mon., its three nights of regular programming.

Changes in total non-program time per hour from 1984-89



Fox Broadcasting Co., tracked only in 1989, averaged 13:23 per hour.

Source: '89 Television Commercial Monitoring Report, sponsored by the Association of Advertising Agencies and the Association of National Advertisers

Cynthia Watson

COVER STORY

Brains and brawn in June spotlight

By Janice Kelly

Cover Story is a monthly ranking of celebrities' popularity as reflected by their appearance on the covers of more than 30 of the nation's leading publications.

Editors went on a spring cleaning spree in June, packing away old standbys and introducing a new lineup of hot celebs. The principal winners were an odd couple: muscleman-turned-actor **Arnold Schwarzenegger** and Soviet leader **Mikhail Gorbachev**.

Magazines and adoring fans seem star-struck with Mr. Schwarzenegger after a month when he appeared everywhere. And a few highly charged publicity campaigns haven't hurt, hyping his latest action-thriller, "Total Recall," his chairmanship of the President's Council on Physical Fitness & Sports and the birth of his daughter, Katherine Eunice Schwarzenegger.

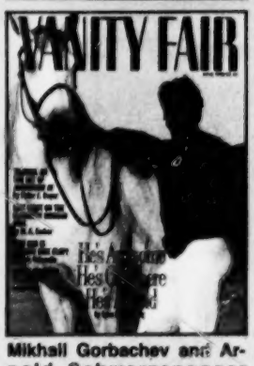
Several celebrity and men's publications on the newsstands in recent months have carried stories about him, even if his face wasn't on the cover. But often it was, earning Mr. Schwarzenegger 15.5 points in the June Cover Story survey.

Cover Story assigns point values to cover appearances based on factors including prominence of the photo and frequency of the publication.

Gracing at least three covers already in July, Mr. Schwarzenegger could keep the Cover Story crown for two months running.

Balancing out the Schwarzenegger hype in June were newsweekly profiles of a subject publications could take more seriously: Mr. Gorbachev, the subject of many cover stories with the predictable summit spin. The Soviet leader scored 15 points to take second place.

If anyone could make waves with readers without even splashing, it's **Elizabeth Taylor**. Ms. Taylor tied for third with 8 points when supermarket tabloids continued to speculate on whether she's really recovered from her "mysterious disease." She tied with actor **Mel Gibson**, starring with Goldie Hawn in the comedy film "Bird on a Wire."



Mikhail Gorbachev and Arnold Schwarzenegger caught the public's eye in June, for different reasons.

A three-way, fifth-place tie goes in part to the hottest U.S. couple since Sonny and Cher: **Warren Beatty** and **Madonna**. The duo is grabbing headlines with their summer blockbuster film "Dick Tracy" and their on-screen and off-screen romance, earning 7.5 points each in the June survey.

Sammy Davis Jr. earned 7.5 points in the June tally, bringing his 1990 total to 15 points since his death earlier this year.

Eighth place saw a tie between the oddest couple since Unger and Madison: **Donald Trump** and **Marion Brando**. Both have encountered adversities that will change their lives. The Donald is having a troublesome year: first a rift with wife Ivana, then rumors of an affair with March Cover Story queen Marla Maples and now talk that his empire could crumble under financial problems.

Mr. Brando's crisis is a different story: his son, Christian, has been charged in the murder of his sister's lover.

Other celebrities whose faces stared back at us from the newsstands in June included actress **Julia Roberts** and comedian/talk show host **Arsenio Hall**, earning 5.5 points each and tying for 10th. □

NEWSSTAND

Print advertising opportunities.

Careers Magazine, New York, "Back to school" special editorial section, September issue; ad close: July 10. B&w page: $11,890; color page: $16,650.

Inside Sports, Evanston, Ill., "NHL" special editorial section, October issue; ad close: July 10. B&w page: $12,885; color page: $19,230.

USA Today, New York, "Goodwill Games" special editorial section, July 20 issue; ad close: July 9. B&w page: $65,498; color page: $85,147.

Crain's New York Business, New York, "Westchester/Fairfield market" special editorial supplement, July 30 issue; ad close: July 12. B&w page: $8,750; color page: $10,400.

Tennis, Trumbull, Conn., "U.S. Open preview" special editorial section, September issue; ad close: July 12. B&w page: $23,250; color page: $34,870.

Parade, New York, "Fresh ideas for tomatoes" special editorial section, Aug. 26 issue; ad close: July 13. Color page: $316,500.

Spy, New York, "Fall fashion" special ad supplement, September issue; ad close: July 13. B&w page: $8,986; color page: $13,478.

Spotlight, Mamaroneck, N.Y., "Home design guide" special advertising supplement, mid-August issue; ad close: July 15. B&w page: $5,500; color page: $6,500.

Atlanta Business Chronicle, Atlanta, "Advertising and PR all-stars" special editorial section, July 23 issue; ad close: July 16. B&w page: $2,240; color page: $2,840.

Life, New York, "100 most important Americans of the 20th century" special editorial section, fall issue; ad close: July 16. B&w page: $49,520; color page: $66,560.

Parents, New York, "What to feed your kids" special editorial section, October issue; ad close: July 16. B&w page: $35,790; color page: $45,820. □

NEW AD RATES

Kid City Magazine, New York: Rate base to 275,000, up 10%; color page to $7,894, up 14.4%; color cost per thousand to $28.71, up 4%. Effective: September issue.

Sesame Street Magazine, New York: Rate base to 1.225 million, up 2%; b&w page to $35,790, up 8%; color page to $37,044, up 8%; b&w CPM to $29.22, up 5.8%; color CPM to $30.24, up 5.8%. Effective: September issue.

Snow Country, Trumbull, Conn.: Rate base to 250,000, up 11%; b&w page to $9,229, up 10%; color page to $12,640, up 10%; b&w CPM to $36.92, down 1%; color CPM to $50.56, down 1%. Effective: September issue.

3-2-1 Contact, New York: Rate base unchanged at 400,000; color page to $8,778, up 7%; color CPM to $21.95, up 7%. Effective: September issue.

Utne Reader, Minneapolis: Rate base to 200,000, up 14%; b&w page to $5,370, up 14%; color page to $7,790, up 14%; b&w CPM unchanged at $26.90; color CPM unchanged at $39. Effective: July/August issue. □

Wayne Walley coordinates MediaWorks.

Grey crafts $10M unwired TV deal

By John McManus

National advertisers, always looking for bargaining leverage against the Big 3 TV networks, are finding independent stations more attractive—and accessible.

Grey Advertising, which played a role in Procter & Gamble Co.'s $18 million, two-year "unwired network" ad deal with Katz Television Group in May, is at it again on behalf of several clients, including Block Drug Co. and Red Lobster.

New York-based Grey has taken $10 million earmarked for upfront spending on the broadcast and cable networks and syndicators, and placed the money into an unwired network of stations that clear 85% to 95% of the country.

The buy was made via Katz and Blair Television.

Unwired networks have been around for more than a decade. But cumbersome paperwork and logistical problems, including trouble getting adequate audience delivery information, have prevented many advertisers from making timely buys.

"We've been buying unwireds for 10 years," said Jon Mandel, senior VP-director of national broadcast at Grey. "But as an industry, there was previously no system for us to judge independents vs. network."

Now, under a new initiative spearheaded by Lana King, VP-marketing for the Association of Independent Television Stations, stations have streamlined the negotiating, buying and audience-measurement process.

The stations involved have put time availabilities into a pool so negotiations can be done on a national basis.

"It's the beginning of an opportunity to tap into a significant amount of new money," Ms. King said. "We're going to market plans like this to other agencies."

"Because of what's been done here, we have a viable, actionable alternative to networks in several dayparts," Grey's Mr. Mandel said. "We can make a national buy, get national coverage on a competitive national [cost per thousand] with national ratings, on a national network. The reps and stations have learned to do their homework."

He said he would consider further unwired network proposals as he divvies up his agency's $300 million to $400 million in scatter spending during the next year.

Katz, Blair, Petry and Seltel are the national sales reps that so far have submitted proposals to Grey.

Some national reps and stations contend an unwired network deal "devalues" a station's inventory. Individual stations have been able to command higher prices in the national and local spot marketplaces than they could when they sold the time as part of an unwired network.

But faced with a flattening national spot market, some TV stations and their national sales reps have more aggressively sought access to new sources of ad revenues.

The pooling is "a way for broadcasters to get some money converted back into spot," said James Murtagh, senior VP-general manager at Seltel. "It's much more costly for the reps because we're being asked to do all the back-office work. But because the marketplace is flat, stations are looking to replace the dollars shifted out of spot." □

Upfront sales

(Continued from Page 3)

the alternatives."

The smaller demand for network time softened the average network CPM increases. Network and agency sources said increases settled at an average of 10% to 12%, depending on program mix and desired demographics.

However, competitive categories such as automakers and movie studios paid significantly higher prices, as reported.

Agency and network sources said some ad packages at ABC and NBC included CPM increases of 18% or more, while CBS, thanks to the influx of lower-price inventory on new shows, put together some packages with increases as low as 5%.

But CPM costs can be misleading.

"CPM is just a convenient shorthand. . . . a network source said. "If you want a lower CPM, you just change the program mix. If you buy more new shows, chances are you'll have a much lower CPM."

The emergence of Fox as a true competitor to the Big 3 also tempered spending on ABC, CBS and NBC.

"Fox is out of the closet as a competitor; that's what the spoiler was," a Big 3 source said.

Industry estimates vary, but NBC once again topped the four networks in upfront sales at an estimated $1.5 billion, down 6.2% from last year.

ABC set company records for gross upfront sales, average unit prices and CPMs, said Jake Keever, exec VP-sales. He declined to give specifics, but industry sources said ABC's sales totaled about $1.4 billion.

Depending on the source, CBS finished the prime-time upfront with sales either as low as $850 million or as high as $1 billion.

Estimated upfront sales for Fox were between $525 million to $550 million, almost double last year's $306 million.

Network estimates showed the movie studios spending about 24% more in the upfront market this year, while the beverage industry hiked spending by as much as 52%, reflecting increases by smaller players in the category.

Fast-food spending rose about 15% while package goods, one of the largest network ad categories, was up 8.8%.

On the downside, automotive spending was flat or below last year's level while retail spending was down 12%. Drug company spending was also off "significantly," network sources said.

Ratings guarantees, expected to be an explosive issue, turned into a non-item in negotiations as advertisers accepted the network-adopted policy designed to limit liability for make-goods if TV usage levels inexplicably drop again during the 1990-91 season.

"One or two clients didn't buy time or cut back on network spending because of the policy, but they will spend the money in the scatter market," ABC's Mr. Keever said. "The buyers recognized the problem, and it seems they figured if the situation does exist and TV usage drops, it's better to have some form of a guarantee."

With prime-time buys complete, attention started to turn toward network news, daytime and late-night.

Network sources said initial daytime budgets submitted by advertisers are up about 7% over last year, and the network news market is expected to be "healthier" than prime time.

Late-night sales could also be a buyer's market with the introduction of ABC's "Into the Night With Rick Dees" and a new CBS entry.

In syndication, "The Arsenio Hall Show" is already commanding CPM increases of 30% to 40% and unit costs in the $40,000 range.

"There's been a narrow supply source in the daypart, and clients are eager for more competition," a network executive said. "ABC and CBS are positioned to be a good buy." □

Fast-food

(Continued from Page 1)

its fries in vegetable oil and added several low-fat menu items, including low-fat frozen yogurt.

Hardee's Food Systems had already switched to vegetable oil for fried foods. The No. 3 chain is now rolling out a new burger called The Lean 1, 30% lower in fat than its other burgers. Wendy's International publicly proclaimed its burgers are already lower in fat than The Lean 1.

Gallup in May asked a nationally projectable sample of 1,001 adults whether they were aware of "any claims that a fast-food hamburger restaurant cooks its products in animal fat, which has an impact on the cholesterol level of users of its products."

Three in 10 people polled (31%) said they were aware of the charges, 68% said they were not aware and 1% was undecided.

Awareness was lowest (23%) among adults ages 18 to 34, the heaviest consumers of fast-food.

Among respondents ages 35 to 54, 34% were aware; 37% of those 55 or older said they had heard of the charges.

Those who said they had heard about the controversy were asked which fast-food chain the health claims were made about, and 65% identified McDonald's.

Burger King Corp. was identified by 5%, while 22% said they weren't sure which chain had been criticized.

Asked whether the criticisms have caused them to increase or decrease usage of the chain they identified as the target of the charges, 39% said they've "somewhat decreased" or "greatly decreased" their patronage.

Better than half (59%) said the charges had no effect on their consumption patterns, and 3% said they've either increased consumption or are unsure. (Figures exceed 100% due to rounding.)

The problem Burger King, Hardee's, Wendy's and others face, along with McDonald's, is that similar percentages said the charges have affected their patronage of fast-food restaurants in general.

Beyond their patronage at the chain they identified as the target of the charges, 38% say general usage has dropped somewhat or greatly, and 59% said it's unchanged. Four percent said their usage increased.

Among people ages 18 to 34, 37% said their patronage of fast-food restaurants has decreased.

Concerns about fat and cholesterol "are a problem that the industry as a whole is going to have to wrestle with," said Steve Rockwell, restaurant analyst with Alex. Brown & Sons.

"The news coverage of [Mr. Sokolof's ad] appeared to indict the whole fast-food industry," he said. "And I think they'll have to fight the issue together."

Respondents were also asked how many times in the previous month they had eaten at or bought food for takeout from McDonald's.

Among 18-to-34-year-olds, the mean number of visits was 3.01. For 35-to-54-year-olds, the mean was 1.86, and it was 1.06 for those 55 or older.

The telephone survey had a margin of error of plus or minus 3.1%.

Asked for comment on the survey, McDonald's VP-Communications Chuck Rubner said the question asking respondents if they had heard about the claims that cooking in animal fat has an impact on the cholesterol level was "negatively written and likely to receive a negative answer as a result."

As to the survey's indication that more than one-third of respondents have decreased their patronage, Mr. Rubner said McDonald's has seen "no impact at the sales counter as a result of Mr. Sokolof's ad." □

Tampons

(Continued from Page 1)

you'd feel good knowing that more women trust their bodies to the tampon that's very, very kind to the earth. Flushable Tampax tampons. Biodegradable since 1936."

The commercial originally ran in April for Earth Day but has been recut to a 15-second spot from a :30 for regular airing.

Tampax is also flagging its cardboard applicator products with: "Flushable and biodegradable—tampon and applicator."

In July, the company starts running trade ads in *Progressive Grocer* and other supermarket publications stating, "What's good for the environment is good for your business."

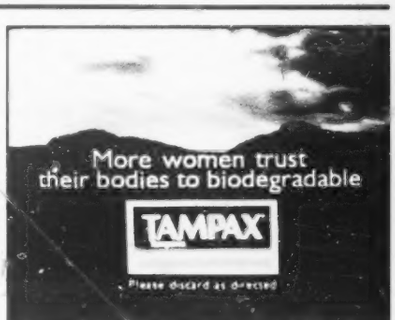
Styled as an open letter from Tambrands Chairman-CEO Martin Emmett, the retail trade ad says: "All tampons and tampon applicators, including plastic applicators, are lighter and more compact than bulky pads, use less raw materials and take up less space in landfills" than sanitary napkins.

The ad goes on to note that "over the next year, all Tampax packaging will be made from recycled board (currently 90% is)" and that Tambrands "plans to educate women on the environmental benefits of tampons through promotions, publicity and package inserts."

The campaign could have a major impact, since Tampax leads the $600 million segment, said Prudential-Bache Securities analyst Andrew Shore. "When o.b. yells, only a few people will listen, but if Tambrands does it, it'll become the next wave," he said.

The ads may also be good for Tambrands' business, since they advocate the use of tampons—the company's flagship product—as environmentally superior to sanitary napkins, a market in which Tambrands' Maxithins is doing poorly.

The ads, all from Ally & Gargano, New York, "are just two parts of a more extensive environmental campaign" involving trade and consumer promotion as well as package inserts, said Bruce Garren, Tambrands group counsel.



In a new TV spot, Tampax says its tampons have been "biodegradable since 1936."

Playtex Family Products will also be talking about environmentalism in local newspaper ads this summer in New Jersey and Massachusetts, a spokesman said.

The ads, which ran last summer in those states, urge consumers to "dispose of tampon applicators in the trash . . . not the toilet" because "flushing the applicators can cause household plumbing problems, and the applicators can eventually appear on beaches and shorelines." Grey Advertising, New York, is the agency. Unlike Tampax, all Playtex's applicators are plastic.

Kimberly-Clark Corp., marketer of Kotex tampons, plans no environment-oriented advertising or promotion.

Ms. Cadwell said the average woman uses 240 tampon applicators a year. Mr. Shore estimated their contribution to solid waste is too small to be measured.

Tampax had a 60.3% share of the tampon segment in April, followed by Playtex, 25.8; o.b., 7.6%; and Kotex, 5.2%. □

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NEWSPAPER

Advertising Age

July 9, 1990

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Scott Strabe

Jamie Kellner says Fox is like an awkward toddler with a few flashes of brilliance.

Fox's Kellner savors his 'risky' business

Sitting in a wing chair in his Los Angeles office, Jamie Kellner, Fox Broadcasting Co. president-chief operating officer, talked animatedly about Fox's successful upfront selling season, the network's relationship with advertisers and its plans for the future.

An edited transcript of his interview with Advertising Age *Reporter Marcy Magiera follows:*

Advertising Age: *Your hits, "Married . . . With Children" and "The Simpsons," have been consistently called risky. But you just sold $550 million worth of inventory in the prime-time upfront market. How have you been able to sell Fox to advertisers?*

Mr. Kellner: I think when we set out to design FBC, we met with a lot of advertisers and agencies, looking for the need of the industry. What we perceived the need to be was a targeted audience of the 18-49 adult age group, that didn't try to be all things to all people.

ONE ON ONE

Then we added on our desire to be very popular with the teen group, because they'd be the next 18-34 age group.

The reason we are now successful with advertisers is because we were correct in ascertaining what their needs and interests would be. . . .

It's interesting to me that if you look

(Continued on Page 45)

Time runs out for Lord Geller

WPP merges agency with Brouillard

By Gary Levin

NEW YORK—Despite a bitter court battle waged by Martin Sorrell to save Lord, Geller, Federico, Einstein, the agency's 23-year life as a separate entity has ended.

Mr. Sorrell's London-based WPP Group late last week merged Lord Geller into Brouillard Communications, a $70 million WPP subsidiary, to form Brouillard/LGFE.

The move came after Schieffelin & Somerset Co., Lord Geller's oldest client, fired the agency from its $10 million account. That spelled doom in a saga that began more than two years ago, when Lord Geller's top executives walked out and formed Lord Einstein O'Neill & Partners, bankrolled by Young & Rubicam.

WPP sued the six executives, Lord Einstein and Y&R, and ultimately collected a $7 million settlement. But the fallout of the legal fight included the loss of the $138 million IBM Corp. account and, with it, much of the agency's prestige.

Lord Geller once was a highly profitable $240 million jewel of JWT Group, acquired by WPP in 1987 in a hostile takeover.

M. Sorrell

A merger or shutdown of Lord Geller "was something contemplated for quite some time," said WPP spokesman Tom Davies, "and with the loss of one of its major accounts, it was felt by all parties concerned that [Lord Geller] no longer had the critical mass to justify having it as a separate agency."

Brouillard, specializing in financial and corporate advertising and public relations, will be home to the combined agency, which should have combined billings of $110 million. The merger could result in layoffs at

(Continued on Page 42)

Anheuser near $90M football deal at ABC

By John McManus

Anheuser-Busch and ABC this week will cut a four-year, $90 million deal in which A-B will advertise on "Monday Night Football" and Super Bowl XXV.

The Super Bowl will likely feature the third installment of the "Bud Bowl," a much-hyped promotion for Budweiser and Bud Light, since the exclusive ad package gives A-B 10 30-second commercial spots on the broadcast.

The network is also close to signing a similar deal for a "Monday Night Football" sponsorship with Miller Brewing Co., sources said, except that it won't include a Super Bowl package.

To secure both agreements, ABC was forced to make concessions that could cost it more than $50 million in beer ad revenue over the course of its new four-year, $950 million contract with the National Football League, industry sources say.

Under the terms of the A-B deal, the brewer will pay an estimated $8 million to be the exclusive beer sponsor for the Jan. 27 Super Bowl.

The last two Super Bowls have featured the Bud Bowl, a series of high-tech spots in which teams of helmeted bottles of each brand play a football game in front of bleachers filled with fans represented by anthropomorphic beer cans.

Both A-B and Miller initially will pay about $240,000 per 30-second unit for four units in each "Monday Night Football" broadcast—each brewer gets half-game ex-

(Continued on Page 44)

LAST MINUTE NEWS

Levine tastes Smartfood

DALLAS—PepsiCo's Frito-Lay named Levine, Huntley, Schmidt & Beaver, New York, to handle the estimated $10 million ad budget for Smartfood popcorn. Mullen Advertising, Wenham, Mass., continues as PR and direct marketing agency for the brand, which has just completed its national rollout. Mullen resigned the ad account when a "positioning conflict" arose over a TV spot that the agency created for juice marketer Veryfine. That spot shows people passing up a Pepsi-Cola Co. vending machine in favor of a Veryfine machine.

HHCC beefs up for Infiniti

MARINA DEL REY, Calif.—Hill, Holliday, Connors, Cosmopulos last week made three senior-level additions to the creative ranks of its office here, which handles Nissan's $100 million Infiniti account. Ivan Horvath, 44, joined as senior VP and co-creative director, teaming with Hill Holliday's Dan Mountain, exec VP and co-creative director. He comes from Ogilvy & Mather, Los Angeles, where he was senior VP-creative director (AA, July 2). Bruce W. Ritter, formerly at DDB Needham Worldwide, Chicago, will join Jonathan Mandell, who exits BBDO Worldwide, New York, as another senior team on the account. Both men become VP-associate creative directors. Mr. Ritter was VP-associate creative

(Continued on Page 8)

INSIDE

Meet Roberto Suarez, Anays Robles and others with "hidden" affluence —after P. 32.

Former top Saatchi execs plan own agency P. 2 • Chilko rafting accident lawsuit set for trial P. 4

NEWS SUMMARY

■ **Anheuser-Busch** and ABC have set a four-year, $90 million deal for advertising on "Monday Night Football" plus beer sponsorship on Super Bowl XXV. 1

■ **Lord, Geller, Federico, Einstein**, after losing the $8 million to $10 million Schieffelin & Somerset Co. account, merged with Brouillard Communications. Both are units of WPP Group. 1

■ **Two former Saatchi & Saatchi executives**, Roy Warman and Terry Bannister, say they plan to re-enter the ad business by starting an agency or buying one. 2

■ **Whitehall Laboratories** President Randy Yates resigned last week, and at the same time the American Home Products unit moved its $17 million Anacin aspirin account to Partners & Shevack from Young & Rubicam. 3

■ **Home remedy ad spending** will increase dramatically if the federal government, as expected, approves over-the-counter versions of some popular prescription drugs, including Seldane and Carafate. 3

■ **East Germans** began buying Western goods with their newly unified currency, and cigarette companies were among the first Western marketers to aggressively promote their products in East Germany. 3

■ **A federal judge** refused to dismiss the $20 million lawsuit against DDB Needham Worldwide stemming from the death of Procter & Gamble Advertising VP Robert Goldstein, who perished with four others in a rafting accident on Canada's Chilko River in 1987. 4

■ **"Houston's hot"** is the theme of the local host committee for the economic summit, which brings leaders of the seven industrialized Western nations to Houston. National and local marketers are tying in. 12

■ **World League of American Football,** to start playing next March, has begun a drive for $15 million in sponsorships. 18

■ **PresentFutures** is the name of a new joint venture by D'Arcy Masius Benton & Bowles and PresentFutures Group to track marketplace changes that will affect business practices. 28

■ **Ralph Ingersoll II** said he sold his U.S. newspaper holdings because European ad growth will surpass U.S. growth in the years ahead. 41

■ **The new president of Coca-Cola USA,** M. Douglas Ivester, 43, played a key role in the company's European growth and is said to be a strong candidate for the presidency of Coca-Cola Co. in the future. 43

■ **Howard Johnson's and Ramada's** new marketer said its first task will be to decide how to position the hotel/motel chains 43

■ **Daytime network TV** brought an estimated $1 billion in upfront sales last week, about 5% above last year. CPM increases reportedly averaged about 10% over last season. 45

DEPARTMENTS

Ad Review	46	NewsWatch	12
Brady	26	People Moving	33
Brady's Bunch	29	PeopleWorks	33
Editorials	22	Photo Review	34
For the Record	41	Research News	28
Index to Advertisers	46	The Next Trend	26
Letters	24		

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Chrysler accelerates corporate campaign

By Raymond Serafin

Chrysler Corp. is shifting ad funds from its three divisions to boost visibility of the "Advantage: Chrysler" corporate campaign, media and agency sources say.

The move will likely double the campaign's original $25 million budget but carries the risk of diminishing individual brand-building efforts. The shift would cut Chrysler's media spending on brand advertising, estimated at $300 million this year, by about 8.3%.

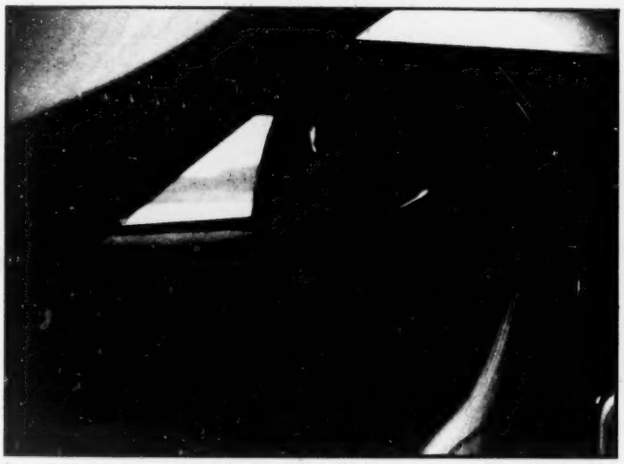
The shifting of money indicates an endorsement of the campaign by Chrysler as its best hope for regaining automotive market share. Chrysler is the No. 3 U.S. auto marketer.

Corporate agency Bozell, New York, created the campaign, which has emphasized head-to-head comparisons with competitive Japanese brands.

The campaign's fourth phase, touting seven of Chrysler's performance models as faster than rivals from Nissan, Mazda and Toyota, broke last week on network and cable TV.

As in all three previous phases, Chairman Lee Iacocca is the pitchman. Standing next to Chrysler's Lamborghini Diablo, Mr. Iacocca ends the 30-second TV spot by saying, "If Chrysler isn't the performance company, then I'm Joe Isuzu," a reference to American Isuzu Motors' well-known, fictional ad spokesman.

A six-page gatefold breaking in today's issue of *Sports Illustrated* and August issues of *Motor Trend* and *Car & Driver* starts with a two-page headline: "If you think Nissan, Mazda and Toyota have the edge from 0 to 60 . . . Think again. Think fast."



Lee Iacocca revs up a Lamborghini Diablo to prove Chrysler is the performance automaker.

The gatefold opens into a four-page layout that features Mr. Iacocca with the seven models—the Diablo and versions of the Eagle Talon; Plymouth Laser; Dodge Daytona; Dodge Spirit R/T and Stealth, both coming in the 1991 model year; and Dodge Viper, making its debut in 1992.

John Damoose, VP-brand marketing, earlier had said Chrysler's performance cars would be featured in separate ads to counteract a perception the company markets dull, stodgy cars.

The shifting of funds, combined with the inclusion of models from all divisions in the performance-car advertising, illustrates that Bozell is being relied on to carry more of Chrysler's marketing load.

Bozell's Birmingham, Mich., office handles Chrysler/Plymouth division, while BBDO Worldwide, Southfield, handles Dodge and Campbell-Mithun-Esty handles Jeep/Eagle.

Based on LNA/Arbitron Multi-Media Service figures, 1989 media spending was $139.8 million for Dodge, $85.9 million for Chrysler/-Plymouth and $74.3 million for Jeep/Eagle, a total of $300 million. Chrysler is maintaining the same level of spending this year.

BBDO is believed to be affected

(Continued on Page 44)

Saatchi vets to start over

By Laurel Wentz

LONDON—Roy Warman and Terry Bannister, Saatchi & Saatchi Co.'s former joint chief operating officers, plan either to start their own ad agency or buy one.

Lawyers for Messrs. Warman and Bannister, both of whom abruptly left Saatchi in May following a power struggle with Chief Executive Robert Louis-Dreyfus, are hammering out the legal details with Saatchi that would allow them to re-enter the ad business.

"We're in the design stage," Mr. Bannister said of the two executives' future plans. "We know it will take some time to design what we want and [decide] how broad a geographical spread—whether it will be confined to the U.K. or have an international orientation.

"It would be a shame to waste our international experience," he said, adding, "I don't believe the world needs another commodity-based company. We would make anything we started different from what exists."

Mr. Bannister said, "In essence, [the new company] would be going further back upstream than most agencies do in devising a total communications strategy in which advertising would be [a later] part of the execution."

R. Warman

T. Bannister

Photos by Marc Schlossman

The settlement Messrs. Warman and Bannister have negotiated with Saatchi enables them to return to advertising as long as they don't approach Saatchi clients or staff for a period of three years and perhaps longer, sources say.

Financially, the settlement is believed to cover Messrs. Warman's and Bannister's $600,000 annual salaries for the remaining four years of their contracts as well as compensation for pension and other benefits.

The two men, with Saatchi since it was a small agency in the early 1970s, departed after a reorganization by Mr. Louis-Dreyfus—who was brought in to turn the company around—left them without an important role.

Messrs. Warman and Bannister were considered part of the inner circle of executives trusted by the Saatchi brothers, Charles and Maurice.

The duo had worked as a close team—even as far as sharing a desk—since taking over Saatchi's London agency in 1981. Shared jobs running the communications division during the go-go years of Saatchi growth preceded their last job at the holding company.

Mr. Warman began on the media side of the agency business, while Mr. Bannister joined Saatchi on the account side.

On another front, Saatchi & Saatchi took an important step last week by disposing of another unwanted consulting unit.

Saatchi reached conditional agreement to sell Gartner Group to U.S. investment fund Information Partners for $70 million, of which only $55 million will be in cash. Saatchi paid $86 million for Gartner in 1988.

Saatchi spent about $425 million to assemble a consulting division and, with three more small companies still to sell, will probably end up receiving about $136 million less for the businesses than it paid, after expenses, industry analysts report. □

NEWSWATCH

REGIONAL NEWS

Chicagoland McDonald's Operators Association co-op removed poster ads from the controversial vending boxes for the *Chicago Observer*, a new free monthly newspaper. City officials had complained that the 3-by-4-foot McDonald's ads on the boxes constituted unlicensed outdoor boards (AA, July 2). Executives with local outdoor advertising companies reportedly are among the backers of the new paper. Mayor Richard M. Daley supports a pending ordinance restricting the size of newspaper vending boxes and prohibiting ads on them. Leo Burnett USA handles the co-op and McDonald's Corp.'s national account.

■ **Checkout Channel** in August begins testing TV monitors in supermarket checkout lanes in 10 stores in Atlanta; Charlotte, N.C.; Columbus, Ohio; Detroit; Los Angeles; and New York. The joint venture of Actmedia and Turner Broadcasting System airs commercials and other programming. No advertisers have signed yet; Actmedia is selling ad time. The test will run through October; Actmedia and Turner plan expansion to 5,000 supermarkets nationwide in early 1991.

NEW CAMPAIGNS

■ **Bowling Proprietors' Association of America** plans a $20 million ad campaign to strike the sport's low-brow image. Five 30-second TV spots and five 60-second radio spots are expected to break in August in 20 markets. Themed "It's a whole lot more than a game," the effort targets recreational bowlers including families, stay-at-home moms and seniors. Print, outdoor, direct mail and point of purchase support. Ogilvy & Mather, Houston, created the spots. The association is reviewing Texas agencies to buy media.

An upcoming $20 million ad campaign shows bowling isn't just for guys like Ralph Kramden.

■ **Circuit City** today breaks a spot TV campaign in eight markets, themed "Circuit City. Where service is state of the art." J. Walter Thompson USA, New York, handles the estimated $25 million broadcast account.

■ **ShowBiz Pizza Time** today breaks three TV spots in about 70 markets, continuing the theme "Where a kid can be a kid." One spot designed to look like a 1950s educational film examines the keys to a happy childhood, including ShowBiz pizza. Another shows a kid treating his mom to dinner at ShowBiz after a long day. Keller-Crescent/Southwest, Irving, Texas, handles.

■ **Victoria Bank & Trust** is running in Texas a TV, radio, print and outdoor campaign themed "Banking, pure and simple." The slice-of-life campaign profiles people and communities, such as the "power breakfast club" that meets at Faires' drugstore in Edna, Texas. Taylor Brown Smith & Perrault, Houston, handles.

■ **Toyota Motor Sales USA** is running ads in *People's* 94 regional editions profiling 167 dealers who earned the company's highest award for customer satisfaction. The campaign broke July 2 and runs for four weeks. The "Toyota Touch President's Award" campaign, via Saatchi & Saatchi DFS/-Pacific, Torrance, Calif., first ran in 1988.

PRODUCT NEWS

■ **Rocco Enterprises** in August will introduce Shady Brook Farms Marinated Fresh turkey cutlets in six flavors in the Northeast. A $4 million TV and print effort themed "Deliciously fresh. Deliciously different" will support via Warwick Baker & Fiore, New York.

■ **Florida Lottery's** Fantasy 5 on Aug. 6 will expand to three drawings a week from two. Drawings will be held Monday, Wednesday and Friday nights. Since its April 1989 introduction, the game has averaged $9 million in sales each week. Bozell, Tampa, Fla., handles the $34 million account.

■ **Heublein** bought the Cocktails for Two prepared drinks line from Schenley Industries. Heublein is the prepared drinks market leader with Heublein Cocktails and Club Cocktails. Mentler & Co., Dallas, has handled Cocktails for Two promotions; Leo Burnett USA, Chicago, bought media.

AGENCY NOTES

■ **MacNamara, Clapp & Klein**, New York, is looking for a new president following the departure of Keith Fischer, who held the post for two years. Chairman Frank MacNamara said Mr. Fischer left last week by mutual agreement. Mr. Fischer couldn't be reached for comment.

The $38 million agency has gone through several changes, many resulting from the sale of its biggest client, liquor marketer Buckingham Wile Co., to Hiram Walker Inc. Last month, Hiram Walker moved its $8 million Beefeater gin account to Eisaman, Johns & Law, Chicago. Two other brands, Denaka vodka and B&B liqueur, also were moved, but Mr. MacNamara said the brands had no ad support this year. He said the Beefeater billings have been replaced by new business, including the launch of Fathom, a fragrance from Mem Co.

■ **Brown Marketing Group**, Turnersville, N.J., has been formed by David Brown, 27, former account supervisor at Earle Palmer Brown & Spiro, Philadelphia. The agency specializes in minority marketing programs and mainstream marketing strategies for minority-owned businesses.

■ **Powell Adams & Rinehart**, Washington, is the new name of Ogilvy & Mather Public Affairs, part of a restructuring of the Ogilvy Public Relations Group that creates a network of Ogilvy's corporate and public affairs units under the Adams & Rinehart name. Jody Powell is chairman of the Washington office.

■ **Bozell Ellis Diaz**, Tampa, Fla., has shortened its name to Bozell.

■ **Philadelphia Advertising Club** this month joins the American Advertising Federation.

ACCOUNT ACTION

Chemical Manufacturers Association, Washington, is considering five agencies for the new association's $10 million account. They are N W Ayer; Chiat/Day/-Mojo; Levine, Huntley, Schmidt & Beaver; and Warwick Baker & Fiore, all New York, and Fallon McElligott, Minneapolis. . . . **Leon's Furniture**, Toronto, to **W.B. Doner & Co.**, Southfield, Mich., and **Doner Schur Peppler**, Toronto, first agencies for account service and creative, respectively, on its estimated $7 million account. Doner already handled broadcast media planning and buying for the 40-store chain. . . . **Intelligy Corp.**, Pleasanton, Calif., to **Goldberg Moser O'Neill**, San Francisco, from Wieden & Kennedy, Portland, Ore., for the $5 million account for Wings, a new learning product for children ages three to six. . . . **Harvard Community Health Plan**, Brookline, Mass., to **Hill, Holliday, Connors, Cosmopulos**, Boston, from Cabot Communications for its $4 million health maintenance organization account. . . . **Morgan Furze Ltd.**, Fort Lee, N.J., to **Grace & Rothschild**, New York, from MacNamara, Clapp & Klein for its $3 million account for the Metaxa line of Greek spirits. Morgan Furze is a unit of Grand Metropolitan. . . . **Kentucky Fried Chicken Kansas City Co-op**, Kansas City, Mo., to **Hoffman, York & Compton**, Milwaukee, from Travis/Walz & Associates, Overland Park, Kan., for the approximately $1 million account. . . . **Guest Quarters Suite Hotels**, Boston, to **Gerbig, Snell/-Weisheimer & Associates**, Worthington, Ohio, first agency for the hotel chain's estimated $1 million Midwest and Southern local/regional accounts.

Summit spotlight keeps Houston hot

By Jennifer Lawrence

HOUSTON—The economic summit that begins here today is proving to be a boon to media companies.

National and local marketers are seeking visibility as leaders of the seven Western industrialized nations meet for three days.

Pepsi-Cola Co. and Wendy's International jointly bought three outdoor boards welcoming summit participants. Also running boards are M.W. Kellogg Co., a petrochemical engineering company, and Continental Airlines, said Donna Baker, VP-general manager of Patrick Media Group of Houston.

Interest in the economic summit has benefited media.

The *Houston Chronicle's* special section on the summit July 8 was the paper's largest ever, 96 pages, including 48 ad pages. An extra 3,500 copies will be available during the meeting.

The Houston Post on July 1 issued a 48-page special section previewing the week's events; it carried 31 ad pages. An earlier edition was mailed to delegates and media representatives.

"It didn't require any bells and whistles [to sign advertisers]. It was an easy sell," said Ray Dallman, *Post* senior VP-advertising and marketing.

The Wall Street Journal's special report on the summit appears today in Asian, European and U.S. editions.

Houston, the fourth largest U.S. city and President Bush's adopted hometown, also could turn around its image as the local economy rebounds. A group of local ad executives led by agency Taylor Brown Smith & Perrault created a logo and a radio spot themed "Houston's hot," offered to advertisers by the host committee. City officials hope to use the theme as a tagline after the summit ends.

Companies including Houston Lighting & Power Co., Conoco Inc., Adolph Coors Co., Foley's and Kroger Co. have picked up the theme for their own summit-related ads.

Anyone who doubts Houston is hot hasn't been here in July. But there's no cause for worrying about the weather in "the most air-conditioned city in the world," said Peter Roussel, communications director for the Houston Economic Summit Host Committee. □

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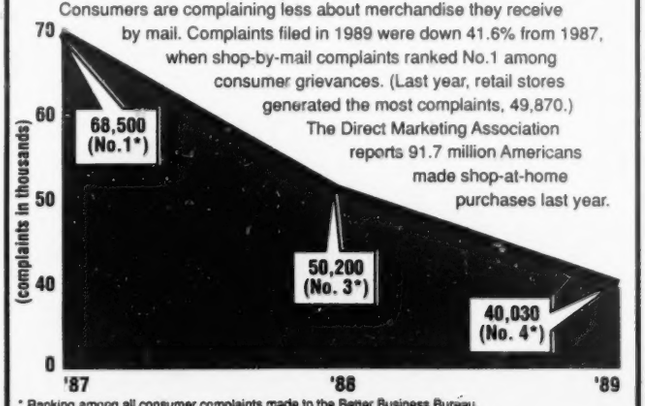
DATAWATCH

Shop-by-mail complaints decline

Consumers are complaining less about merchandise they receive by mail. Complaints filed in 1989 were down 41.6% from 1987, when shop-by-mail complaints ranked No.1 among consumer grievances. (Last year, retail stores generated the most complaints, 49,870.) The Direct Marketing Association reports 91.7 million Americans made shop-at-home purchases last year.



* Ranking among all consumer complaints made to the Better Business Bureau.
Source: Council of Better Business Bureaus.

CYNTHIA WATSON

SPECIAL REPORT

Marketing to Affluents:

Hidden pockets of wealth

Edited by Adrienne Ward

Where's the wealth? S-2, S-4, S-6
Asians, gays and other market segments comprise U.S.' wealthiest niches.

Drug deals S-8
They fuel the luxury-goods market, but advertisers aren't ogling them.

Lotto-luck S-8
It's not exactly mattress stuffing, but . . .

Bill Wax

While Anays Robles is off playing tennis, husband Roberto Suarez keeps time to his Rolex. Are they yuppies? Marketers should take a closer look.

Old money, new lifestyle

Yucas cross cultures to carve their slice of American dream

By Anne Moncreiff Arrarte

YOUNG CUBAN AMERICANS

Anays Robles and Roberto Suarez are like many successful married professionals in their 30s: They own their own home, drive new cars and spend a significant portion of their annual $100,000 income on entertainment, clothing and popular consumer goods.

But unlike yuppies, the Suarezes are yucas—young, upwardly mobile Cuban Americans. For marketers targeting this affluent niche, it is a crucial distinction.

"This market segment has a great deal in common with yuppies," says Gary Berman, president of Market Segment Research. "But there are two important differences. One, they hold on to their traditional values of family, religion and language. Two, and most important, they are bicultural and bilingual—they have options."

The facility to participate in Cuban and Anglo cultures makes them both hard to find and hard to target. But their high incomes, unique dependence on the wealth of their extended families and full participation in the accoutrements of the American dream make them especially alluring as an upscale target.

Take Roberto Suarez. He arrived in Miami 30 years ago at age 8 and says he spoke much better English than Spanish until he spent time as a professional in Venezuela.

He got his undergraduate degree at Rutgers University and his masters of business administration at Wake Forest University in Winston-Salem, N.C., before returning to Miami in 1975. He now is a partner in the Peregrine Group, a business and investment consultancy.

Mr. Suarez wears a Rolex watch, Armani suits and drinks Absolut vodka, Amstel Light beer and California wines. His wife calls him Robert, even though they speak with each other in Spanish half the time.

But Mr. Suarez has some very Cuban habits as well.

The son of *Miami Herald* President Roberto Suarez Sr., Mr. Suarez professes to read *El Nuevo Herald* along with the *Miami Herald* and *The Wall Street Journal*.

He switches back and forth between Spanish and English-language radio, watches local news in Spanish and national news in English—a quality issue, he says.

"I consider myself a Cuban American," he says.

His wife, 31, arrived in Miami as an infant and never left. She went to a local parochial girls school and graduated from Florida International University. Her father was a doctor and her mother, she says, is independently wealthy.

Ms. Robles stopped working five years ago when she married and enjoys shopping and working out.

She reads *Newsweek, Travel & Leisure, Food & Wine* and the *Vida Social* section of Miami's *El Nuevo Herald*.

She watches Spanish-language TV when there is "something special," and her choice of English or Spanish depends on with whom she is speaking, though she's more comfortable in English.

The couple are part of a large, affluent market. Of the estimated 1 million Cuban Americans in the U.S., 304,000 are between the ages of 20 and 39, according to 1989 U.S. Census figures.

Richard Tobin, president of Miami's

(Continued on Page S-6)

■ *One of the biggest misconceptions of the affluent market is that it is one market. There are several.*

The money in America is not found only behind the tall, cloistered walls of suburban country clubs. From Asian immigrants to single women, young Cuban-Americans and gay couples, today's wealth is spread among niches.

In this report, Advertising Age *profiles individuals and families who represent some of the fastest-growing pockets of affluence.*

BAROMETER

Take a number

Top 20 national publications among adults with household income of $60,000 or more

Title	circulation
National Geographic	9,251
Better Homes & Gardens	8,990
Reader's Digest	8,610
TV Guide	7,426
People	7,281
Time	7,165
Newsweek	5,739
Sports Illustrated	5,480
The Wall Street Journal	5,037
USA Today	4,526
HG	4,166
Money	3,974
U.S. News & World Report	3,824
Smithsonian	3,526
Travel & Leisure	3,411
The New York Times (Sunday)	3,179
House Beautiful	3,015
Country Living	2,910
Bon Appetit	2,873
Architectural Digest	2,783

Note: Totals are in thousands
SOURCE: Mendelsohn Media Research

1989-90 season average of top 10 TV shows among adults with household income of $60,000 or more

Program	rating
Roseanne	28.1
Cheers	27.9
Dear John	24.2
Wonder Years	24.1
NFL Monday Night Football	24.1
L.A. Law	23.4
The Cosby Show	23.4
America's Funniest Home Videos	23.2
60 Minutes	22.9
Chicken Soup	22.7

SOURCE: Nielsen Media Research

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Advertising Age

July 16, 1990

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MasterCard turns up heat

By John McManus
and Kate Fitzgerald

MasterCard International, eager to boost declining market share, is launching a major promotion that will give its cardholders a discount at seven retailers in the fourth quarter.

"This is a critical step in reinforcing our mainstream position. . . . We definitely see a long-term potential with this program."

Those retailers are Toys "R" Us, K Mart Corp., Montgomery Ward & Co., Casual Corner, B. Dalton Bookseller and Musicland Group/Sam Goody.

In October and November, MasterCard will offer discounts on selected merchandise at the checkout counter when the card is used in conjunction with a coupon available at the store or through a MasterCard billing statement insert.

MasterCard is expected to unveil plans of the "MasterValues" promotion today and will support the effort with more than $10 million in a special holiday advertising campaign via Lintas:New York.

"Up to this point, MasterCard's been holding its own in second place rather diplomatically, but it looks like they're getting far more aggressive now," said Kurt Peters, editor of *Credit Card News*.

Elements of the "MasterValues" program include up to 20% savings on leading book titles in the holiday cooking, children's and reference departments at B. Dalton; 20% savings on purchases of $50 or more at 760 Casual Corner stores; and savings of up to

(Continued on Page 42)

Waxman asks vote on anti-tobacco bill

By Steven W. Colford

WASHINGTON—Rep. Henry Waxman (D., Calif.) last week shocked the ad industry by announcing he will ask his 23-member House Health & Environment Subcommittee to vote on his anti-tobacco proposal within two or three weeks.

H. Waxman

The bill is the most comprehensive anti-tobacco advertising measure ever considered by Congress.

Advertising industry officials say they think they have the votes to defeat the bill in subcommittee. But Rep. Waxman's intent to press for a vote ignited speculation that he might agree to jettison parts of the proposal to win votes.

"It will be a close vote, but it's important to have the committee members record their views on this issue for their constituents," Rep. Waxman said.

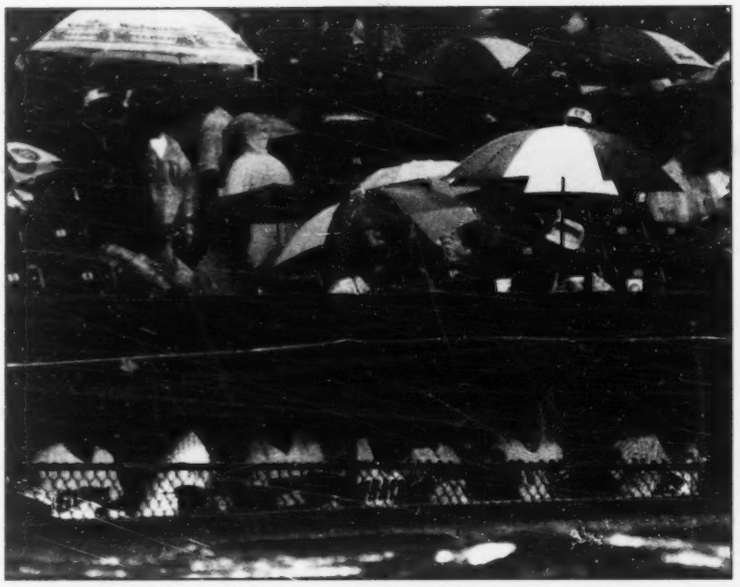
"I'm not sure what to make of it," said Dan Jaffe, exec VP of the Association of National Advertisers and a former Senate committee aide. "Maybe he thinks he has the votes, although that is inconsistent with what we've been told when we've polled members. . . . Or perhaps he wants to get people on the record to see if what they say behind the scenes is consistent with how they vote."

Mr. Jaffe also speculated that Rep. Waxman might want a vote because at least three sympathetic subcommittee members won't be back in 1991, "or maybe he's offered deals to people on their bills and is calling in IOUs now."

Key provisions of the bill would drastically alter how tobacco products are advertised and could amount to a de facto ban on ads for the entire category. It would:

- Bar models, imagery, cartoon characters,

(Continued on Page 42)



John Konstantaras/The Daily Herald

Rain delays during the All-Star Game didn't help CBS produce blockbuster ratings.

CBS 'Dream Season' looks like washout

By Wayne Walley
and John McManus

The CBS "Dream Season" is starting to stack up as a ratings nightmare.

The network's $3.6 billion lineup of premier sporting events, from January's Super Bowl to last week's baseball All-Star Game, hasn't been the blockbuster CBS had hoped for.

Media buyers agree that the network can't be held responsible for the streak of blowouts, mismatches and rain delays that have hurt ratings for the live events, but they quickly add that the poor performances mean CBS' sports gamble will lose a lot of money.

Rival networks estimate CBS will lose $100 million each year of its four-year baseball contract alone.

"There's not enough red ink in New York for CBS," an agency executive said. "It's been the luck of the draw. Who knew they would have to take it on the chin with so many events this year? They will take a bath on baseball and not do much better with football either."

The CBS "Dream Season" of sports telecasts in 1990 includes Super Bowl XXIV and Sunday National Football League telecasts; the Professional Golf-

(Continued on Page 42)

LAST MINUTE NEWS

Swatch taps Saatchi

BIEL, Switzerland—Swatch Watch International named Saatchi & Saatchi Advertising, London, to handle its estimated $20 million second-half 1990 campaign. An agency of record for the new $35 million worldwide account will be named by yearend, said Raymond Zeitoun, president of SMH U.S., a division of Swatch parent SMH. ASGS/BBDO, Zurich, is also a finalist in that review. It was a good week for Saatchi: In the U.K., the agency picked up Royal Insurance, Liverpool, for a new $18 million corporate awareness campaign; Racal Electronics' Orbitel cellular radio division, Wockingham, for a new $7 million pan-European account; and L.A. Gear's new $6.8 million footwear account on the Continent.

Lunch Bucket goes low-cal

PHOENIX, Ariz.—Dial in October is expected to introduce nationally Light Balance, a low-calorie extension of its Lunch Bucket shelf-stable, microwaveable line. Bozell, Dallas, will handle.

P&G leads net spending

NEW YORK—Procter & Gamble was tops among Big 3 network TV advertisers for first quarter 1990, spending $134.3 million, or 39% more than for the same time a year earlier, according to Broadcast Advertisers Reports. General Motors, 1989's top network advertiser, was second, spending $133.7 million, up

(Continued on Page 8)

INSIDE

Nike multiplies its success with the latest Bo Jackson spot, writes Bob Garfield on Page 44.

What's ahead for Martin Sorrell's WPP P. 4 • **Media moguls line up to enter Eastern Europe** P. 27

NEWS SUMMARY

■ **MasterCard** will tie in with seven retailers to offer cardholders discounts during the fourth quarter. 1

■ **CBS' "Dream Season,"** the network's $3.6 billion lineup of major sports event telecasts, hasn't been a ratings blockbuster, but CBS says the "big event" strategy will reap promotional benefits. 1

■ **Burger King Corp.,** set to test sales of Domino's pizza in Burger King outlets, may add other brand name products to its menu. Frozen yogurt could be next. 3

■ **General Mills** will put a new hot cereal on the market this fall: Undercover Bears, instant oatmeal that dissolves in hot water to reveal bear-shape fruit snacks. 3

■ **Dentsu's U.S. unit,** DCA Advertising, named C. Ray Freeman its chief operating officer as it attempts to build a U.S. client base. 3

■ **Eastern Airlines'** new commercial, featuring trustee Martin Shugrue fielding insults from former customers, is being called "gutsy," but some question its chances for success. 4

■ **N W Ayer** Chairman Jerry Siano denied a published report that his agency is considering going public. The report stemmed from an interview with Ayer's new chief financial officer. 4

■ **Taxpayers for Common Sense,** backed by various alcoholic beverage interests, will spend an estimated $10 million on ads to oppose a California initiative that would greatly increase alcohol taxes in the state. 12

■ **Fragrance marketers** plan to introduce a number of new products next fall to spur lagging sales. Revlon leads the pack with three items—Unforgettable, Guess and the Bill Blass Fragrance Collection. 14

■ **Benetton** will introduce color cosmetics kits under the Beaute Benetton banner in its stores in September, and plans to eventually roll out the cosmetics and its fragrances to department stores. 14

■ **Selective binding programs,** allowing magazines to tailor ads or editorial to a specific group of subscribers, are being planned by a number of major publishers. 15

■ **Joe Kennedy** says health warnings in alcohol ads are more appropriate than legislation to ban such advertising. A hearing on Rep. Kennedy's bill requiring such warnings is set for July 18. 16

■ **Eastern Europe's** media industries are seeking Western money and know-how as they move out of the propaganda business, and some of the world's major media powerhouses are interested. 27

■ **"Jetsons: The Movie" tie-ins** include Jetsons cereal from Ralston Purina Co. and Jetsons Cosmic Candies from Warner-Lambert Co. as the $62 billion U.S. licensing industry continues to surge. 43

DEPARTMENTS

Ad Review	44	International News	27
Brady	22	Letters	20
Brady's Bunch	32	NewsWatch	12
Cappo	22	People Moving	31
Classified	34	PeopleWorks	31
ConSiderations	19	Photo Review	30
Corrections & Clarifications	20	Retail Marketing News	28
Editorials	19	Sales Promotion News	29
For the Record	39	The Next Trend	22
Index to Advertisers	44		

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Goodby, Waring capture Heublein

By Patricia Winters and Alice Z. Cuneo

Heublein, traditionally handled by major national agencies, has assigned an estimated $15 million to $17 million in billings to Goodby, Berlin & Silverstein and Waring & LaRosa.

San Francisco-based Goodby won the bulk of Heublein's loose account, getting an estimated $12 million and $15 million in billings.

Goodby won Finlandia imported vodka, the Jose Cuervo line and other tequilas, and Heublein Cocktails. The agency also won Heublein's fine wine group, including the Inglenook, Christian Brothers, BV and Baron Phillippe de Rothschild labels, and its jug wine group of Almaden and Lancer's.

All of that business, plus Christian Brothers brandy, was previously at Young & Rubicam, New York (AA, March 19).

Waring & LaRosa won the Christian Brothers brandy account, which is expected to bill about $2 million.

Ironically, it was Goodby's work on Christian Brothers wine and brandy that led Heublein to the shop. Goodby had the account for several years, but when Heublein acquired the Christian Brothers brand last year, it consolidated by moving its accounts to Y&R. Goodby, however, made enough of an impression with Heublein to win tequila products business.

For the San Francisco agency, the win brings its billings close to $70 million. It also marks a significant move into the national arena by the award-winning creative shop.

Heublein couldn't be reached for comment at press time.

The move to the two smaller shops is unusual for Heublein, whose other primary agency is giant McCann-Erickson Worldwide.

But it's typical for Grand Metropolitan's International Distillers & Vintners, Heublein's parent since 1985, which has proved to be a great believer in linking with smaller shops.

International Distillers & Vintners' Carillon Importers hooked up with TBWA a decade ago for the successful introduction of Absolut vodka, while its Paddington Corp. uses Geer, DuBois and boutique Grace & Rothschild.

For the San Francisco ad community, the win marks the second time in two months a major piece of ad business has left New York for the Bay area. Last month, Foote, Cone & Belding's San Francisco office picked up the $32 million Nintendo of America business from McCann-Erickson, New York.

Also, Dole Food Co., now at Backer Spielvogel Bates, New York, is considering a number of San Francisco ad agencies, including Goodby and Hal Riney & Partners, for an umbrella campaign.

The move appears to reverse a late 1980s trend, as a number of accounts left the Bay area primarily due to mergers and to a number of company headquarters leaving San Francisco. □

DCI mulls sell-off switch

'Woman's Day' sale may instead be 'Memories'

By Scott Donaton

NEW YORK—Diamandis Communications Inc. plans to step up efforts to sell its popular *Memories* and might pull *Woman's Day* off the block if it doesn't get its asking price, DCI sources say.

DCI put *Woman's Day* up for sale in mid-May. The sale of the women's service book and the 21 *Woman's Day Specials*—a group of single-topic titles—was originally expected to generate between $200 million and $250 million.

The deadline for bids has been extended, but if *Woman's Day* is not sold or is sold for less than $200 million, it could increase pressure on DCI to sell *Memories*, a fast-growing 2-year-old nostalgia/news magazine.

The subsidiary of France's Hachette recently approached Time Warner about buying *Memories* in a joint venture with its editor and publisher, but Time Warner executives decided against the acquisition (AA, June 18).

DCI had planned to wait until after the *Woman's Day* sale to make a decision on *Memories*, but a DCI source said several publishers have expressed interest in the title and that DCI now plans to increase its efforts to find a buyer.

Memories will increase frequency to monthly from every-other-monthly with its October issue. It's expected to raise its rate base 33% to 800,000 next year.

The *Woman's Day* sale was designed to cut Hachette's estimated $400 million U.S. debt in half and allow DCI to focus on special-interest magazine publishing. When the title was put up for sale, DCI President-CEO Peter Diamandis expected a deal to be cut within six to eight weeks (AA, May 21).

Lack of buyer interest in *Woman's Day* may force Diamandis Communications Inc. to put more effort into selling the successful *Memories*.

But sources say investment banker Veronis, Suhler & Associates, which is handling the deal, was forced to extend its original mid-June deadline for bids because interest in the title wasn't as strong as expected.

Hachette is now seriously considering not selling the magazine if its asking price isn't met, sources say. The company is expected to make that decision as early as next week.

"In the negotiating process, it's not over until it's over," said a source close to *Woman's Day*. "We probably won't have any idea of what's going on for at least a week and a half. Veronis is still taking bids. But if [Hachette] doesn't get the money, they won't sell it."

Mr. Diamandis couldn't be reached for comment last week. Veronis executives have refused to comment while negotiations are ongoing.

The biggest names in magazine publishing were mentioned as possible bidders when *Woman's Day* was put on the block. But sources said several balked at DCI's high asking price and the investment of time and money the magazine needs. The magazine, published 15 times a year, has seen ad pages and circulation fall in recent years.

Bauer Publishing, for example, is still mentioned in publishing industry circles as a possible buyer. But company sources say it's no longer involved in the negotiations.

Among the companies still named as possible buyers: Cahners Publishing Co., Hearst Corp., Meredith Corp., Reader's Digest Association, MacFadden Holdings and U.K.-based Maxwell Communications.

"I think it's going to be a slow process," said one publishing executive, who said his company is "on the fringes" of the bidding. "They're still collecting bids. I don't think there are a lot of players."

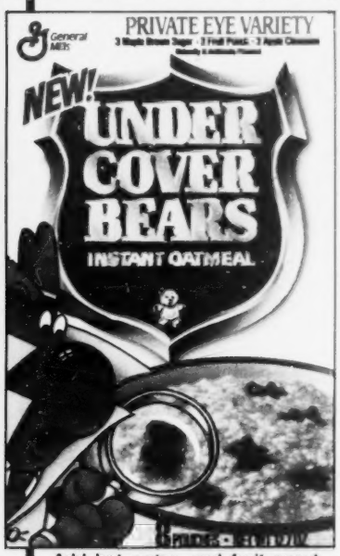
Woman's Day posted operating profits of $25 million last year, DCI says. That figure is expected to drop this year, largely due to softness in magazine ad spending and a decline in single-copy sales. The magazine's overall circulation fell 15.6% to 4.7 million in the last six months of 1989, compared with the same period a year before, according to Audit Bureau of Circulations figures. Ad pages were down 18.1% to 636.74 through May, according to Publishers Information Bureau figures. Ad revenues dropped 17.8% to $45.6 million. □

General Mills' new oatmeal is a cover-up

By Julie Liesse

General Mills is already putting its gloves on for winter as the marketer prepares to introduce its newest hot cereal—Undercover Bears.

The company in September will roll out the lumpy instant oatmeal. When the lumps dissolve in hot water, chewy, flavored bears are revealed.



Add hot water, and fruit snack-type bears pop up in General Mills' Undercover Bears instant oatmeal, rolling out this fall.

The introduction underscores General Mills' commitment to a kids-oriented marketing strategy in hot cereal. This is the company's first new cereal in two years, except for Benefit and Raisin Oat Bran, two adult brands that have been discontinued.

Undercover Bears contains plain oatmeal with bears in four varieties: strawberry, maple brown sugar, a Private Eye pack of three flavors (apple cinnamon, fruit punch and maple brown sugar) and a Super Sleuth Assortment (cherry, cinnamon spice and strawberry).

The texture of the bears is similar to General Mills' fruit snack products.

Packaging and advertising will play up detective imagery, sources said; on the box is a dog investigating the cereal a la Sherlock Holmes.

An estimated $10 million network and spot TV campaign from Campbell-Mithun-Esty, Minneapolis, will run from September through March, the traditional hot cereal season. Couponing and direct mail product samples will support.

Two years ago, General Mills targeted kids with Oatmeal Swirlers in an effort to bolster its lackluster entry into the $750 million hot cereal category. The move paid off; Swirlers has more than a 5% share, compared with 3% for Total oatmeal, the company's first cereal in the category.

"After stumbling with Total [oatmeal], they have found a nice little niche in hot cereal with Swirlers," said one cereal executive. "Given the strength of their media packages to reach kids, and the General Mills heritage, it's a niche that makes sense for them."

General Mills is third in the hot cereal category with more than an 8% share, trailing Quaker Oats Co.'s 61% and Nabisco Brands' 15%. □

Burger King attacks Big Mac with brands

By Scott Hume and Ray Serafin

Burger King Corp. is upping the ante in its battle to gain ground on fast-food market leader McDonald's Corp.

The No. 2 hamburger chain is looking to add brand name products to its mix of offerings, chain sources said.

Burger King last week said it will start testing branded Domino's pizza in four Burger King units in Columbia, S.C., in September. The Domino's test is planned to run for a year, while the two chains decide whether to expand it. Domino's is the No. 2 pizza chain behind PepsiCo's Pizza Hut.

But that's just the beginning. A likely next candidate is frozen yogurt, chain sources said. McDonald's, the largest quick-service restaurant chain, added frozen yogurt at its stores earlier this year as it continues to test pizza at upwards of 200 of its stores.

"We know if we don't work with Burger King, one of our pizza competitors might."

Officials of TCBY, the No. 1 frozen yogurt chain, said they've had no discussions with Burger King about a joint effort; No. 2 I Can't Believe It's Yogurt said they're discussing ventures with fast-food chains but not Burger King.

Burger King is also deciding whether to conduct similar tests with other branded menu items, chain sources said.

"We know if we don't work with Burger King, one of our pizza competitors might," said Burke Cueny, director of marketing for Domino's Pizza's newly created Pizzazz unit, which will oversee the Burger King test.

While not confirming an interest in a frozen yogurt test, a Burger King spokesman said the chain "is always looking at options and we have not ruled any out. We have been very active in developing cross-promotions and intend to continue to do so."

Burger King added Newman's Own salad dressings to its offerings last May, and the chain last

(Continued on Page 39)

Dentsu hires American

Freeman's job: Bigger U.S. presence for DCA

By Jon Lafayette

NEW YORK—Dentsu, the world's biggest ad agency, took an unusual step toward boosting its U.S. profile last week by hiring an American, C. Ray Freeman, to be chief operating officer of DCA Advertising.

Mr. Freeman is one of six executives who led the March 1988 walkout from Lord, Geller, Federico, Einstein to form Lord Einstein O'Neill & Partners, where he was exec VP-chief operating officer. In his new job, Mr. Freeman said, he will concentrate on building a U.S. client base for Dentsu, which "definitely wants to become a force in American advertising."

Acquisitions, he said, haven't been discussed as a way of beefing up the shop.

DCA has never been regarded as a serious agency presence here, but Dentsu executives in Tokyo are stressing the importance of building non-Japanese ad revenues quickly.

At DCA, Mr. Freeman, 47, will also be responsible for day-to-day operations here and for the office's biggest account, Canon USA's $40 million office

(Continued on Page 41)

Doug Goodman

C. Ray Freeman joins Toshio Naito at DCA Advertising.

Microwave-only food market loses steam

By Julie Liesse

Weak or poorly positioned products have zapped the strength of the microwave foods market, grocery marketers say.

Once seen as the wave of the food industry's future, sales of microwave-specific products are slumping in category after category.

The novelty of such new products fascinates consumers, but sales rapidly fall off when they don't meet consumer needs.

Here are some recent sales trends: microwave dessert mixes down 32.3%; microwave instant potatoes down 31.6%; microwave frozen pizza down 16.6%; microwave frozen pies down 5.9%; microwave bacon down 5.5%.

These figures for the year ended March 23 are from Arbitron/SAMI, which reports that all those products underperformed relative to their overall product categories.

In addition, virtually all categories of microwave-specific frozen vegetables were down, and sales of microwaveable frozen potatoes—including the much-ballyhooed microwave french fries—were down 6.4% in the first quarter of 1990, though the frozen potato category was up overall.

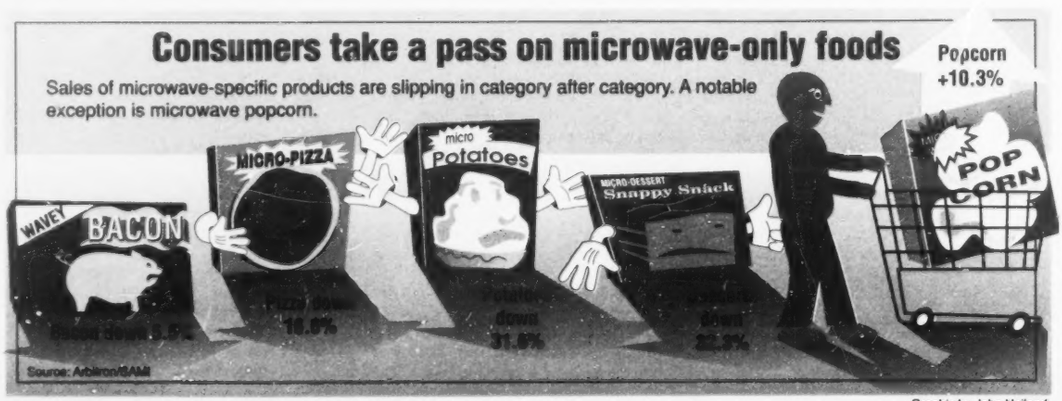
Although overall sales of microwave foods rose 9.7% last year to $2.3 billion, executives are questioning the long-term potential of microwave products.

"Quality is the problem," said Jim Watkins, chairman-ceo of Golden Valley Microwave Foods and father of the microwave popcorn industry.

"Many of the products that got on the microwave bandwagon were 'soft conversions' of existing products—putting on trick packaging that yielded a lot of products that were microwaveable," Mr. Watkins said. "But many failed to deliver what the consumer has been looking for."

Other executives say quality is only one problem. Food marketers face a more knowledgeable microwave owner who demands significant time savings from using the microwave oven and is wary

(Continued on Page 40)



Graphic by John Heiland

NEWSWATCH

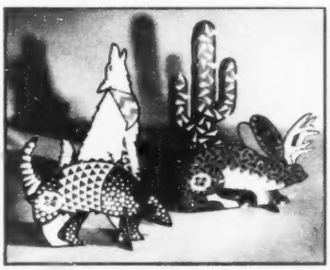
■ **Louisiana** is expected to increase its tourism media budget 269% to $9.6 million from $2.6 million for fiscal 1991 ending June 30. The state Legislature passed a bill allocating 0.03% of the state's sales tax revenue for tourism advertising; Gov. Charles "Buddy" Roemer III is expected to sign the measure. Sides & Associates, Lafayette, is the agency of record.

■ **ChemLawn Services Corp.** settled a 1988 lawsuit filed by the New York state attorney general and agreed to end claims in New York that its lawncare treatment is "safe" or "non-toxic." ChemLawn paid the state $100,000 in legal costs, but admitted no wrongdoing and said it hasn't made those claims since 1987. Ketchum Advertising, Philadelphia, now handles; the advertising in question was produced in-house.

■ **Owners of the "Chicago Observer"** threatened legal action against Chicago if the City Council follows a committee's lead in approving an ordinance that would limit the size of newspaper vending boxes and racks and prohibit ads on them. The ordinance would eliminate 600 vending boxes for the new free weekly; the boxes carry 4-by-5-foot ads (AA, July 2, *et seq.*). No date for the council's vote has been set.

NEW CAMPAIGNS

■ **Miller Brewing Co.** continues concentrated marketing in Texas with a wildlife promotion for Miller Genuine Draft beer. Point-of-purchase cardboard cutouts shaped like an armadillo, a cactus and the mythical jackalope will sell for $2 through summer. Louis London Advertising, St. Louis, handles the promotion. Meanwhile, Miller is introducing Genuine Draft Light in Maryland, its first East Coast site. Genuine Draft Light was rolled out in 10 Western states in April after testing in Kentucky, Ohio, Tennessee, Texas and Wisconsin, where it remains. Backer Spielvogel Bates, New York, handles Genuine Draft and Genuine Draft Light.



Miller takes Texas wildlife indoors, selling colorful point-of-purchase cardboard cutouts.

■ **The Massachusetts Department of Public Health** pulled out of a $94,000 transit and outdoor campaign for AIDS prevention because ads mention condoms. English and Spanish ads breaking in August advise readers to "Put a condom between you and AIDS." The department helped plan the campaign but suddenly withdrew after delaying poster production for a month while it reviewed the copy. The effort will run as scheduled, funded by the Fenway Community Health Center and other local AIDS prevention organizations. Clarke Goward Fitts Matteson, Boston, is agency for the Boston AIDS Consortium, which organized the campaign.

■ **Southwest Airlines** is running a "Play Ball With Nolan Ryan" promotion asking consumers to guess the date of the Texas Rangers pitcher's 300th career win. Fifteen grand prize winners will play ball with Mr. Ryan and receive air fare and accommodations for two for the game and $150 in cash. TV broke July 8 in 11 Southwest markets; the promotion ends Aug. 20 or the day of the 300th win. GSD&M, Austin, Texas, is the agency.

■ **Independent Bankers of Texas** on July 15 broke a $1 million-plus radio, print and outdoor campaign themed "The I's of Texas." Sachnowitz & Co., Houston, handles.

PRODUCT NEWS

■ **Mennen Co.** in October will introduce Teen Spirit antiperspirant/deodorant by Lady Speed Stick. National print and network and cable TV will support via McCann-Erickson Worldwide, New York.

■ **Bertolli USA** is introducing Robusto olive oil in Chicago, New York, Philadelphia, Washington, California, Florida and Texas. The oil is heartier than Bertolli's traditional oil but less pronounced in flavor than its extra virgin variety. No ads are planned; Lowe Marschalk, New York, handles Bertolli.

AGENCY NOTES

■ **DDB Needham Worldwide**, Troy, Mich., has bought **Baker Advertising** to expand its Detroit area client roster beyond Volkswagen of America's Volkswagen U.S. and Audi of America units. Baker brings $18 million in billings, including the Detroit Tigers and the Michigan Department of Commerce. The combined agency will operate as DDB Needham, bill an estimated $160 million and employ 110. Ernest Baker, 62, chairman of Baker, becomes chairman-ceo, a new post; DDB Needham President Robert Freeman, 51, will take on a new assignment elsewhere. DDB Needham continues its search for an executive creative director to head up creative on the national Volkswagen U.S. account, now handled in the New York office.

■ **Harris West**, Minneapolis, is the new name of Harris West Blaisdell after Chief Operating Officer Kerry Blaisdell, 43, left to start a marketing consulting shop. President-CEO Rob West, 45, said Mr. Blaisdell won't be replaced now, but the agency will replace Senior VP-Creative Director Dan Krumwiede, 46, who was fired in June.

ACCOUNT ACTION

Moroch & Associates, Dallas, has withdrawn from pitching the $7 million account of the **Texas Department of Commerce Tourism Division**, Austin, after changes were made in the bid specifications. Remaining finalists are: Incumbent GSD&M, Austin, Texas; Goodwin, Dannenbaum, Littman & Wingfield, Houston; and N W Ayer, Dallas. . . . **Point Communications**, Dallas, resigned **Bossini Marketing USA's** athletic footwear account. Point, working on a $3 million campaign to introduce the brand in the U.S. this summer, cited difficulties with Hong Kong-based Bossini International, which closed its U.S. marketing office in Dallas. . . . **U.S. Videotel**, Houston, to **Goodwin, Dannenbaum, Littman & Wingfield** from Lowe Marschalk, Cleveland (TV and direct mail), and Black, Gillock & Langberg, Houston (direct response), for the videotex service's estimated consolidated $7 million account. A TV spot breaks today featuring actor Bronson Pinchot. . . . **Western States Optical**, Phoenix, Ariz., to **Pollick & Associates** from Faber & Associates for its $3 million account. . . . **Econo Lube n' Tune**, Newport Beach, Calif., to **Scott Griffiths Associates**, Los Angeles, for creative and **KSL Media**, Seattle, for media buying, first agencies for its estimated $2 million account. . . . **Snelling & Snelling**, Sarasota, Fla., to **Group 243**, Ann Arbor, Mich., first agency for the employment service's $1.5 million to $2 million account. . . . **Polaroid Corp.**, Cambridge, Mass., to **Siboney Advertising**, New York, and **Martinez/Siboney**, Dallas, from Bermudez Associates, New York, for its estimated $1.5 million Hispanic account. . . . **Mail Boxes, Etc.**, San Diego, to **Benedict, Rubenstein & Spicer** from Phillips-Ramsey for the postal center franchiser's $1 million account. . . . **Bernard Foods**, Lafayette, La., to the **Richards Group**, Dallas, first agency for its refrigerated entrees; Bernard is eyeing a national rollout. ●

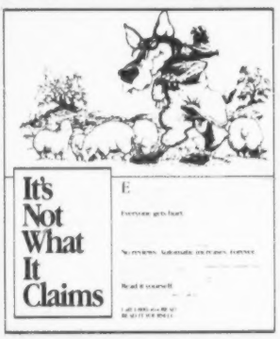
Liquor tax vote prompts ads

By Bradley Johnson

California voters, facing a November vote on the largest alcohol excise tax increase in U.S. history, are the target of an estimated $10 million ad campaign designed to derail the proposal.

The state's Alcohol Tax Act of 1990 would raise the tax on a 12-ounce can of beer, 5-ounce glass of wine or 1-ounce jigger of liquor by about 5¢. Backers say the "nickel-a-drink" measure is a user's fee that covers some of the social costs of consuming alcohol, such as alcoholism treatment, hospitals and law enforcement. Manufacturers or distributors would pay the tax.

The proposal would raise the tax on beer 1,432.5% to 57.3¢ a gallon from 4¢; on liquor 420% to $8.40 a gallon from $2; and on wine 129% to $1.29 a gallon from 1¢. The state estimates the proposal would boost alcohol excise tax revenues 461.5%, to $730 million from $130 million.



Californians are urged to vote against a tax increase.

Californians in 1988 voted to raise the state cigarette tax 350% to 35¢ from 10¢ per pack, and last month agreed to phase in a doubling of the state's gas tax to 18¢ a gallon.

In that atmosphere, Taxpayers for Common Sense is mounting a statewide TV, radio and newspaper campaign, contending approval could lead to other tax hikes. A print ad headlined "It's not what it claims" explains that the proposal requires the state to increase spending on alcohol-related programs, possibly at the expense of other social programs. TV breaks closer to Election Day; radio and newspaper ads began in June via Nelson/Ralston/Robb Communications, Costa Mesa, Calif.

The state demanded ads carry a notice that the group gets "major funding from the Beer Institute and industry, Wine Institute and Distilled Spirits Council."

The group said it raised $10.6 million in the six months ended May 31, primarily through industry contributions. While Press Director Bill McIntyre wouldn't say how much more the group expects to raise or what it will spend on advertising, a group of tax hike proponents, Alcohol Tax Initiative, expects alcohol interests to spend $15 million to $20 million on ads, close to what the tobacco industry spent in 1988 fighting the cigarette tax increase.

Alcohol Tax Initiative will rely on the media and grass-roots efforts, and may request airtime under the fairness doctrine.

"We don't have the money at this point to buy any meaningful media. I don't think we're going to raise more than $2 million, $2.5 million," said Leo McElroy, president of McElroy Communications, Sacramento, agency on the campaign. □

The small ad agency with big success in new products.

If you want success in new products, introduce yourself to the small agency that's been helping some of the biggest advertisers have one big success after another.

We're the only advertising agency that can offer you executive level, award-winning creative people who've specialized in new products for over ten years.

So we've developed techniques you just won't find at agencies where the top creative people hardly have time for new products.

We can work closely with you in every phase of new product development—to make sure you have great concepts, names and, if you want, print ads and television commercials.

Of course, we also reposition established brands.

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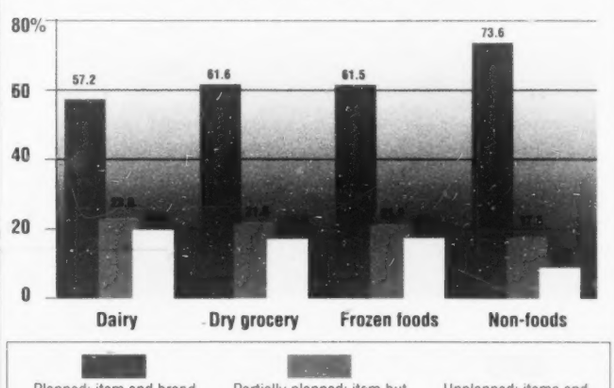
PHONE (212) 371-5588

When shoppers decide what to buy

The grocery list is alive and well, with 61% of supermarket purchases planned before shoppers even visit the store. That means promotions for most products are more effective when they target consumers at home. However, with partially planned purchases (where the brand is chosen in the store), in-store support is more likely to influence brand choice.



Source: Willard Bishop Consulting

JOHN SMITHER

LETTERS

Other radio doubles

After reading James Brady's June 25 column, "I Love a Mystery" and "One Man's Family" came alive again for me, too.

But if my memory is still functioning correctly, Michael Raffeto wasn't the only one who played a double role. I believe that the actors who played Doc and Reggie also appeared as Barbours and that both programs were created by the same writer, Carlton E. Morse.

Edward I. Barz
Senior VP, Simmons Market Research Bureau
New York

It's one thing to move Mr. Raffetto's reassuring baritone from show to show, but quite another to successfully draft sedate drama one day and all-out action the next. Or maybe it was simply terrific sound effects—"Paul" tapping his pipe or "Jack" shouting over the roar of a seaplane's engine. And did we ever find out where the Barbour family's "Sky Ranch" was supposed to be located?

Jerry E. Pierce
Pierce & Strain Advertising
San Francisco

I believe Doc, played by Barton Yarborough, was a Texan, not simply a "Southerner." Barton went on to play Joe Friday's sidekick on radio's "Dragnet," and then on to the TV version until his demise. . . . Mercedes McCambridge played almost all the women's parts. There was one episode concerning three sisters, Faith, Hope and Charity, and she played all three with different voices.

Alice Koen
Nekoosa, Wis.

Include regional editions

I was disappointed with the special supplement on the Washington market (AA, June 11) and feel that you missed a very compelling marketing opportunity by excluding any reference or listing of regional editions of national magazines.

While I appreciate your space limitations, the Washington market is sufficiently important to a number of national magazines for them to maintain local advertising sales offices. In addition to *Time, Fortune, Newsweek, U.S. News & World Report* and *TV Guide*, a variety of other national magazines are represented here for the purpose of servicing and selling national, regional and local advertisers.

The combined Washington area circulation of just the magazines that maintain facilities in this market nearly exceeds the total circulation of all local/regional magazines combined.

What's more, several representatives of these magazines play an active role in the local advertising communities. . . . Their combined contributions play no small role in the overall success and prosperity of the Washington advertising community.

Perhaps future city sections of this nature should attempt to include listings of national publications that are sufficiently committed to these local markets to make substantial investments in them. In so doing you would provide your readers with a more complete presentation of media options available to them.

Hal Bonawitz
Divisional manager, *Time*
Washington

Empirical evidence?

You honor Owen Lipstein's New American Magazine Co. with the term "magazine empire" (AA, July 2). How, then, do you define Cahners, Conde Nast . . . or, indeed, Crain?

To paraphrase Voltaire, "This agglomeration . . . was not an empire in any way."

Martin Gross
Martin Gross & Friends
New York

Another survey shortfall

In your June 11 issue, a couple of letters supported Sid Bernstein's column [on phoney surveys]. . . . They point out the harm being done to the research industry by telemarketing companies disguising their sales pitches as research.

Anyone involved in this business is well aware of the increases in refusal rates for telephone surveys over the last 10 or 12 years. They not only raise the costs of research but threaten the validity of the sampling, since some members of the population are more apt to refuse than others.

Not all the blame, however, can be placed with telemarketers. Some of the responsibility for consumers' disenchantment with survey research can be traced to practices in the industry itself.

A rule of thumb many years ago was that the greatest cost in survey research was in establishing contact with a qualified respondent. Once he was on the line, we had free rein to spend 20, 25, 30 or more minutes abusing him with trivial, redundant questions about what we now realize are often simple, nearly thoughtless choices. . . . Eight attribute ratings for each of five brands may look like a single question to a client and research analyst. The interviewers and respondents who have to endure them see it as 40 tedious questions.

Piggy-backing political or social issue questions may be a cheap way for researchers to gain publicity when the results are released to the press, but only at the expense of respondents who are forced to endure extra questioning because they are too polite to hang up.

So who can be surprised about rising refusal rates? . . . After all, consumer participation is voluntary, and the quickest way to stop someone from volunteering is to abuse him for doing it.

Mark B. Traylor
Director of quantitative services
National Market Measures
Mayfield Village, Ohio

Ethnic insensitivity

Your article "Should marketers target blacks more?" (AA, July 2) gives cause for concern on how ethnic groups are perceived in the U.S.

How can a country which prides itself on being the originator of modern marketing be so insensitive to the opportunities which these cultures represent? Why this reluctance to target more effectively these growing market opportunities?

According to the Census Bureau, black Americans and Hispanic Americans together represent one out of every five persons in the U.S. How can any businessman worth his salt ignore 20% of his market and expect to maximize his profit potential? Why do we still have to debate the elementary issue of targeting ethnic groups?

Maybe we should look East for answers to these questions. Over the past 40 years the Japanese have rebuilt their country into an economic powerhouse on three basic principles: hard work, long-term planning and investment and, last but not least, *know your market*.

Will we never learn?

Martin G. Cerda
Director, Target Market Research
Miami

A negative letter

Your June 25 issue quotes me as having said, ". . . not only doesn't that not contribute . . ." I would like to make it clear that I don't never talk like that.

Bob Hoffman
Bob Hoffman Creative Services
San Francisco

Address letters to Advertising Age, *Viewpoint Editor, 220 E. 42nd St., New York 10017.*

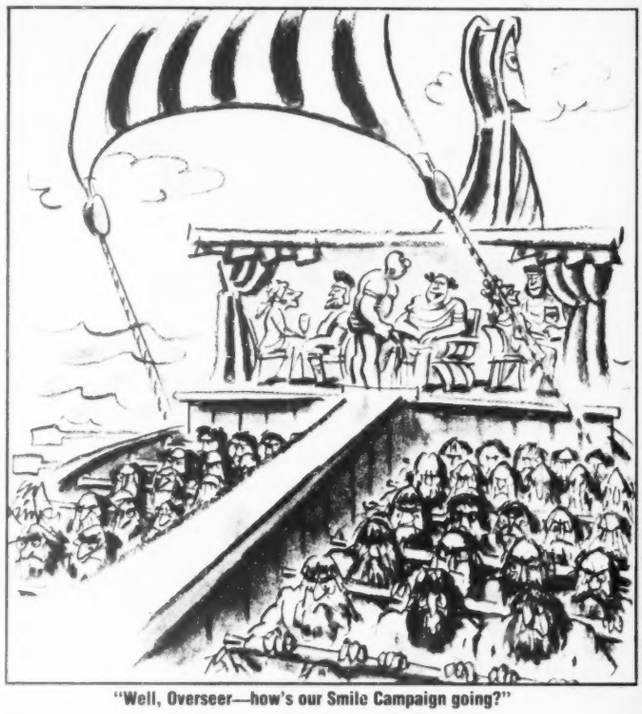
CORRECTIONS & CLARIFICATIONS

■ Straight Arrow Publishers was omitted from a listing of the "100 Leading Media Companies." Owner of *Rolling Stone* and *US*, the company's 1989 estimated net revenues of $135.9 million made it the 97th largest media company that year (AA, June 25, P. S-2).

■ Dan Mountain's title at Hill, Holliday, Connors, Cosmopulos, Marina del Rey, Calif., is exec VP-creative director, not exec VP-co-creative director as reported (AA, July 9, P. 1).

■ A statement in a story on a proposed New York state public relations tax (AA, May 7, P. 66) was incorrectly attributed to an unidentified official of the American Association of Advertising Agencies. The source quoted, who was critical of the PR industry's response to the tax, wasn't connected with the Four A's. □

FREEZE FRAME



"Well, Overseer—how's our Smile Campaign going?"

WORTH WRITING FOR

Slide-Charts can build sales, cut costs and increase profitability by making your products easier to buy, easier to sell. Our brochure shows you how and makes you an offer you shouldn't refuse—A FREE ANALYSIS of your data and a FREE LASER SKETCH to demonstrate how Slide-Chart promotion power can enhance your business.

Now's the time to put a Perrygraf marketing program to work for you.

DON'T HESITATE. . .
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Yes! I accept your free offer. . . Help me get started!

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Babes in adland

This should be filed under "ads we can do without." Besides making the body copy hard to read, thanks to the intrusive location of the logo, the creators resorted to the oldest trick in the book—using a babe.

Like the diaper and the wedding garter, this ad is a real throwaway.

Bill Hudgins
Editorial director
Buntin Public Relations Co.
Nashville, Tenn.

PROMOTION & ACCOUNT ACTIVITY

Coupons in clover: Consumers still believe in coupons and the companies that offer them, according to a new Carolina Manufacturer's Service survey. Of 1,365 grocery shoppers polled, 85% said they believe cents-off coupons reduce their grocery bills, and 84% said products discounted through coupons are of high quality. Eight in 10 said coupons encourage them to try new brands; seven of 10 said coupons give them an incentive to stock up on products they usually buy. M/A/R/C, Dallas, conducted the phone survey.

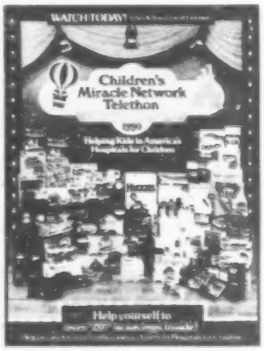
Ford revamps rebates: Ford Motor Co. is testing dealer-only rebates on selected Mercury car lines in New England, New York and New Jersey, *Automotive News* reported. If results are good, dealer rebates may replace direct-to-customer rebates at Ford. Ford is giving dealers $300 to $1,500 on some 1989 and 1990 models based on performance against quota. Young & Rubicam, Detroit, handles Lincoln-Mercury and its dealer ad groups.

Shaving Knicks: Mennen Co. has signed New York Knicks star Patrick Ewing to appear in point-of-purchase material for Afta brand, sponsor of the "Three-On-Three Basketball Challenge" running June to September 1991. Consumers are invited to sign up to play in the tournament; Los Angeles Lakers star James Worthy, Atlanta Hawks star Dominique Wilkins and Mr. Ewing will play the tournament's best team to conclude the promotion. ProServ, Arlington, Va., is organizing the tournament, playing in Atlanta, Chicago, Los Angeles, New York and two undisclosed cities. ProServ handles ad support and is seeking additional sponsors.

Pending and in play: **Excelsior Wine & Spirits**, a unit of Banfi Vintners, is giving away a vineyard estate in Chile as part of a promotion breaking Aug. 1 for Concha y Toro Chilean wine. The grand prize winner of a random drawing will get a 10-year lease to a 1-acre vineyard in Chile's Maipo Valley wine region, an all-expense-paid trip to the vineyard and 10 cases of premium Cabernet Sauvignon with a label bearing his name each year for 10 years. Christopher Thomas Associates, Garden City, N.Y., handles. . . . **Arby's** hopes to raise $2 million this summer for the Big Brothers/Big Sisters organization with its annual fund-raising promotion. Coupon books offering more than $30 in savings are sold for $1 in Arby's restaurants, with net proceeds going to Big Brothers/Big Sisters. Some coupons are from Coca-Cola USA and Pepsi-Cola Co., even though Arby's parent Chesapeake Financial Co. owns Royal Crown Cola Co. W.B. Doner & Co., Baltimore, handles. . . . **G. Heileman Brewing Co.** next month starts a sweepstakes for Old Style beer; prizes include seats from the White Sox's Comiskey Park, which is being demolished after this baseball season. Entrants get a poster commemorating Comiskey Park's history. Della Femina, McNamee, Pittsburgh, handles. . . . **Anheuser-Busch Cos.' Sea World of Florida** has lauched a new blimp painted to resemble the park's star attraction, Shamu the killer whale, under a contract with Airship International. A-B will use the blimp to promote Sea World in Florida and the Northeast.

Imagine the splash when it lands.

CASE STUDY: Children's Miracle Network



Case Study summarizes the results of a recent promotion.

- **Who:** Children's Miracle Network, a national fund-raising non-profit organization, and nine marketers: Clorox Co., Eveready Battery Co., GTE Corp., Hershey Foods Corp., Johnson & Johnson, Kimberly-Clark Corp., Kraft General Foods, Shulton Inc. USA and 3M. Ryan Cause Marketing, Westport, Conn., developed and executed the full promotion; Quad Marketing, New York, placed the free standing insert. Marketers paid Ryan a participation fee averaging $25,000.
- **What:** Children's seventh annual telethon, designed to raise money for the 160 children's hospitals in the U.S. A 26-page FSI mailed to 50 million households carried $20.00 worth of coupons for 88 brands, averaging 40¢ in value. For each redeemed, marketers made a donation to the charity, up to $250,000 per category. Retailers including food, drug and mass merchandisers displayed in-store ads in 36,000 stores.
- **When and where:** The telethon was broadcast live from Disneyland June 2-3 on more than 180 TV stations across the U.S. Every hour during the 21-hour telethon, on-air celebrities held up the FSI, encouraging consumers to use the coupons.
- **Results:** The fundraiser brought in $89 million, up 15.6% from 1989. About $7 million was raised via the FSI.

Source: Ryan Cause Marketing

Free standing inertia

Innovations enhance FSIs

By Alison Fahey

Package-goods marketers, facing increasing costs for free standing inserts and flat coupon redemption rates, want to spice up their FSIs.

"People are out there saying, 'How can we make our FSIs more interesting?' " said Ken Bortner, president of News America Publishing/FSI Division.

Mr. Bortner, who heads up News America's Quad Marketing and Product Movers, the leaders in the $1 billion FSI industry with a combined 60% share, said the company has "10 different creative proposals in front of major advertisers like Nabisco and Procter & Gamble."

News America in November will introduce a program that affixes product samples to FSIs carrying cents-off coupons. An undisclosed major advertiser has signed up for an FSI drop reaching 50 million households, Mr. Bortner said.

Another new approach replaces cents-off coupons with checks. North American Marketing Enterprises, a direct marketing agency specializing in package-goods data-base marketing, is seeking sponsors for Brand Cash, a program that puts checks on FSIs. The checks also have been used in direct mail and on packages.

Brand Cash checks, like cents-off coupons, are redeemed at checkout. A shopper endorses a check made out to the retailer and gets the value of the check discounted from the purchase.

Bristol-Myers Squibb Co. and a cigarette marketer are expected to participate in a November drop of 10 million FSIs carrying checks, said Carl Fergo, president of North American Marketing Enterprises.

Bristol-Myers Squibb couldn't be reached for comment.

Marketers' main benefit is higher redemption rates, 50% to 200% higher than traditional coupons, Mr. Fergo said.

The checks also offer demographic information because consumers endorse them with their name and address and on the back of the check are asked three questions about brand preference.

Marketers also are increasingly enhancing FSIs with tie-ins and 900 numbers. Tie-ins aren't new, but recently "every marketer is out there looking for an issue to tie into," Mr. Bortner said.

For example, Ralston Purina Co. on July 8 ran an FSI tied to Global ReLeaf, a reforestation project. The FSI carried $2 worth of coupons for three cereal brands and encouraged consumers to call a 900 number (for a $3 charge) to have a tree planted in their name. Callers receive an additional $7 worth of coupons.

Despite the techniques in development, some agency executives doubt FSIs will change drastically.

"I think the bolder [marketers] will do things other than straight coupons. [But] no one is going to take chances in an economy that's somewhat stagnant. . . . Most marketers won't give up the coupon," said Ron Melk, senior VP-director of creative services at Comart-KLP, New York.

Effectiveness is becoming more critical as FSI prices rise.

"When FSIs cost about 5 bucks [per page] a couple years ago, there was no reason not to do them. But as the prices come back up, we need them to be more effective," one marketing executive said.

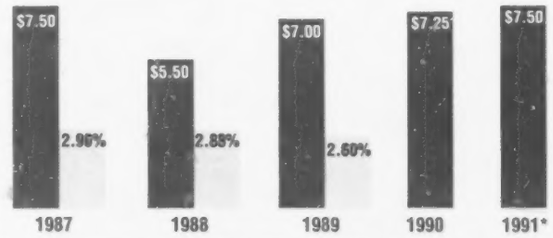
In 1991, News America/FSI Division will charge $7.50 per FSI page, up 3.4% from this year, Mr. Bortner said. Next year's price is the same as 1987 costs but significantly higher than the $4-per-page low during the 1988 FSI pricing wars, he said.

Marketers also want to stand out in a sea of Sunday coupons.

Last year, 88.7% of package-goods coupons were distributed via FSIs, up from 80% in 1988, reported the Summary Scan! division of the Advertising Checking Bureau. But redemption rates for coupons overall are flat at less than 4%, despite a 4% jump to 263 billion coupons distributed in 1989, Summary Scan! reported. □

Inflation frustration

The cost of FSIs continues to rise, while overall coupon redemption levels are flat. A typical FSI run reaches 50 million households.



Note: Coupon redemption rates for 1990 and 1991 are not available. *Projected
Sources: (Cost) News America Publishing/FSI Division; (Redemption rate) Carolina Manufacturer's Service

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Microwave

(Continued from Page 3)

of heavily packaged foods for price and environmental reasons.

Pillsbury Inc. offers a case study. When Pillsbury, a pioneer in microwave products, introduced the first microwave cake mix in late 1986, it responded to consumer requests for a quicker way to make a traditional dessert cake.

"That's what consumers told us they wanted," said Linda Keene, VP-marketing for desserts and sweet snacks. "So that's what we gave them: a conventional analog for a traditional, round layer cake."

But after initially being hailed as the product that would resuscitate the baking mix category, microwave mix sales have slumped dramatically. Sales of dessert baking mixes fell 7.2% to $718.6 million, but sales of microwave products within the category slid 32.3% to $65.4 million for the year ended March 23.

Although 70% of consumers had told Pillsbury they would use microwave cakes as a dessert, most were serving them as a snack, the company discovered. Given that, the product didn't match the consumers: Snackers didn't like the pan, which had to be greased beforehand, or the cake size, and they wanted a package that included frosting.

And they didn't buy lemon cake mixes or anything with vanilla icing—two of Pillsbury's offerings—for snacking.

Pillsbury will try again this fall, spending $15 million to sell consumers on its reformulated, repositioned microwave cake mixes, via Leo Burnett USA, Chicago.

Over the years, Pillsbury has tinkered with the cake mixes now being shipped to retailers; the product formulation has been upgraded several times and frosting packets became a staple in 1988.

Two flavors—lemon and chocolate with vanilla frosting—are being discontinued in favor of such typical snack cake flavors as carrot and banana walnut.

"We changed the product to fit the occasion," Ms. Keene said. "A cake mix plays a different role when it goes into the microwave. We didn't anticipate that."

For other marketers, the problem is "relying on 'microwaveable' as their [product's] unique product benefit," said Sandy Bredine, partner in Bishop/Bredine Associates, agency for microwave sandwich marketer Pitaria Products Co.

"Microwaveability itself doesn't make a product different," he said, "and the consumer is way ahead of marketers on this."

He and others agree the frozen microwave sandwich market is headed for a shakeout—having grown 51.5% last year to $265 million, on the strength of too many inferior products.

"We're still very optimistic about where the microwave food market is going, but we do have questions about the total size of the market. It's not as big perhaps as we originally thought," said Blaine Jacobson, director-marketing for J.R. Simplot Co.

Simplot, first out with microwave french fries under the MicroMagic name in 1985 and sandwiches and milkshakes in 1986 and 1987, has seen sales soften as a bevy of marketers entered the microwave snack foods market.

Geo. A. Hormel & Co. continues to market its New Traditions frozen sandwiches but has dropped microwaveable french fries after a disappointing test.

Quaker Oats Co. is determined to make its new microwaveable OvenStuffs frozen sandwiches a success (see story on this page). But Quaker knows it faces an uphill battle.

"Microwaveability itself doesn't make a product different, and the consumer is way ahead of marketers on this."

"There is a subgroup of people who are looking for convenient alternatives and will try anything once. Then quality becomes an issue. Tricks in the microwave are less appealing than they used to be," said Eileen Thompson, Quaker's director of marketing research for new ventures. "It's doubly hard to enter a category like frozen sandwiches, where quality perceptions are low."

Golden Valley's Mr. Watkins said, "Part of what's happening is that the microwave owner is starting to get more demanding about the products he buys, but the microwave still, by and large, represents a quality compromise."

He said—and many other executives agreed—that microwave popcorn, the standout success among microwave foods, owes its popularity to two simple facts: The microwave oven delivers a better product in terms of taste and texture, and the popcorn's inflatable-bag technology makes it easy to tell when the popcorn is done cooking.

Microwave popcorn marketers have successfully segmented the $596 million market with flavored and "light" offerings.

No. 2 microwave popcorn marketer General Mills will take that segmentation strategy one step further this summer when it launches Pop Secret Singles: boxes of five popcorn packets half the size of the current industry standard, which is 12 cups of popped corn.

In some cases, consumers—many with more than a decade of microwave experience under their belts—simply are learning how to use the microwave with "regular" products that are often less expensive.

Executives attribute some consumer disillusionment to microwave products such as Hershey Foods Corp.'s new Perfection microwave pasta, which with a cooking time of 8 to 10 minutes offers no significant time savings over most regular dry pasta.

Green Giant President Gary Klingl said the return to microwaving "regular" products is true in such categories as frozen vegetables, where the "regular" product—in this case sold in polybags—cooks and tastes nearly on a par with single-serve products labeled as microwave-specific.

In addition, "regular" products tend to avoid the appearance of overpackaging, a growing issue in some microwave product categories.

"As environmental issues are coming in, consumers want products without the extra layers of packaging—unless there really is a convenience benefit in that packaging," Quaker's Ms. Thompson said.

Despite all these concerns of product quality and convenience, price/value relationships and consumers' environmental awareness, some marketers say the microwave food industry is changing simply because it's maturing.

"Historically, the novelty of the microwave could sell a product. But now the euphoria of microwave ovens has settled down," said Barry Wegener, a public relations supervisor for General Mills.

With microwave penetration now at 85%, according to Campbell Microwave Institute, "The food industry still has many opportunities in microwave foods," Mr. Watkins said. "But they have to fit the 'Big Mac lifestyle.'"

Dial Corp.'s Lunch Buckets and Hormel's MicroCup line of single-serve, portable meals, for instance, seem to have found a niche.

Part of food marketers' optimism about the continued vitality of microwave foods is centered on children, who are growing up with microwave ovens and microwave foods designed especially for them. □

Judann Dagnoli contributed to this story.

Quaker stuffs $22M in sandwich

By Julie Liesse

CHICAGO—Quaker Oats Co. is committing $22 million to convince consumers its OvenStuffs aren't like other microwave-only sandwiches.

Quaker this fall is rolling national with OvenStuffs after a nearly two-year market test.

The line of six frozen, microwaveable sandwiches performed well in Cleveland, Denver and Pittsburgh, chalking up as much as a 20% monthly share of the frozen sandwich market, industry sources say. But Quaker spent at a national equivalent rate of $8 million in advertising, and media spending for the national launch is budgeted at just $5.5 million.

In those tests, Quaker found shoppers bought OvenStuffs on impulse, so the company has budgeted a whopping $16.5 million for trade and consumer promotions, including couponing and in-store sampling.

Media advertising includes TV and print ads from Bayer Bess Vanderwarker. The campaign, set to break on spot and network TV in October, is tagged "The great stuff you've been looking for."

Each OvenStuffs features a filling—turkey and swiss, for instance—in one of three breads: flaky turnover pastry, french rolls or pita-style bread.

OvenStuffs is the first new product out of Quaker's Frozen Foods Division, set up last month as a separate entity within the company's U.S. Grocery Products unit.

Quaker desperately wants success in frozen foods, where its only offerings to date have been Celeste pizza and lackluster products under the Aunt Jemima brand.

The frozen sandwich market—mostly microwaveable entries—grew 51.5% to $265 million for the year ended March 23, Arbitron/SAMI reported.

Although Quaker stresses that OvenStuffs has an advantage as a line designed specifically for microwaves, it will enter the market at a tough time. Most national competitors are already well-entrenched, with some executives predicting a shakeout.

In addition to market leader Hot Pockets, from Chef America, Campbell Soup Co. has just completed national rollout of Souper Combos; Pitaria Products Co. is close to national distribution with its PitaStuffs line; and Oscar Mayer Foods Corp. continues moving Zappetites into new markets.

Other national competitors include ConAgra Frozen Foods' Zap line and Geo. A. Hormel & Co.'s New Traditions. □

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Ad industry fears falloff

Media look anxiously for yearend turnaround

An Advertising Age roundup

Fears are growing that a "selective" recession hitting some media may spread throughout the ad industry and worsen.

Newspapers, magazines and local TV stations, already hard hit by advertising cutbacks, fear prospects of a fourth quarter without a rebound. Ad agencies and network TV, so far relatively unaffected by the recession, are eyeing the fourth quarter with increasing concern.

Uncertainty is growing, triggered by worsening conditions in the print media.

Magazine ad pages are already 3.3% behind for the first half of 1990 compared with the same period last year *(see related story on Page 32)*. The Newspaper Advertising Bureau, which halved its projection for 1990 revenue gains in April, from the original 5.9% to just 3% to 4%, now says papers will be lucky to do even that well.

In the second quarter, the media's confidence level has ebbed and the fear of a general recession has spread.

The worst fears are at media companies.

"I'd love to think we've bottomed out, but we have no information that tells us that," said Brian Donnelly, president of Gannett Co.'s metro newspapers.

Mr. Donnelly said Gannett's West Coast papers, which had been relatively unaffected until recently, began to show weakness in June.

Gannett last week announced a 6.1% decline in net income for the second quarter, its first such drop in 22 years. It wasn't alone.

Other media companies reporting lower earnings included The New York Times Co., Scripps-Howard, Pulitzer Publishing Co.,

(Continued on Page 46)

LAST MINUTE NEWS

Wendy's changes oil

DUBLIN, Ohio—Wendy's this week is expected to announce a shift to 100% vegetable oil for cooking its french fries. It's been using a blend of animal and vegetable oils. Burger King made a similar announcement last week. Both chains are expected to promote their switches with in-store materials. McDonald's will be the only major hamburger chain not to have switched.

Coors Extra Gold for FCB

GOLDEN, Colo.—Adolph Coors Co. moved the Coors Extra Gold account to Foote, Cone & Belding, Chicago, from GSD&M, Austin, Texas. Coors spent $22 million on Extra Gold ads last year; support has been lower this year in anticipation of a new campaign. GSD&M keeps the Coors brand and Hispanic advertising.

Jhirmack taps Rosenfeld

NEW YORK—Jhirmack, a Playtex Family Products unit, moved back to its original agency, Rosenfeld, Sirowitz, Humphrey & Strauss, after Backer Spielvogel Bates resigned (AA, July 16). Ad spending has been about $8 million, but the brand will be relaunched in early 1991 with a larger budget.

EPB eyes Calif. shop

BETHESDA, Md.—Earle Palmer Brown Cos. is negotiating to buy Franklin & Associates, a San Diego agency with $35 milllion in billings,

(Continued on Page 8)

INSIDE

Tom Bachtell

Bob Stempel takes the wheel at General Motors, but his honeymoon may be brief—after Page 30

Cosmetics: Color it green

Lauder to roll out natural Origins line

By Pat Sloan

NEW YORK—In a radical departure for the cosmetics industry, Estee Lauder Cos. will become the first major U.S. beauty company to bring natural, non-animal-tested products packaged in recyclable containers into department stores.

Estee Lauder is launching a new corporate division called Origins Natural Resources and next month will start marketing skincare, body products, aromatherapy and makeup under the Origins name.

It's the fifth major cosmetics unit for Estee Lauder Cos. The others are Estee Lauder, Aramis, Clinique and Prescriptives.

In line with the green movement, Origins will even accept empty bottles at the cosmetics counter from consumers who don't have access to recycling programs.

Origins, under development for six years,

(Continued on Page 48)

Doug Goodman

Evelyn Lauder and son, William, get ready for Origins to move into department stores.

Campbell cuts marketing budget

By Judann Dagnoli

Campbell Soup Co. is cutting its marketing budget for the first time in five years and softening its hard line on agency compensation.

Herb Baum, Campbell North America president, said the company's domestic and Canadian marketing budget, which has traditionally risen 15% to 20% annually, is headed 5% downward in fiscal 1991, starting Aug. 1.

"It's partly because of divestitures, but some of it reflects a dramatic push for more productivity," Mr. Baum said, adding that most of the cutbacks "will be in regional marketing spending."

Campbell North America's marketing budget in fiscal 1990 was more than $250 million, according to *Advertising Age* estimates.

"It's partly because of divestitures, but some of it reflects a dramatic push for more productivity."

At the same time, Campbell is revising its agency compensation system formulated only last April.

Under the terms of that incentive compensation system, base compensation for Campbell agencies would be lowered from 15% to a sliding scale that averaged 13% to 14% (AA, April 30).

Sales goals were to be agreed upon at the start of the company's fiscal year, and if the agency met or exceeded those goals the compensation rate would be increased accordingly, but never to exceed 15%.

Campbell agencies considered the system

(Continued on Page 48)

Dentsu talking to U.K. agency P. 2 • **SportsChannel's future cloudy** P. 3 • **Kids ads take a bashing** P. 4

NEWS SUMMARY

■ **Confidence in an economic upturn** any time soon has dwindled, depressing the outlook for significant increases in advertising spending. 1

■ **Estee Lauder** has established an Origins Natural Resources division to market natural beauty products in recyclable containers. 1

■ **Campbell Soup Co.** said it will cut its domestic marketing budget 5% in the fiscal year starting Aug. 1. It will also alter its recently formulated agency compensation system, which the agencies said was unfair. 1

■ **New frozen breakfast foods** are crowding into the $800 million market from Campbell Soup Co., Foodways National and Oscar Mayer Foods Corp. 3

■ **Minute Maid** will tie into the 1992 Olympics with a $130 million integrated marketing program starting this fall from parent Coca-Cola Foods. 3

■ **SportsChannel America** named Jeff Ruhe president-chief operating officer as the struggling cable channel tries to stimulate growth. 3

■ **Consumers Union** launched a broad attack on children's advertising, charging "hidden advertising messages" through school-related activities. It also cited product placement in movies, celebrity endorsements and other "disguised" commercials. 4

■ **European ad spending** will grow faster than U.S. ad expenditures, but there are signs of a U.S. ad resurgence, according to Veronis, Suhler & Associates. 13

■ **Peanut butter M&M's** is the latest flavor extension for M&M/Mars brands. It will start testing on the West Coast in September. 17

■ **Magazine ad pages** for the first half were down 3.9% from a year ago, but revenues were up 1.6%, according to the Publishers Information Bureau. 32

■ **Brandon Tartikoff,** president of NBC Entertainment, has been named chairman of a new NBC Entertainment Group. Warren Littlefield will succeed him. 36

■ **Kimberly-Clark Corp.** will return to the premium segment of the bathroom tissue market next fall with its Kleenex brand. 43

■ **Saatchi & Saatchi** Advertising Worldwide is expanding in Eastern Europe with joint ventures in Hungary, Czechoslovakia and Poland. Yugoslavia is another target for London-based Saatchi. 45

■ **Thrifty Rent-A-Car System** is negotiating to set up outlets adjoining Montgomery Ward & Co. stores, in competition with Budget Rent a Car Corp., which has an agreement with Sears, Roebuck & Co. 47

■ **General Foods USA** is test-marketing Cappio iced cappuccino, which it says will compete with "adult beverages," rather than directly against coffee or soft drinks. 49

DEPARTMENTS

Ad Review	50	For the Record	45
James Brady	30	Index to Advertisers	50
Brady's Bunch	35	International News	37
ConSiderations	18	Letters	25
Consumer Linage	33	MediaWorks	32
Corrections & Clarifications	25	NewsWatch	12
Rance Crain	30	People Moving	36
Direct Marketing News	31	Photo Review	34
Editorials	18	The Next Trend	30

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Dentsu eyes Europe through CDP deal

By Laurel Wentz and David Kilburn

Dentsu is discussing a deal with U.K.-based Collett Dickenson Pearce that would give Dentsu much-sought access to a European network.

The world's biggest agency also may be talking about links with other agencies in the U.K. and elsewhere in Europe. Dentsu has said publicly it wants to see faster growth of its relatively small non-Japan business; however, its overall strategy for doing this isn't clear.

If negotiations with CDP are successful, Dentsu would take a large minority stake in CDP's Luxembourg-based international holding company, CDP International, sources say. A deal could be announced this fall.

In Tokyo, Dentsu executives refused to comment on the CDP negotiations or its expansion plans.

CDP Chairman Christopher Stewart-Smith said, "All we've ever confirmed is that we're in regular discussion with them about clients, and I think they have a high regard for us. I believe they have been talking to a number of people."

He said although Tokyo-based Dentsu and London-based CDP currently share only Toyota, they have talked about several other Dentsu clients CDP might handle.

Sources said Dentsu and CDP would later seek a U.S. agency to buy, giving CDP a much-needed U.S. partner.

When CDP in 1988 bought back a 40% stake that Young & Rubicam, New York, held in the agency, CDP executives said they would try to buy a midsize New York agency in a year or two. However, as an independent, CDP has made little progress toward establishing a U.S. link.

In CDP, Dentsu would get not only the U.K.'s No. 11 agency, with 1989 gross income of $39 million from billings of $270 million, but also a collection of continental agencies in which the holding company owns equity or has an affiliation with. The holding company has stakes in or has an affiliation with the Alice agency in France, Grupo Barrio in Spain, Canard in Italy, and agencies in West Germany, the Netherlands, Denmark, Austria, Switzerland and Turkey.

Until now, Dentsu has operated in Europe only through small representation offices in West Germany and Spain that don't create or place advertising. The Spanish office, opened in Barcelona in January 1989, has mainly been involved in sponsorship deals for Japanese advertisers.

In the U.K., two local agencies denied rumors they too are negotiating a closer relationship with Dentsu.

"We work very closely with Dentsu and we share the agency fee on Mazda," said Len Weinreich, executive creative director of Burkitt Weinreich Bryant Clients & Co. "We've done a number of special projects [for Dentsu] from time to time. Dentsu does that with quite a lot of agencies. Because they have so many conflicting clients, they have to have many relationships" outside Japan.

However, his agency's expansion plans involve building a network of independent shops in different countries and have nothing to do with Dentsu, Mr. Weinreich said.

Butterfield Day Devito Hockney also has a relationship with Dentsu on the Honda account, a Dentsu client BDDH handles in the U.K.

"Beyond that, we have no other plans or formal agreements with Dentsu," said Leslie Butterfield, BDDH's chairman and planning director.

Dentsu plans to expand its own DCA Advertising, New York, and recently hired an American, C. Ray Freeman, to be chief operating officer.

It's also part owner of HDM Worldwide, along with Young & Rubicam and Eurocom. □

Seagram axes media unit

$55M in ad buys returns to brand agencies

By Patricia Winters

NEW YORK—The elimination of 177 jobs at Jos. E. Seagram & Sons is benefiting Seagram's ad agencies.

As part of the staff reduction, Seagram last week eliminated its 20-person in-house media buying unit, including VP-Media Allen Goldin, and is moving about $55 million in buying back to its brand agencies.

The bulk of spending went to Ogilvy & Mather, agency for Seagram's name liquors, and DDB Needham Worldwide, agency for premium brands such as Crown Royal and Chivas Regal, a company spokesman said.

Wells, Rich, Greene and the Mingo Group also will buy media for their accounts. Brands handled by WRG include Seagram's Coolers; Mingo is the company's black consumer market agency.

Based on 1989 spending figures compiled by LNA/Arbitron Multi-Media Service, DDB Needham wins $26 million in media buying, O&M receives $17 million and WRG gets $10 million.

The Seagram spokesman said he didn't know how the agencies would be compensated now that they handle both media and creative.

Seagram's overall staff reduction—accounting for about 7.5% of its work force—underscores the trouble that's plagued the liquor industry for more than a decade.

Last year, liquor volume fell 3% to 156 million 9-liter cases, said John C. Maxwell Jr., beverage analyst with Wheat, First Securities.

"The market is down again this year by 4% to 6%, and it will be that way for the foreseeable future," he said. "And if Congress has its way with more taxes, it could be worse."

Seagram isn't the only company with problems. Schieffelin & Somerset Co., a joint venture company between Moet Hennessy and

"With a reduced ad budget, you have to question the long-term merit of an in-house media buying unit."

Guinness, confirmed last week it's axed 14% of its 280-member staff, including marketing and sales positions. The cuts are the first since Schieffelin Co. and Somerset Distilling merged in 1987.

Seagram's media department was created five years ago to save money, but media buying has become labor intensive and more complicated.

Industry observers also note that Seagram's media spending has dropped since the mid-1980s, especially with the decline in wine cooler advertising, and is likely to keep shrinking.

"With a reduced ad budget, you have to question the long-term merit of an in-house media buying unit," said one source close to the company.

Seagram noted there are fewer and fewer wholesale and retail outlets in the industry, and added that the company has only about half of the brands it once had. Seagram last year eliminated most of its mass, unadvertised brands to focus on premium spirits—the industry's one growing area.

Schieffelin took the same tack, concentrating on premium brands like Hennessy cognac, Moet & Chandon champagne, Tanqueray gin and Johnnie Walker scotch.

In the 1980s, the strategy worked; premium segments such as champagne and cognac saw sales growth. But now even those segments, except for imported vodka and some premium varietal wines, are facing tough times.

"We were insulated; we operated with premium brands," said Penn Kavanagh, president-ceo of Schieffelin. "The categories of merchandise we sold were growing, and our business was driven by category growth. Now we don't see growth. . . . we can only look to growing share."

Seagram is the nation's No. 2 liquor company with a 14% share, Mr. Maxwell said. Grand Metropolitan's International Distillers & Vintners, owner of Carillon Importers, Paddington Corp. and Heublein, is No. 1 with an 18.7% share. Schieffelin is ninth with 2.8%. □

Gary Levin contributed to this story.

Ad boom seen for brands, Europe

By Gary Levin and Wayne Walley

NEW YORK—European ad spending will continue to skyrocket, and a renewed focus on brand-building in the U.S. will overshadow the sales promotion boom.

Those are the key findings for the advertising and media businesses in Veronis, Suhler & Associates' annual communications industry forecast, released last week.

This year's report marked the first time the media brokerage company tracked foreign spending, with figures released for seven countries where substantial spending gains of the past several years are expected to continue.

In Spain, Italy, France, West Germany, the U.K., Japan and Canada, measured media advertising totaled $69.8 billion in 1989, up 10.5% from 1988 and approaching U.S. measured media spending of $77.5 billion as tracked by Veronis Suhler. Combined ad spending in those countries has more than doubled since 1980's $29.6 billion total.

Among the seven countries, Spain and Italy have grown the fastest since 1981, with compound annual ad spending growth of 27.4% and 17.4%, respectively. Both will continue strong through 1994, with compound annual growth rates of 25.2% and 10.8%.

Measured media forecasts for the seven countries show that as a percentage of total ad dollars spent, TV will grow to 37.1% by 1994 from 31.5% in 1980, due partly to deregulation and commercialization of foreign networks. Newspapers' share of the advertising pie will decline to 38.3% from 43.2%. Radio's share will drop slightly to 5.9% from 6.6%, and magazines will remain about even at 18.7%.

In the U.S., Veronis Suhler estimated total 1989 advertising and promotion spending at $222.9 billion, a 5.8% increase from 1988—the lowest percentage gain in any of the past five years. Promotion spending rose 6.1% to $98.2 billion, accounting for 44% of the total; measured media spending rose 5.7% to $77.5 billion; and other spending, including direct mail and Yellow Pages, rose 5.7% to $47.2 billion.

Over the past five years, "measured media has really taken its licks in comparison with promotional spending and the economy," said John Suhler, president of the company. "Leveraged buyouts had a dramatic effect on the economy. Advertising and promotional spending were viewed as discretionary during the restructuring."

But Mr. Suhler said early signs of a comeback for "building brand franchises" are appearing as spending cutbacks ease in general image advertising.

"We think advertisers are getting a little jaded with promotional spending," said David Wilkofsky, president of the Wilkofsky Gruen Associates economic consulting company.

The forecast paints a rosy ad revenue picture for U.S. broadcasters, predicting a 6.8% compound annual growth rate for networks and local TV stations from 1989 to 1994.

Network advertising by 1994 will total nearly $12.8 billion, up from $9.3 billion in 1989, reflecting a 6.6% compound annual growth rate that is nearly triple the 2.2% compound growth of the past five years.

"The growth rates of competing media have moderated, and the negatives for network TV are fewer," Mr. Suhler said.

"This is not a plug for network TV, but as it relates to media vehicles, no one has found a more efficient vehicle for mass delivery," Mr. Suhler said, adding that his forecast for more brand-equity advertising in large part will fuel this gain.

Networks won't be the only beneficiaries of increased ad spending, the study said. Local station advertising will grow at a 6.9% compound annual rate, reaching almost $21.2 billion by 1994 compared with $15.2 billion last year.

Veronis Suhler also projected spending on cable TV subscriptions and advertising will grow at the same 8% annual rate to reach $16.5 billion by 1994.

Total cable advertising, the forecast said, will grow to $3 billion by 1994, a 13.7% annual increase that reflects much slower growth than the average annual 23.8% rise of the past five years as cable penetration has increased.

Cable, which Mr. Suhler described as "the darling of our reports for the last 10 years," now has "arithmetic problems. The circulation won't increase as much by new wires. and the big increases are behind us," he said. "We're now down to marginal growth rates."

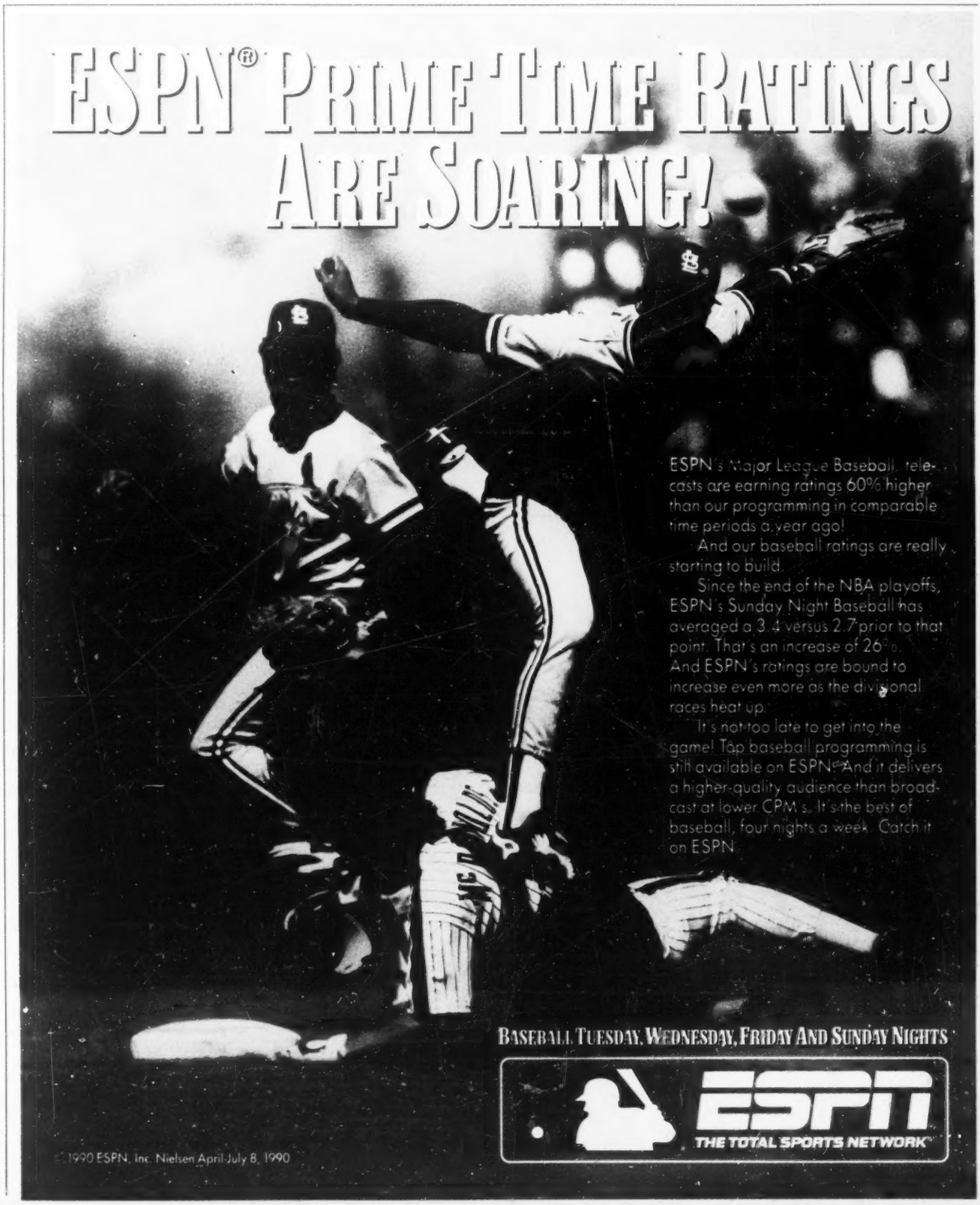
Ad spending in magazines will grow at a 6.8% compound rate, slightly faster than average growth since 1984. Consumer magazine ad revenues will reach $9.4 billion by 1994, compared with $6.75 billion last year, while trade magazine ad spending will rise to $3.65 billion by 1994, compared with $2.77 billion in 1989, the study said. □

Ad growth forecast

Compound annual growth forecast of advertising expenditures from 1989 to 1994.

Spain	25.2%
Italy	10.8%
France	10.2%
West Germany	9.2%
U.K.	7.6%
U.S.	7.2%
Canada	6.1%
Japan	6.0%

Source: Veronis, Suhler & Associates; Wilkofsky Gruen Associates


ESPN® PRIME TIME RATINGS ARE SOARING!
ESPN's Major League Baseball telecasts are earning ratings 60% higher than our programming in comparable time periods a year ago!
And our baseball ratings are really starting to build.
Since the end of the NBA playoffs, ESPN's Sunday Night Baseball has averaged a 3.4 versus 2.7 prior to that point. That's an increase of 26%. And ESPN's ratings are bound to increase even more as the divisional races heat up.
It's not too late to get into the game! Top baseball programming is still available on ESPN. And it delivers a higher-quality audience than broadcast at lower CPM's. It's the best of baseball, four nights a week. Catch it on ESPN.
BASEBALL TUESDAY, WEDNESDAY, FRIDAY AND SUNDAY NIGHTS
ESPN
THE TOTAL SPORTS NETWORK
©1990 ESPN, Inc. Nielsen April-July 8, 1990

MEDIAWORKS

JUNE AD RESULTS

Magazine declines mount

By Wayne Walley

Magazine publishers would cheer the first-half results of 1990 if it were any other year.

Ad pages for the first six months of 1990 totaled 85,451.4, Publishers Information Bureau reported. That's up 9.8% from the same period in 1989, but down 3.3% from the record-setting 1989 figures.

June ad pages for titles tracked by PIB were down 3.9% from a year earlier to 14,050.4.

Despite the drop in ad pages, ad revenues for the first six months rose 1.6% to $3.3 billion, while June ad revenues increased 3% to $547.5 million.

Spending in the top 10 ad categories, which accounted for more than 60% of magazine ad spending last month, was flat at $370.7 million. First-half spending levels in those categories fell 1.4% to $2.3 billion, PIB reported.

Automotive, the largest category, dropped 12.6% in the first half to $415 million. Cigarette and tobacco advertising showed the steepest first-half decline, 27.2% to $154.6 million.

Computers, office equipment and stationery fell 7.5% to $110.9 million, while business and consumer services spending was off 0.4% to $252.7 million.

Other top 10 ad categories, however, increased spending. Those showing gains, according to PIB, were retail (up 22.7% to $108.7 million); food and food products (up 11.4% to $233.6 million); apparel, footwear and accessories (up 11.2% to $193.4 million); toiletries and cosmetics (up 6.6% to $340.4 million); travel, hotels and resorts (up 3.8% to $217.1 million); and direct response (up 1.4% to $261 million).

The number of ad pages paints a bleak picture for the industry. Of the top 100 magazines, 70 posted declines in ad volume for the first half of the year while 30 showed an increase.

Last year's ad page leader, *Business Week*, rebounded in June, posting a 10.4% increase in ad pages to 490.45. The McGraw-Hill magazine carried 2,041.82 ad pages in the first six months, down 8.4%, and was the only magazine to top 2,000 during the first half.

Forbes, one of the few publications enjoying an up year, increased ad pages in June by 9.8% to 299.68 and ranked second for the first half with 1,802.41 pages, a 7.9% increase.

Major weeklies continued to be the hardest hit by the slump. Ad pages in Time Warner's *People* fell 7.9% to 268.68 for June and 9.7% to 1,696.95 for the first half. *Time* dropped 3.5% to 194.57 pages in June to finish the first half off 7.5% at 1,248.78 ad pages.

TV Guide rebounded in June with 152.64 ad pages, up 6.3%, but ended the first half down 10.4% with 1,440.17 ad pages. *Newsweek* was up 13.7% in June to 168.29 ad pages, but was still off 8.9% for the first half with 1,071.07. *U.S. News & World Report* had 146.82 ad pages in June, up 10.2%, and finished the first half down 3.6% at 891.23. □

Print advertising opportunities.

The Boston Globe, Chicago Tribune, Los Angeles Times, The New York Times and **The Washington Post**, New York, "Good health magazine" special editorial section, Oct. 7; ad close: July 30. Combined b&w page: $91,625; color page: $121,106.

New York Magazine, New York, "Fall women's and men's fashion" special advertising section, Aug. 20 issue; ad close: July 30. B&w page: $16,570; color page: $26,080.

Newsweek, New York, "The power to heal" special editorial section, September issue; ad close: July 30. B&w page: $66,300; color page: $106,030.

Rolling Stone, New York, "The four decades of rock: the '70s" special editorial section, Sept. 20 issue; ad close: July 30 (color); Aug. 1 (b&w). B&w page: $32,305; color page: $43,040.

Hispanic, Washington, "Hispanic heritage month" special editorial section, September issue; ad close: July 31. B&w page: $5,800; color page: $7,500.

Prevention, Emmaus, Pa., "Breakfast spectacular" special editorial section, October issue; ad close: Aug. 1. B&w page: $29,585; color page: $38,760.

San Francisco Focus, San Francisco, "Fall's performing arts season" special editorial section, September issue; ad close: Aug. 1. B&w page: $5,605; color page: $7,595.

Self, New York, "Peak performance" special editorial section, November issue; ad close: Aug. 1. Color page: $44,413.

Southern Living, Birmingham, Ala., "The Southern home" special editorial section, October issue, ad close: Aug. 1. B&w page: $39,760; color page: $55,940. □

Wayne Walley coordinates MediaWorks.

Magazine ad page leaders

Publishers Information Bureau figures through June 1990.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	2,041.82	(8.4)	114,418,955	(7.0)
2	Forbes	1,802.41	7.9	78,057,803	13.7
3	Bride's	1,770.94	2.6	31,490,263	10.2
4	People	1,696.95	(9.7)	160,121,754	(0.5)
5	Fortune	1,547.03	(5.7)	73,843,722	(1.3)
6	TV Guide	1,440.17	(10.4)	155,372,520	(2.3)
7	Vogue	1,354.57	(10.3)	50,281,595	11.9
8	Modern Bride	1,351.63	2.1	22,307,911	7.0
9	The Economist	1,344.63	18.4	11,647,513	34.3
10	Time	1,248.78	(7.5)	171,438,621	(5.6)
11	Sports Illustrated	1,242.77	(16.5)	156,024,443	(5.7)
12	New York Magazine	1,218.65	(13.7)	19,577,930	(7.8)
13	Cosmopolitan	1,096.51	(7.8)	65,377,132	1.6
14	Newsweek	1,071.07	(8.9)	118,981,865	(0.1)
15	The New Yorker	1,042.99	4.5	26,703,553	15.3
16	Elle	1,023.91	(1.4)	30,190,833	5.1
17	Entrepreneur	1,005.70	11.3	9,620,739	41.6
18	Rolling Stone	923.61	(3.7)	33,308,295	1.2
19	Glamour	917.02	(9.4)	46,212,962	(2.8)
20	U.S. News & World Report	891.23	(3.6)	71,505,384	4.4
21	GQ	881.53	(12.3)	21,786,589	(3.8)
22	American Way	878.88	(2.9)	11,763,395	18.5
23	Architectural Digest	877.06	(3.4)	23,342,410	3.4
24	Yachting	864.41	0.4	5,324,799	3.0
25	Family Circle	841.68	(15.2)	68,951,950	(5.1)
26	Good Housekeeping	830.61	8.7	77,947,422	16.1
27	Sunset	775.26	(8.1)	24,082,020	(0.8)
28	Ladies' Home Journal	762.98	(2.2)	54,062,640	8.4
29	Town & Country	751.25	0.3	18,116,001	15.2
30	Mademoiselle	750.10	(8.4)	24,533,619	1.8
31	Woman's Day	749.46	(14.8)	53,782,483	(14.1)
32	Golf Digest	745.09	(0.8)	37,673,436	2.3
33	Skin Diver	726.88	3.1	6,856,989	9.2
34	Parents	720.51	(1.3)	29,360,858	2.3
35	Travel & Leisure	719.62	(6.6)	29,516,858	12.6
36	Golf Magazine	692.74	(10.5)	22,091,794	6.1
37	Southern Living	681.96	(4.3)	33,928,364	2.5
38	Texas Monthly	673.77	9.7	7,659,650	11.6
39	Salt Water Sportsman	658.76	(22.1)	4,295,145	(19.1)
40	Harper's Bazaar	647.46	2.2	17,389,859	10.8
41	Vanity Fair	644.77	2.7	22,716,100	25.7
42	Self	644.06	(2.8)	24,587,717	19.5
43	Better Homes & Gardens	642.80	(12.6)	71,348,590	(8.8)
44	W	639.47	(8.2)	14,729,212	6.3
45	Muscle & Fitness	633.78	(21.3)	10,848,468	(6.9)
46	Gourmet	632.20	6.4	17,005,754	17.7
47	Money	630.34	(0.8)	36,682,662	0.3
48	Seventeen	623.73	(6.5)	18,849,505	(5.6)
49	Bicycling	622.72	(7.3)	8,712,280	9.4
50	Car & Driver	619.28	(8.7)	23,571,914	(13.7)
51	Esquire	600.52	(0.3)	18,704,487	7.4
52	Popular Photography	598.36	23.4	14,358,968	37.7
53	Metropolitan Home	584.27	(5.2)	18,476,074	3.6
54	San Francisco Focus	573.08	(6.5)	3,825,154	4.4
55	Redbook	572.37	2.3	35,388,996	1.8
56	Reader's Digest	561.04	2.1	58,533,630	5.8
57	Ebony	557.63	(9.4)	19,588,943	1.6
58	Country Living	552.69	(3.9)	22,255,333	(0.8)
59	Road & Track	539.73	(15.1)	15,944,571	(21.9)
60	Conde Nast Traveler	537.05	16.4	15,067,278	39.6
61	Financial World	536.68	33.9	12,521,875	63.0
62	House & Garden	531.78	19.5	13,144,743	24.5
63	Inc.	520.27	(9.9)	21,131,451	(3.4)
64	Bon Appetit	515.15	5.0	15,471,032	8.9
65	Black Enterprise	513.76	(5.7)	6,839,733	2.9
66	Mirabella	511.18	320.4	7,977,554	501.1
67	Jet	509.71	(10.9)	8,582,001	(1.2)
68	McCall's	488.11	(13.1)	35,282,423	(4.7)
69	Smithsonian	486.77	(6.4)	20,707,756	(3.7)
70	Four Wheeler	477.19	(2.7)	3,757,306	7.0
71	Art & Antiques	476.23	10.3	2,740,064	20.3
72	Working Woman	472.70	(12.1)	14,531,779	(4.9)
73	New Woman	453.86	(15.0)	11,103,250	(10.2)
74	Essence	451.82	(1.1)	11,328,369	13.4
75	Bass Master	439.97	(17.1)	8,720,856	(4.7)
76	Delta Sky	438.40	(4.4)	10,764,140	(1.2)
77	Motor Trend	435.23	(20.4)	15,919,940	(10.5)
78	Field & Stream	430.57	(16.4)	17,192,128	(19.7)
79	Hot Rod	416.78	(27.2)	9,846,173	(22.6)
80	Outdoor Life	403.70	(23.3)	11,943,709	(17.1)
81	Popular Mechanics	403.47	(22.6)	12,947,096	(20.5)
82	Popular Science	398.87	(30.9)	10,927,536	(30.6)
83	California	396.10	11.4	5,525,162	19.7
84	Southern Accents	384.89	16.4	3,840,970	26.0
85	Sport's Afield	383.92	(8.8)	7,391,328	1.9
86	Entertainment Weekly	383.87	—	7,954,931	—
87	Premiere	383.17	5.9	6,761,175	27.9
88	Parenting	379.07	21.6	6,682,757	66.4
89	Yankee	377.49	0.9	4,493,145	8.5
90	House Beautiful	372.46	(8.6)	13,426,961	(0.3)
91	Tennis	367.32	(7.5)	11,785,324	38.2
92	Connoisseur	365.69	(22.3)	6,467,623	(12.0)
93	US	365.08	(2.7)	10,590,080	(5.2)
94	Working Mother	362.37	(15.1)	8,279,924	(0.6)
95	1,001 Home Ideas	356.63	2.7	10,166,390	17.1
96	National Journal	354.83	(6.8)	2,406,215	0.4
97	M	354.58	(8.3)	4,484,139	4.7
98	Life	352.19	(13.9)	24,532,829	(14.8)
99	Playboy	349.73	(7.0)	23,489,145	1.3
100	Food & Wine	349.45	(5.2)	8,221,042	(2.7)

Percent change compares January-June in 1990 with 1989. Source: Publishers Information Bureau

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CONSUMER MAGAZINE AD LINAGE

	June		Year-to-date	
	1990	1989	1990	1989
uto/cycle/rec. vehicles				
Week (52X)	154.6	185.0	893.1	947.7
& Driver C.	132.9	160.0	619.3	678.5
ollector & Car Classics	14.1	17.6	95.3	101.8
Craft	87.6	110.6	421.1	468.9
e Track	77.3	90.6	522.3	537.4
e	60.0	50.2	267.4	294.7
e World	68.4	41.5	301.7	268.5
Rider	55.6	41.2	251.8	204.3
Buggies & Hot VWs	75.5	71.3	415.2	409.7
y Motor Coaching	185.3	198.8	1,004.1	1,126.9
heel & Off-Road	110.9	86.9	482.3	485.5
Wheeler C.	97.9	93.3	477.2	490.4
Rod C.	80.6	99.8	416.8	572.3
orcyclist	65.7	54.3	273.6	282.6
or Trend C.	95.1	103.8	435.2	546.6
omome	98.3	104.7	576.6	578.0
r	48.4	42.0	221.6	228.8
d & Track C.	104.5	145.3	539.7	635.4
blazer	46.0	61.0	271.0	350.0
er Life	95.5	90.5	546.8	581.3
otal Group	**1,754.1**	**1,848.5**	**9,031.9**	**9,782.9**
% change	**-5.1%**		**-7.7%**	
Boating & yachting				
ting	110.3	131.7	847.6	995.5
sapeake Bay	48.3	64.3	269.5	323.5
sing World	89.3	96.3	672.7	700.1
dland Boating (11X)	83.5	86.5	520.5	592.1
or Boating & Sailing	125.5	131.4	816.6	986.8
	81.1	98.4	695.0	713.2
er Boats (11X)	58.3	55.8	442.0	497.2
stern Boatman	—	—	158.4	152.1
hting C.	13.6	139.9	854.4	851.4
otal Group	**739.5**	**804.4**	**5,276.7**	**5,811.9**
% change	**-8.0%**		**-9.2%**	
Civic/fraternal				
(10X)	13.0	14.3	93.3	90.0
ans	14.9	18.3	101.5	96.7
(10X)	4.3	9.5	24.3	28.9
ogue	16.7	10.0	97.8	74.6
W (11X)	30.5	20.0	164.8	163.1
Total Group	**79.4**	**72.1**	**481.6**	**457.3**
% change	**10.2%**		**5.3%**	
General				
ncan Health (10X) C.	26.3	72.6	269.8	392.5
ncan Heritage (6X) C.	—	—	162.5	174.8
ncan Legion	25.6	20.6	212.8	199.0
ncan West (6X)	—	—	69.5	104.6
& Antiques (10X) C.	94.9	83.0	426.2	431.7
News (10X)	116.5	109.8	721.5	682.8
Atlantic A. C.	56.7	42.8	325.4	314.7
Appetit A. C.	61.3	68.5	515.2	495.6
e Guide C.	20.0	33.7	165.9	212.9
nging Times C.	58.9	40.7	336.2	318.5
de Nast Traveler C.	79.1	71.5	537.1	461.4
noisseur C.	55.3	71.0	365.7	470.8
sumers Digest (9X) C.	—	—	82.2	77.4
ving Light C.	—	—	184.4	153.6
ny C.	80.9	106.1	557.6	615.8
opean Travel &				
Life (10X) C.	53.4	42.0	274.2	242.0
d & Wine C.	54.1	72.1	349.5	372.6
mes (6X) C.	—	—	34.1	50.6
den Years (6X)	—	—	108.2	161.3
urmet C.	104.7	98.5	632.2	594.0
per's Magazine A. C.	31.8	27.7	183.3	186.4
rrowsmith (6X)	—	—	154.1	174.2
nds (6X)	—	—	186.5	196.9
's Live	48.0	43.0	298.0	275.0
e C.	55.9	53.0	352.2	409.3
ngevity C.	40.0	23.5	201.2	103.2
dern Maturity (6X) C.	32.8	30.8	109.7	114.1
ney C.	117.5	121.8	630.3	635.3
ther Earth News (5X) C.	—	—	202.5	242.0
tional Geographic C.	16.8	19.3	137.9	127.0
tional Geographic				
Traveler (6X) C.	—	—	157.6	103.4
tural History C.	28.4	36.5	261.9	263.4
w Choices C.	24.4	34.5	177.7	221.6
vention C.	52.3	43.9	307.8	327.3
ader's Digest A. C.	90.9	91.7	561.0	549.7
turday Evening				
Post (9X) C.	—	—	147.0	178.6
thsonian C.	74.3	89.4	486.8	520.1
wn & Country C.	122.9	104.4	751.3	749.4
vel-Holiday C.	31.3	26.2	242.4	239.0
vel & Leisure C.	99.2	96.3	719.6	770.3
velhost	1,345.0	1,319.0	7,603.0	7,556.0
nity Fair C.	105.0	86.5	644.8	628.0
ree C.	61.9	50.8	377.5	374.1
Total Group	**3,265.0**	**3,254.3**	**21,273.7**	**21,465.4**
% change	**0.3%**		**-0.9%**	
Home				
nericana (6X)	—	—	34.8	63.6
hitectural Digest A. C.	138.4	144.1	877.1	907.9
ter Homes & Gardens C.	115.0	135.5	642.8	735.1
onial Homes (6X) C.	63.1	58.3	161.4	182.7
lumbus Monthly-				
Homes (4X)	—	—	57.2	60.9
untry Home (6X) C.	73.3	68.0	187.7	225.1
untry Living C.	98.6	85.2	552.7	575.3
mily Handyman				
(10X) A. C.	23.9	52.4	208.1	295.1
rida Home & Garden	94.2	116.3	424.8	556.7
wer & Garden (6X) C.	—	—	134.1	144.7
me C.	45.1	56.4	341.8	357.5
me Mechanix C.	64.0	37.3	299.5	305.6
meowner (10X) C.	17.7	39.6	143.1	186.7
me	40.9	37.4	288.0	260.4
House Beautiful C.	59.8	75.5	372.5	407.4
House & Garden C.	79.1	62.0	531.8	444.9
Metropolis	46.2	52.4	309.6	359.8
Metropolitan Home C.	70.2	76.5	584.3	616.1
Midwest Living C.	86.3	71.1	214.8	207.7
1,001 Home Ideas C.	42.7	61.1	356.6	347.2
Organic Gardening (9X) C.	—	36.5	230.3	267.6
Phoenix Home/Garden	46.7	57.8	404.7	429.5
Practical Home-owner (9X) C.	45.8	33.2	203.6	131.3
San Diego Home/Garden	66.0	70.0	448.7	455.7
Southern Accents (6X) C.	58.3	—	384.9	330.6
Southern Living C.	132.3	117.8	681.9	712.7
Sunset Magazine A. C.	124.0	152.5	775.3	843.1
Workbench (6X)	—	—	111.4	136.7
Total Group	**1,630.6**	**1,696.8**	**9,963.3**	**10,547.2**
% change	**-3.9%**		**-5.5%**	
In-flight & other passenger				
Aboard Group (6X)	—	—	122.7	108.3
Air Group One:				
Delta Sky C.	80.9	73.1	438.4	458.6
TWA Ambassador B.	39.0	—	236.5	—
Alaska Airlines	77.8	70.5	446.9	369.1
America West Airlines	84.5	67.7	466.2	393.0
American Way (24X) C.	158.0	155.6	878.9	905.5
East/West Network:				
Continental Profiles	51.4	62.1	315.1	373.6
Eastern Review	30.0	59.3	191.4	325.2
Pan Am Clipper	50.1	56.3	287.8	290.0
Southwest Spirit	53.6	68.2	314.2	402.6
Vis `A Vis	72.9	88.6	417.7	520.0
Pace Communications:				
US Air Magazine	64.1	51.4	367.3	331.6
Spirit of Aloha	34.1	24.4	202.4	143.2
Total Group	**757.4**	**777.2**	**4,449.0**	**4,620.7**
% change	**-2.5%**		**-3.7%**	
Men's				
Esquire A. C.	112.4	105.4	600.5	602.1
Firehouse Magazine	48.6	43.7	212.1	219.7
Gentlemen's Quarterly A. C.	116.3	169.5	881.5	1,005.2
M Magazine C.	46.2	49.7	354.6	386.8
Men's Health (6X)	—	—	52.2	—
Muscle & Fitness C.	111.5	127.2	633.8	805.1
Penthouse A. C.	57.1	51.9	312.9	296.5
Playboy A. C.	64.4	60.2	349.7	376.0
Salute (10X)	57.4	77.1	237.3	185.9
Total Group	**613.9**	**684.6**	**3,634.6**	**3,877.1**
% change	**-10.3%**		**-6.3%**	
Metropolitan				
Aloha (6X)	—	—	134.6	87.0
Atlanta	74.6	54.6	420.4	370.5
Baltimore	44.8	60.0	355.5	402.4
Boston	93.9	128.1	606.1	790.5
Gateway C.	64.9	60.5	398.1	357.4
Chicago	89.7	105.4	344.7	667.7
Chicago's North Shore	81.4	101.5	538.6	601.9
Cincinnati	31.9	45.7	221.1	277.9
Cleveland	50.8	42.2	269.9	324.0
Columbus Monthly	45.9	58.0	349.8	392.6
Connecticut	81.1	108.0	530.0	621.4
D Magazine	60.9	74.8	335.5	423.7
Detroit Monthly	60.9	57.1	343.0	346.6
Grand Rapids	41.3	53.5	183.1	223.5
Honolulu	50.5	46.9	307.2	296.8
Houston Metropolitan Magazine	45.1	51.9	365.0	328.0
Inside Chicago (8X)	—	—	87.6	122.8
Los Angeles	146.6	127.7	823.1	884.2
Louisiana Life (6X)	—	—	90.0	67.4
Madison	50.0	44.0	245.0	252.0
Memphis	53.1	54.0	311.2	380.0
Mid Atlantic Country	52.7	47.3	276.3	238.8
Milwaukee	43.7	40.3	338.3	307.8
Minneapolis/St. Paul	99.0	100.3	622.8	643.4
Minnesota Monthly Mag.	59.4	58.5	399.2	278.1
Nashville	13.1	24.4	78.7	152.1
New England Monthly	58.1	48.0	249.5	303.5
New Jersey Monthly	74.5	104.4	417.2	547.1
New Mexico	38.3	36.2	249.8	258.4
Ohio	63.8	66.8	330.5	319.9
Orlando	82.6	95.0	567.3	568.7
Pacific Northwest	43.8	39.5	291.1	286.6
Palm Beach Life	31.6	35.6	424.3	470.4
Palm Springs Life	58.7	63.0	749.5	778.5
Philadelphia	107.6	113.7	732.5	788.3
Phoenix	28.1	34.2	218.0	294.3
Pittsburgh	100.3	117.0	416.4	419.5
Rhode Island Monthly	49.2	78.6	334.5	335.0
Sacramento Magazine	59.2	48.7	342.1	305.8
St. Louis	87.9	42.6	355.8	286.7
San Diego	131.8	142.8	770.4	789.1
San Francisco Focus C.	94.2	94.2	573.1	613.2
Sarasota	48.0	56.0	524.0	534.0
South Florida Magazine	96.7	111.2	556.8	675.1
Texas Monthly C.	105.4	85.7	673.8	614.4
Washington (10X)	33.2	—	175.0	233.0
Washington-Dossier	44.2	34.2	242.1	211.3
The Washingtonian	118.1	138.5	786.7	982.7
Total Group	**3,012.9**	**3,131.2**	**19,154.3**	**20,461.2**
% change	**-3.8%**		**-6.4%**	
Music/entertainment				
Audio	91.2	106.4	513.9	562.0
Dance Magazine	41.6	42.8	359.3	347.6
Playbill	40.2	40.9	277.2	295.0
Video Magazine	70.0	58.2	389.5	352.3
Total Group	**243.0**	**248.2**	**1,539.9**	**1,556.9**
% change	**-2.1%**		**-1.1%**	
Outdoor & sport				
Alpine	37.9	31.3	251.1	248.6
The American Handgunner (6X)	—	—	172.0	155.0
American Hunter	17.4	18.1	101.2	101.6
American Rifleman	24.5	18.6	132.8	125.2
Backpacker (7X) C.	33.2	30.9	138.6	123.9
Bass Master (10X) A. C.	47.3	55.7	440.0	530.8
Bicycling (9X) C.	126.4	140.0	622.7	671.7
Cross Country Skier (5X)	—	—	73.6	70.5
Ducks Unlimited (6X)	—	—	77.2	73.7
Field & Stream C.	66.8	64.5	430.6	515.2
Fishing World (6X)	—	—	161.8	152.5
Florida Sportsman	109.6	107.8	827.2	846.2
Golf Digest C.	144.7	139.7	745.1	750.7
Golf Illustrated C.	68.9	62.9	299.8	283.3
Golf Magazine C.	108.4	96.0	692.7	774.1
Gun Dog (6X)	—	—	119.3	125.5
Guns	40.0	33.0	239.0	212.0
Guns & Ammo	45.4	33.1	273.6	251.3
In-Fisherman (7X)	34.0	40.0	403.5	483.5
Outdoor Life C.	63.2	62.3	403.7	526.1
Outside Magazine	76.3	67.3	399.9	393.4
Petersen's Hunting	38.0	42.7	215.0	239.2
Runner's World (12X) C.	46.5	47.3	210.3	237.7
Salt Water Sportsman C.	81.9	125.8	658.8	845.8
Shooting Times	27.6	28.5	180.1	183.0
Sierra (6X)	—	—	112.5	144.3
Ski (8X) A. C.	—	—	292.8	336.4
Skiing (7X) A. C.	—	—	230.0	216.4
Skin Diver C.	152.5	132.6	726.9	705.3
Southern Outdoors (9X)	—	—	230.1	296.4
Southern Saltwater (8X)	—	—	226.4	288.2
Sport Magazine C.	41.7	56.8	183.2	234.0
Sports Afield C.	44.0	59.7	383.9	421.1
Surfing	61.0	77.2	409.2	451.1
Tennis C.	76.1	59.7	367.3	396.9
Waterski (9X)	71.3	77.8	391.0	431.3
Western Outdoors (9X)	29.6	21.2	196.2	243.3
Wildfowl (6X)	—	—	57.3	47.5
WindRider (8X)	72.6	55.6	316.7	218.0
Wing & Shot (6X)	—	—	46.1	44.0
World Tennis C.	35.9	52.6	215.4	296.1
Total Group	**1,822.6**	**1,838.8**	**12,654.3**	**13,690.6**
% change	**-0.9%**		**-7.6%**	
Photography				
American Photo (6X) C.	—	29.5	143.8	193.8
Petersen's Photographic	28.6	26.4	145.1	170.1
Popular Photography C.	102.7	84.8	598.4	485.0
Total Group	**131.3**	**140.7**	**887.3**	**848.9**
% change	**-6.7%**		**4.5%**	
Science/electronic/mech				
Discover C.	35.1	41.2	215.0	241.9
Home Office Computing C.	42.0	49.8	285.6	286.7
Omni C.	45.5	58.5	309.1	360.1
Personal Computing	165.0	164.0	817.0	1,029.0
Popular Mechanics C.	61.8	80.5	403.5	521.5
Popular Science C.	78.2	126.2	398.9	577.2
Scientific American C.	45.5	38.2	235.1	247.5
Spectrum C.	55.5	55.5	317.5	353.6
Total Group	**528.5**	**613.9**	**2,981.6**	**3,617.5**
% change	**-13.9%**		**-17.6%**	
Woman/fashion/service				
Bride's Magazine (6X) A. C.	476.0	499.0	1,770.9	1,726.1
Cosmopolitan A. C.	155.6	187.9	1,096.5	1,189.7
Elle C.	131.9	116.2	1,023.9	1,038.1
Essence C.	55.7	68.4	451.8	456.8
Family Circle (17X) A. C.	181.2	183.7	841.7	992.4
Glamour C.	166.2	177.0	917.0	1,011.7
Good Housekeeping A. C.	151.9	152.9	830.6	778.2
Harper's Bazaar C.	65.4	60.5	647.5	633.4
Health C.	33.6	40.2	212.6	198.3
Imagen	84.6	117.7	591.9	538.0
Ladies' Home Journal C.	113.7	127.0	762.7	780.1
Lear's C.	42.5	42.3	323.8	318.6
Mademoiselle C.	118.4	127.0	750.1	819.2
McCall's C.	84.1	93.3	488.1	561.4
Military Lifestyle (10X)	104.6	46.4	480.2	495.7
Mirabella	78.2	121.6	511.2	121.6
Modern Bride (6X) C.	326.4	351.9	1,351.6	1,324.0
New Woman C.	68.3	78.8	453.9	534.2
Parents Magazine A. C.	132.9	139.4	720.5	730.3
Redbook C.	108.1	95.7	572.4	559.6
Savvy C.	26.2	44.1	199.6	289.2
Self C.	79.0	91.7	644.1	662.4
Seventeen C.	76.5	107.4	623.7	667.3
Shape C.	59.8	64.6	328.5	396.4
Soap Opera Digest (26X) C.	25.6	39.5	207.1	234.5
Soap Opera Update	12.5	14.0	64.0	61.8
Teen Magazine	28.2	43.3	276.3	263.5
True Story A. C.	52.5	47.3	323.7	312.0
Vogue C.	152.7	149.7	1,354.7	1,510.1
W Magazine (26X) C.	43.2	47.1	639.5	682.0
Weight Watchers C.	31.7	26.7	213.7	200.0
Woman (10X) C.	23.3	25.0	147.6	175.7
Woman's Day (15X) A. C.	112.7	101.5	749.5	879.4
Workbasket	20.0	22.2	124.9	145.2
Working Mother C.	56.8	57.6	362.4	427.0
Working Woman C.	61.8	90.0	472.7	537.7
Total Group	**3,545.9**	**3,798.3**	**21,530.9**	**22,051.4**
% change	**-6.6%**		**-2.4%**	
Youth				
Boys' Life C.	12.6	20.4	103.7	111.3
Campus Life (10X)	—	—	204.5	214.0
Total Group	**12.6**	**20.4**	**308.2**	**325.9**
% change	**-38.0%**		**-5.4%**	
Business/national				
Barron's	157.9	180.3	881.3	904.5
Black Enterprise C.	183.4	206.2	513.8	545.0
Business Month C.	37.9	35.4	215.7	199.4
Business Week (52X) A. C.	490.5	444.2	2,041.8	2,229.7
Entrepreneur C.	160.1	137.0	1,005.7	903.8
Financial World (26X) C.	70.9	71.3	536.7	400.7
Forbes (26X) C.	299.7	273.0	1,802.4	1,670.5
Fortune (26X) C.	301.4	421.5	1,547.0	1,639.8
Frequent Flyer	41.5	32.6	240.5	251.0
Futures	43.3	43.4	250.2	265.2
Inc. Magazine C.	78.6	97.7	520.3	577.6
Income Opportunities	69.5	71.9	384.5	416.2
Industry Week (23X) A.	94.3	112.7	531.8	546.5
Nation's Business (12X) A. C.	29.5	38.8	158.3	228.1
Total Group	**2,058.4**	**2,165.9**	**10,630.8**	**10,778.1**
% change	**-5.0%**		**-1.4%**	
Business/regional				
Advantage-Nashville's Bus. Monthly	22.3	32.3	134.6	200.8
Arizona Business Gazette	66.0	76.7	271.0	367.2
Bus. Jrnl.-Milwaukee	130.2	147.6	887.5	887.2
Bus. Jrnl.-Sacramento	73.2	79.4	507.6	474.5
Bus. North Carolina	56.8	54.5	250.3	252.0
Capital Dist. Bus. Review (52X)	80.1	93.0	416.6	441.8
Caribbean Business	157.9	167.3	723.7	751.4
Corporate Report Minnesota	47.5	49.3	272.6	337.3
Crain's Chicago Bus. (52X)	141.9	134.0	840.5	826.7
Crain's Cleveland Bus. (52X)	67.5	70.4	450.6	458.8
Crain's Detroit Bus. (52X)	85.0	77.5	530.6	454.5
Crain's New York Bus. (52X)	81.5	51.6	418.5	330.0
Florida Trend (13X)	36.0	50.6	289.1	366.8
Georgia Trend	57.3	30.5	266.9	273.6
Grand Rapids Bus. Jrnl.	57.1	44.1	330.1	264.8
Hawaii Business	42.3	35.5	294.7	261.9
Houston Bus. Jrnl. (52X)	78.5	64.5	375.5	431.3
Indianapolis Business Journal (52X)	162.2	148.4	856.7	896.7
Manhattan Inc. C.	47.9	53.0	253.2	283.2
New England Bus. (12X) A.	30.3	32.8	197.2	253.4
New Orleans City Bus.	49.9	38.6	292.0	242.0
Pacific Bus. News (52X)	110.2	104.2	611.4	607.9
Philadelphia Business Journal	96.2	173.7	224.6	376.2
Pittsburgh Business Times (52X)	89.0	122.3	564.8	701.3
Providence Business News	81.1	85.9	426.4	533.3
Regardie's/Washington	123.0	172.0	810.0	937.0
St. Louis Bus. Jrnl. (52X)	97.0	94.9	638.8	629.5
Warfield's Monthly Baltimore	51.9	49.7	361.8	381.7
Total Group	**2,219.9**	**2,334.2**	**12,497.3**	**13,222.9**
% change	**-4.9%**		**-5.5%**	
National Sunday mags				
Parade (52X) C.	53.3	52.8	340.0	356.7
USA Weekend (52X) C.	48.7	46.9	321.4	303.7
Vista Magazine (52X)	16.7	17.6	108.7	120.2
Total Group	**118.8**	**117.3**	**770.1**	**780.6**
% change	**1.2%**		**-1.3%**	
Newspaper Sunday magazine				
Boston Globe	127.0	167.2	1,006.8	1,204.7
Chicago Tribune	134.7	109.2	734.3	658.8
Cleveland Plain Dealer	47.7	67.7	349.6	399.1
The Dallas Morning News	47.3	64.9	306.2	392.8
Detroit Free Press	54.0	42.0	309.0	272.0
L.A. Times C.	62.0	94.2	491.5	632.9
Louisville Courier-Jrnl.	25.0	24.0	146.0	179.0
New York Times Mag. C.	268.7	286.9	1,871.6	1,910.9
Philadelphia Inquirer	103.3	83.5	561.6	538.6
Seattle Times	69.0	56.0	461.0	391.0
St. Louis Post Dispatch	79.3	66.5	456.9	482.4
Washington Post	97.3	121.2	649.9	814.6
Total Group	**1,115.2**	**1,183.3**	**7,344.4**	**7,876.8**
% change	**-5.8%**		**-6.8%**	
Weeklies/bi-weeklies				
The Advocate (26X)	150.3	136.0	792.9	890.2
Army Times Military Group:				
Air Force Times (52X)	133.5	150.2	894.4	945.7
Army Times (52X)	138.2	147.5	889.2	905.9
Navy Times (52X)	143.7	169.8	937.7	1,035.0
Capper's (26X)	23.4	24.2	179.8	198.9
Commonweal (22X)	4.8	2.7	60.0	48.5
Golf World (10X)	175.4	133.9	896.9	751.8
Grit (52X) A.	29.4	28.5	226.5	208.5
National Journal (50X) C.	72.0	68.7	354.8	380.7
National Review (25X)	31.3	33.5	161.4	158.6
New Republic (48X)	33.0	35.8	237.7	259.1
New York Mag. (50X) C.	187.7	193.3	1,218.7	1,412.4
New Yorker C.	132.2	139.2	1,043.0	998.2
Newsweek (52X) A. C.	168.3	148.0	1,071.1	1,175.9
People (51X) C.	268.7	251.7	1,697.0	1,879.7
Rolling Stone (25X) C.	157.5	194.5	923.6	959.0
Sporting News (52X) C.	39.6	48.5	253.5	293.9
Sports Illustrated (52X) A. C.	185.1	211.6	1,242.6	1,482.8
Time (52X) A. C.	194.6	201.6	1,248.8	1,349.7
TV Guide (52X) A. C.	152.6	143.6	1,440.2	1,666.5
US Magazine (26X) C.	55.8	72.0	365.1	375.1
U.S. News & World Report (50X) A. C.	146.9	133.3	891.2	924.9
Total Group	**2,604.0**	**2,708.1**	**17,028.1**	**18,247.1**
% change	**-3.8%**		**-6.7%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

New cereal brands put snap in market

By John C. Maxwell Jr.

The ready-to-eat cereal industry witnessed another strong year in 1989 with volume up about 3.5% to 2.6 billion pounds. On a dollar basis, sales climbed some 15% to $6.8 billion.

For 1990, volume will increase another 3.5%.

Kellogg Co.'s share erosion, down almost 3 points last year, reflects the decline of established brands.

Corn Flakes, Rice Krispies, Raisin Bran and Froot Loops have continued to erode.

On the other side, Common Sense Oat Bran flakes, introduced late in 1988, has been a real winner for Kellogg.

Heartwise, Kenmei Rice Bran and Bigg Mixx have been introduced recently so it's too early to make a judgment on these brands.

There will be some added erosion of Kellogg's share this year, along with a further stream of new-product introductions.

General Mills gained more than 2 share points for the year, and the company will maintain or increase its share this year. General Mills' basic products have continued to perform well.

Its two newest products, Apple Cinnamon Cheerios and Total Raisin Bran, have added to the company's total share.

Kraft General Foods' share erosion continued, down about 1.5 points for the year, and this has continued into 1990.

As with Kellogg, many Kraft General Foods' Post products don't speak to the new health perceptions of people relating to such foods as oats and bran. Honey Bunches of Oats, one of Post's first new products in many years, is doing well.

The company needs a stream of new products to at least maintain share, but there may be more erosion during the year.

Quaker Oats Co. also is under pressure, with its main product, Cap'n Crunch, eroding slightly, along with Life cereals. Some recently introduced products have offset the declines of these older products.

Without some new-product movement, however, there will be further erosion on the Quaker front.

Ralston Purina Co. gained some share in 1989 and this year, mainly due to its licensed products such as Nintendo Cereal System and Teenage Mutant Ninja Turtles.

The company is losing market share on some of its old-line products, such as Chex, Almond Delight and Cookie-Crisp, and is increasingly dependent on licensed products to see growth.

Nabisco Brands continued its share loss in 1989, and the company will lose more share unless it comes up with products that meet the current consumer spectrum.

Teddy Grahams Breakfast Bears has been recently introduced, but it's too early to evaluate this product's performance. □

Mr. Maxwell is an analyst with Wheat, First Securities, Richmond, Va.

Market shares of the top 10 cold cereals

	1988		1989	
Brand	Lbs.	$	Lbs.	$
Corn Flakes (Kellogg)	5.8%	3.5%	5.4%	3.4%
Frosted Flakes (Kellogg)	5.3	4.8	5.1	4.6
Cheerios (General Mills)	4.5	4.6	4.7	4.8
Raisin Bran (Kellogg)	4.1	3.5	3.7	3.1
Rice Krispies (Kellogg)	3.4	3.5	3.1	3.2
Honey Nut Cheerios (General Mills)	3.1	3.4	3.1	3.4
Cap'n Crunch (Quaker Oats)	3.2	3.0	2.9	2.7
Chex (Ralston Purina)	3.2	3.2	2.9	2.9
Shredded Wheat (Nabisco)	3.2	3.0	2.8	2.6
Bran products (Kellogg)	3.0	2.5	2.6	2.3
Total	**36.8%**	**35.0%**	**36.3%**	**33.0%**

Source: John C. Maxwell Jr.

Cold cereal market shares

	1987		1988		1989	
Kellogg	**Lbs.**	**$**	**Lbs.**	**$**	**Lbs.**	**$**
Corn Flakes	6.3%	4.2%	5.8%	3.5%	5.4%	3.4%
Frosted Flakes	5.9	5.5	5.3	4.8	5.1	4.6
Raisin Bran	4.3	3.7	4.1	3.5	3.7	3.1
Rice Krispies	3.6	3.8	3.4	3.5	3.1	3.2
Bran products	3.5	2.8	3.0	2.5	2.6	2.3
Frosted Mini-Wheats	2.2	2.1	2.2	2.2	2.1	2.2
Froot Loops	2.3	2.9	2.1	2.6	1.9	2.3
Common Sense Oat Bran	—	—	0.3	0.3	1.6	1.9
Cracklin' Oat Bran	—	—	1.1	1.3	1.6	1.9
Special K	1.6	2.0	1.5	1.7	1.3	1.7
Nutri-Grain	1.7	1.8	1.5	1.7	1.2	1.3
Apple Jacks	1.1	1.5	1.1	1.4	1.0	1.3
Mueslix	0.2	0.3	1.1	1.5	0.9	1.0
Corn Pops	0.9	1.1	0.9	1.1	0.9	1.1
Shredded Wheat Squares	0.8	0.8	1.1	1.1	0.8	0.9
Crispix	1.0	1.2	0.9	1.1	0.8	1.0
Product 19	0.8	1.0	0.8	1.0	0.7	0.8
Honey Smacks	1.0	1.0	0.8	0.8	0.7	0.8
Nut & Honey Corn Flakes	—	—	—	—	0.7	0.7
Cocoa Krispies	0.6	0.8	0.5	0.6	0.5	0.6
S.W. Graham	—	—	—	—	0.4	0.4
Just Right	0.8	1.0	0.9	1.1	0.3	0.3
Apple Raisin Crisp	0.4	0.4	0.3	0.3	0.2	0.3
Fruity Marshmallow Krispies	0.4	0.4	0.3	0.3	0.2	0.2
Heartwise	—	—	—	—	0.1	0.1
Oatbake	—	—	—	—	0.1	0.2
Others	1.1	1.3	2.0	2.9	1.1	2.0
Total	**42.5**	**42.0**	**42.1**	**42.2**	**39.0**	**39.6**
General Mills						
Cheerios	4.6	4.9	4.5	4.6	4.7	4.8
Honey Nut Cheerios	2.9	3.2	3.1	3.4	3.1	3.4
Total	2.1	2.6	2.3	2.7	2.1	2.6
Lucky Charms	1.5	1.8	1.6	1.9	1.7	2.0
Apple Cinnamon Cheerios	—	—	—	—	1.2	1.5
Wheaties	1.6	1.4	1.5	1.3	1.6	1.3
Raisin Nut Bran	1.0	1.0	1.2	1.2	1.2	1.2
Total Raisin Bran	—	—	—	—	0.8	1.1
Trix	1.1	1.5	1.1	1.5	1.1	1.4
Oatmeal Raisin Crisp	0.4	0.4	0.9	0.9	1.1	1.1
Golden Grahams	1.0	1.1	1.0	1.1	1.0	1.1
Cinnamon Toast Crunch	0.6	0.7	0.7	0.8	0.8	0.9
Kix	0.6	0.8	0.7	0.8	0.8	1.0
Cocoa Puffs	0.6	0.8	0.6	0.8	0.6	0.8
Clusters	0.2	0.2	0.4	0.5	0.6	0.7
Crispy Wheats 'n Raisins	0.6	0.7	0.6	0.6	0.5	0.6
Monster cereals	0.4	0.6	0.5	0.6	0.4	0.5
Fibre One	0.4	0.4	0.3	0.4	0.3	0.4
Others	0.3	0.5	0.6	1.3	0.1	0.1
Total	**20.7**	**23.6**	**21.6**	**24.4**	**23.7**	**26.5**

	1987		1988		1989	
General Foods	**Lbs.**	**$**	**Lbs.**	**$**	**Lbs.**	**$**
Grape-Nuts	2.6%	1.8%	2.4%	1.7%	2.1%	1.5%
Raisin Bran	2.5	2.2	2.3	2.0	1.7	1.5
Pebbles	1.5	1.9	1.5	1.9	1.3	1.5
Super Golden Crisps	1.1	1.1	1.0	1.0	0.8	0.8
Honey Bunches of Oats	—	—	—	—	0.8	0.9
Post Fruit & Fiber	1.4	1.4	1.1	1.3	0.7	0.6
40% Nat'l. Bran Flakes	0.8	0.7	0.8	0.6	0.7	0.5
Honeycombs	0.8	0.9	0.7	0.9	0.7	0.8
Post Toasties	0.7	0.5	0.5	0.2	0.5	0.2
Alpha-Bits	0.5	0.7	0.5	0.5	0.5	0.4
Oat Flakes	—	—	—	—	0.5	0.6
Others	0.1	0.1	0.6	0.8	0.3	0.7
Total	**12.8**	**12.1**	**11.9**	**11.4**	**10.6**	**10.0**
Quaker Oats						
Cap'n Crunch	2.9	3.2	3.2	3.0	2.9	2.7
Life	1.5	1.4	1.6	1.5	1.2	1.1
100% Natural	1.2	1.1	1.3	1.2	1.0	0.9
Quaker Oat Squares	0.1	0.1	0.6	0.6	1.0	1.0
Oh's	0.9	1.0	0.9	1.0	0.9	1.1
Quaker Oat Bran	—	—	—	—	0.3	0.2
Crunchy Bran	0.5	0.5	0.5	0.4	0.3	0.2
Others	0.7	0.6	0.4	0.3	0.5	0.6
Total	**7.8**	**7.9**	**8.5**	**8.0**	**8.1**	**7.8**
Ralston Purina						
Chex	3.6	3.6	3.2	3.2	2.9	2.9
Almond Delight	0.7	0.7	0.6	0.6	0.5	0.5
Muesli	—	—	—	—	0.5	0.5
Cookie-Crisp	0.4	0.6	0.4	0.5	0.3	0.4
Bran News	—	—	—	—	0.2	0.1
Dinersaurs	—	—	0.5	0.6	0.1	0.1
Others	0.1	0.1	0.7	1.0	0.2	0.2
Ralston's licensed products						
Nintendo	—	—	—	—	0.4	0.5
Teenage Mutant Ninja Turtles	—	—	—	—	0.4	0.5
Ghostbusters	0.1	0.2	—	—	0.2	0.3
Morning Funnies	—	—	—	—	0.2	0.2
Barbie	—	—	—	—	0.1	0.2
Batman	—	—	—	—	0.1	0.2
Subtotal	0.3	0.6	0.5	0.6	1.5	2.0
Total	**5.5**	**6.1**	**5.4**	**5.9**	**6.1**	**6.6**
Nabisco						
Shredded Wheat	3.9	3.6	3.2	3.0	2.8	2.6
Fruit Wheats	0.7	0.7	0.8	0.7	0.6	0.6
Frosted Wheat Squares	—	—	0.5	0.5	0.6	0.6
100% Bran	0.5	0.4	0.5	0.4	0.5	0.4
Others	0.2	0.2	0.2	0.2	0.2	0.3
Total	**5.3**	**4.9**	**5.2**	**4.8**	**4.7**	**4.5**
All others	**5.4**	**3.4**	**5.3**	**3.3**	**7.8**	**5.0**
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: John C. Maxwell Jr.

Kleenex bathroom tissue is ready to roll

By Laurie Freeman

Kimberly-Clark Corp. this fall will re-enter the premium bathroom tissue segment with the introduction of Kleenex bathroom tissue.

The company got out of the segment in 1984, pulling Kleenex Boutique bathroom tissue because "it didn't have the quality we wanted" to represent the Kleenex brand, said Jean Allen, director of corporate communications.

The company still markets Delsey, an economy brand with about a 1% share of the $2.9 billion bathroom tissue market.

The premium segment makes up 62% of overall market, Nielsen Marketing Research Group reported.

The new tissue will compete against the likes of Procter & Gamble Co.'s Charmin and White Cloud; James River Corp.'s Northern; and Scott Paper Co.'s Cottonelle.

Industry analysts believe Kimberly-Clark is aiming initially for an 11% share in the segment and will spend $4 million to $8 million in marketing support. Kimberly-Clark declined comment on the budget.

"What will be interesting is how James River reacts, because they are the most threatened by Kimberly," said Sherman Chao, paper industry analyst at Salomon Bros. "James River may choose to hit Kimberly in the facial tissue area if Kimberly hurts them in the bathroom tissue area."

He noted much of James River's bathroom tissue business is concentrated in the premium segment, while Scott is strong in the economy segment. P&G is the overall and premium segment leader with shares of 27% and 44%, respectively; James River has a 21% overall share and 26% in the segment; and Scott has a 23% overall and 13% segment share.

The new Kleenex bathroom tissue will be distributed initially in the south and central U.S. Advertising from Foote, Cone & Belding, Chicago, is expected to start in October. The theme of the print, TV and couponing campaign will focus on the "softness" of the new tissue, Ms. Allen said.

Industry observers earlier this year had expected Kimberly-Clark to market a bathroom tissue made of recycled paper fiber. However, "at present, only virgin fiber provides a premium softness," so the new product doesn't contain recycled paper fiber, Ms. Allen said.

The bathroom tissue, however, uses an inner core of 100% recycled cardboard, water-based inks and a plastic outer wrapper made of recycled manufacturing waste that can be recycled again, she said. □

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NEWSPAPER

Advertising Age

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McCann lands int'l cereals

By Julie Skur Hill

The international joint venture of General Mills and Nestle has served up its cereal account—worth $30 million to $40 million in the first year—to McCann-Erickson Worldwide.

The move is the latest sign that the joint venture, formed last December, intends to take on Kellogg Co.'s dominance in the global cereal business.

Cereal Partners Worldwide, based in Morges, Switzerland, was formed to enable the two parent companies to do just that.

Products of the joint venture, which will carry the Nestle name, will be distributed everywhere except the U.S. and Canada, with an emphasis on Europe.

"We're still in the planning stages on what products and what countries will go first," said Craig Shulstad, director of media and financial relations for General Mills in the U.S.

"Look at where Nestle is now, and they're likely to go there first," said a source close to the situation. "This deal was created to combine Nestle's distribution clout and General Mills' expertise in cereals."

When the joint venture was formed, the plan was for the cereals to be manufactured at Nestle plants. Some of the brands, a General Mills source said at the time, could be marketed in the U.S.

But Europe is the focus now.

"France would be a logical market for them to start," said Bertrand Facon, a food analyst at Credit Suisse First Boston, London. "Nestle has a good market share there. . . . and the partnership is cleaning up an old factory on the border between France and Belgium to use."

Last week, Cereal Partners U.K. announced a deal to purchase Ranks Hovis McDougall's cereal business for $169 million, instantly bringing its U.K. market

(Continued on Page 42)

Ad industry loses hero in Brennan

By Steven W. Colford

WASHINGTON—The resignation of Justice William Brennan from the U.S. Supreme Court may mark the end of a nearly unbroken 14-year string of increasing legal protections for advertising.

Regardless of how his likely successor, Judge David Souter, feels about commercial speech, several legal scholars portrayed the departure of Justice Brennan as a major blow to advertising.

President Bush nominated Judge Souter last week to fill Justice Brennan's seat.

The 84-year-old Eisenhower appointee was considered among the most fervent advocates of granting to commercial speech many of the same constitutional protections enjoyed by political speech.

Lawyer Floyd Abrams, a leading defender of commercial speech, said the impact on advertising of Justice Brennan's resignation is "enormous, almost incalculable.

"No one can serve as a substitute for Brennan," said Mr. Abrams, a partner with the New York law firm of Cahill, Gordon & Reindel. "It is a loss. . . . a major blow regardless of the views of David Souter. Brennan was the leading spokesman on the court for commercial speech, and his influence in that area was far more significant than merely being one vote in nine."

Supreme Court Historical Society

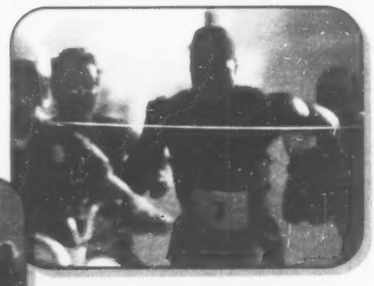
W. Brennan

Justice Brennan sided with the majority in what are widely considered to be the two landmark commercial-speech decisions, *Virginia State Board of Pharmacy vs. Virginia Citizens Consumer Council* in 1976 and *Central Hudson Gas vs. Public Service*

(Continued on Page 44)

HOT STUFF!

In one of the new Levi's 501 jeans commercials directed by Spike Lee, two Brooklyn youths on the Coney Island boardwalk demonstrate their ability to talk backwards. Mr. Lee is heard but not seen. Spots break in August via Foote, Cone & Belding, San Francisco. See story on Page 44.



The first corporate image campaign for Reebok by Hill, Holliday, Connors Cosmopulos, Boston, shows regular people participating in track and field events, dance rehearsals, tennis, basketball and other sports. Theme line is "It's time to play." See story on Page 41.

LAST MINUTE NEWS

FKB in receivership

LONDON—FKB Group last week went into receivership. The troubled marketing services group is now in the hands of two administrative receivers, who said they will sell many of FKB's subsidiaries. FKB owns eight U.S. sales promotion and direct marketing agencies including American Consulting Corp., New York, and QLM Associates, Princeton, N.J. "It came as a surprise to us," said one FKB director. "We were hoping for continued support."

GGK seeks partner

ZURICH—GGK acknowledged it's looking for a partner and is open to a partial sale. A press report here has identified New York-based BBDO Worldwide as a possible suitor of the Swiss agency, but BBDO denied any discussions with GGK. "I know nothing about it," said Chairman-CEO Allen Rosenshine. BBDO parent Omnicom Group, however, is said to be eyeing formation of a third agency network in Europe by acquiring all or part of GGK or another independent European agency group (AA, Jan. 29).

Chiat's Caribbean headache

MIAMI—Royal Caribbean Cruise Lines is reviewing its $30 million account now at Chiat/Day/Mojo, New York, which might be included in the review. Sources said agencies asked to pitch include Avrett, Free & Ginsberg; Geer, DuBois; Levine, Huntley, Schmidt & Beaver; and Lord Einstein O'Neill & Partners, all New York; and McKinney

(Continued on Page 8)

INSIDE

News summary

Ad Age's new at-a-glance look at the week's marketing news.

See Page 2.

Environmental practices affect sales P. 19 • **TV nets look to radio for young viewers** P. 46

NEWS SUMMARY

■ **Cereal Partners Worldwide,** an international joint venture of General Mills and Nestle that will compete against cereal leader Kellogg Co., named McCann-Erickson Worldwide as its agency. 1

■ **Legal protection for advertising** is losing a strong advocate with the retirement of U.S. Supreme Court Justice William Brennan. 1

■ **Television viewing** returned to more normal patterns in the second quarter, according to A.C. Nielsen figures, following significant drops earlier in the year. 3

■ **Mitsubishi Corp.** established a house agency in Japan, leading to speculation that Mitsubishi and other large Japanese trading companies will become important factors in the agency business. 3

■ **Saatchi & Saatchi Co.** isn't planning to sell its agency or communications units, its chief executive says. But it may make some real estate deals. 3

■ **"Woman's Day"** was taken off the market by Diamandis Communications Inc., indicating a weakness in the women's magazine field. Another indication: Conde Nast folded *Woman* magazine. 4

■ **Xerox Corp.** moved its $25 million account from Backer Spielvogel Bates to Young & Rubicam, whose successful pitch was themed "Putting it together." 4

■ **US Sprint,** the No. 3 long-distance telephone marketer, will start a new TV campaign next month. 6

■ **Gerber Products Co.** will market Juice & More juice drink, aimed at adults, starting in October with a $16 million introductory campaign. 12

■ **Pizza Hut** is tying in with the October video release of "Teenage Mutant Ninja Turtles." The video will carry a Pizza Hut commercial and will be packaged with a $20 coupon discount book. 14

■ **Timex Corp.'s** new print campaign will feature people who've had strange or unusual experiences. 15

■ **The facial skincare** market will see new entries into the $600 million segment in the fall from Oil of Olay, Revlon and perhaps Andrew Jergens Co. 18

■ **Environmental practices** of companies can affect their sales, according to a New York state consumer survey by Century Research Corp. 19

■ **The European** Advertising Tripartite will lead the battle against proposed European Community ad restrictions. Earlier, there were calls for a new organization to coordinate ad industry efforts. 30

■ **Reebok International** is expected to put $20 million during the back-to-school period behind its new ad campaign, themed "It's time to play." 41

■ **CBS and NBC** are using radio advertising to lure younger TV viewers to their new fall lineups. 46

DEPARTMENTS

Ad Review	46	Index to Advertisers	46
James Brady	24	International News	30
Brady's Bunch	34	Letters	23
Joe Cappo	24	MediaWorks	32
Classified	36	NewsWatch	12
ConSiderations	22	People Moving	33
Corrections & Clarifications	23	PeopleWorks	33
Editorials	22	Photo Review	35
For the Record	41	The Next Trend	24

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Furor over PGA site sinks golf sponsors

Major advertisers map TV pullout

By John McManus

Shoal Creek is just the beginning.

As advertisers agonized late last week over whether to abandon telecasts of the PGA Championship from Shoal Creek Country Club, they faced a startling reality: When it comes to program content, golf tournaments can explode with as much force as "Married . . . With Children."

The issue blew up when Hall Thompson, founder of the Birmingham, Ala., country club, told *The Birmingham News* last month that club members could choose with whom they wanted to associate and that the club wouldn't be pressured into admitting blacks.

The remarks by Mr. Thompson, who's since apologized, brought threats of picketing and boycotts of the event by the Rev. Abraham Woods, president of the Birmingham chapter of the Southern Christian Leadership Conference.

As a result, at least six companies were working to withdraw or reduce their advertising commitments to the ABC and ESPN telecasts: IBM Corp. (ABC); American Honda Motor Co.'s Acura division, Anheuser-Busch and Spalding Sports Worldwide (all ESPN); and Toyota Motor Sales USA and Sharp Electronics Corp. (both ABC and ESPN).

Delta Air Lines and Eastman Kodak Co. planned to drop or curb their on-site presence at Shoal Creek, while United Airlines and USF&G Co. were evaluating whether to stick with the ABC broadcast.

By July 27, ABC Sports Senior VP Steve Solomon reportedly estimated the toll of the pullout at close to $2 million. Before the withdrawal, ABC's ad revenue was projected at $8.4 million and ESPN's take at $850,000. ABC, the network of the PGA Championship for 25 years, has paid $3.5 million for TV rights this year.

On July 26, Birmingham Mayor Richard Arrington announced after meetings with Shoal Creek officials that the club had pledged it would start admitting black members. He asked advertisers to reconsider their positions.

One ad agency executive whose clients had committed to buy time on the Aug. 9-12 telecasts said ABC may yet be able to quell advertiser worries and recover some or all of them in time for the event.

Nearly half of the 39 events on the men's PGA Tour are played at country clubs with no black members.

"Even the ones that are out are really not necessarily out for good," the agency source said. "ABC is talking to us, and because the Shoal Creek situation has been resolved, some of the names will be back in."

But at least one marketer stands by its decision.

"American Honda believed it was a sound business decision to withdraw from the telecasts," said spokesman Bob Butorac. "It goes with our policies as an equal opportunity employer. As for other televised tournaments, we plan to be consistent" in applying the decision.

Although the losses for this tournament may not be huge, the impact of the boycott extends far into the marketing community.

"This raises a whole lot of issues for televised professional golf," said Louis Schultz, exec VP-director of media services at Lintas:USA, New York. "Most tour events are held at private clubs, and private clubs by their nature bar someone. One has to be concerned about ones that have suspect membership practices, but it's so hard to tell.

"The other thing you have to weigh out is the millions of dollars in charities these events raise. It's all open to question now."

National and local marketers spend more than $100 million annually on advertising, sponsorship and licensing tied to nationally televised golf events held at private clubs and other golf courses.

ABC, CBS, NBC and cable operations like ESPN, USA Network, Turner Broadcasting System, SportsChannel America and Prime Network all televise golf events.

The Charlotte (N.C.) *Observer* has reported nearly half of the 39 events on the men's PGA Tour are played at country clubs with no black members. And many of the host sites of the women's professional golf circuit, the LPGA Tour, don't permit women members.

Golf Digest says 75% of U.S. private clubs have similarly exclusionary membership practices.

"I think exclusionary membership practices are a consideration for all of professional golf and the entire advertising community," said Robert Watson, director-advertising services and public relations for AT&T Co., which didn't participate in the PGA Championship but is a frequent advertiser in PGA Tour events. "When there's a threat of a boycott, advertisers are going to be concerned." □

Contributing to this story: Wayne Walley, Alison Fahey, Ira Teinowitz, Jennifer Lawrence and Raymond Serafin.

Eurocom wants U.S. agency

By Laurel Wentz

PARIS—Eurocom's next big step toward achieving its goal of becoming the only French-based major global agency network will be a U.S. acquisition by yearend.

"We have to be in the top 10 in the U.S.," said Pierre de Plas, Eurocom's VP-director general. "We have to double our size; we probably need [to buy] more than one agency."

Mr. de Plas said any agencies bought would be merged with Della Femina, McNamee, New York, to boost that agency's ranking to within the top 10. Della Femina, McNamee now ranks No. 20.

An agency source said a Eurocom buy is imminent.

Mr. de Plas said the French holding company will stick to its plan to develop Eurocom WCRS Della Femina Ball, Della Femina's parent, as its major network.

Eurocom also owns 33% of HDM Worldwide.

Mr. de Plas believes using two separate networks doesn't work. Unlike other agency holding companies with more than one network, however, HDM isn't dependent solely on Eurocom, he said.

EWDB was formed after Eurocom last December bought a majority of the WCRS Advertising Worldwide network and linked it with Della Femina in the U.S. and the Ball Group in Asia.

Eurocom currently owns 60% of EWDB but will increase its stake to 100% over the next several years. Eurocom's partners in HDM are Young & Rubicam, New York, and Tokyo-based Dentsu.

Mr. de Plas said he believes there will be within five to 10 years "one French network, one Japanese and three to five U.S. or U.K. networks, and that's it."

He's intent on making sure Eurocom is the sole French network and said Eurocom is willing to invest to make that happen. The network is nearly complete in Europe, he said, and the main investment now must be in the U.S.

Agency sources said they believe Eurocom will eventually bid for Backer Spielvogel Bates Worldwide.

Mr. de Plas said only that he hopes to make a deal by yearend and denied Eurocom would buy Backer.

Eurocom is looking for purchases that would together be about the same size as Della Femina, McNamee. Last year, Della Femina, McNamee reported gross income of $87.8 million on billings of $728.7 million.

Mr. de Plas said Eurocom is targeting agencies either in New York or Los Angeles.

He denied that one candidate is San Francisco-based Hal Riney & Partners, an agency that's been considered a likely target.

Simultaneously, EWDB is seeking to expand its below-the-line service businesses worldwide. With its European public relations network complete, Eurocom could eventually go into the U.S. and Far East, Mr. de Plas said.

In sales promotion, he said, Eurocom hasn't made much progress yet. □

'Tracy' nabs recall

Movie's ads arrest viewer attention

By Kate Fitzgerald

All the money being put into movie marketing is starting to pay off.

For the first time in recent memory, a movie—Walt Disney Co.'s "Dick Tracy"—was noted by the adWatch survey for having some of the best recalled ads.

Ads for "Dick Tracy" were the 13th best-recalled advertising in the June adWatch survey, conducted for *Advertising Age* by the Gallup Organization.

The estimated $10 million to $12 million campaign for the movie, playing up the roles of Warren Beatty as "Dick Tracy" and Madonna as "Breathless Mahoney," broke in late May, and the film opened June 15. TV, print and promotions, created in-house by Disney in conjunction with Western International, Los Angeles, supported the introduction.

Helping keep the "Dick Tracy" name top-of-mind, McDonald's Corp. on June 8 began the "Dick Tracy Crimestopper Game" with $40 million in prizes and more than $10 million in network and spot TV ad support. Leo Burnett USA, Chicago, handled advertising; Simon Marketing, Los Angeles, and Frankel & Co., Chicago, handled the scratch-card game and point-of-purchase material.

GALLUP SURVEY

Meanwhile, Miller Brewing Co. has returned to the adWatch top 10 after a four-month hiatus, scoring sixth overall in the survey for its Miller High Life, Miller Genuine Draft and Miller Lite brands.

Miller's appearance on the list—its first since January—was due to summertime promotions including the humorous "Tour de Lite" TV campaign featuring celebrities as diverse as Woody Harrelson of NBC's "Cheers" and the rap group Run-D.M.C. in a bogus bike race across the U.S. Backer Spielvogel Bates, New York, handles.

Also, Miller heavied the TV budget for its "Buy that man a Miller" campaign via Leo Burnett USA, Chicago. The brewer has maintained support of Genuine Draft in various executions from Backer.

Coca-Cola for the second month in a row won the No. 1 spot for best unaided recall, with Pepsi-Cola immediately behind in the No. 2 spot. Pepsi was No. 1 in March and April, and only Pepsi has been among the top three overall advertisers each month in 1990.

Ford held onto its No. 3 position for the fifth straight month, with Chevrolet and McDonald's tied for fourth place.

In an unusual three-way split, adWatch's No. 7 spot in June was crowded by AT&T Co., Anheuser-Busch's Budweiser and general grocery store ads.

For AT&T, that position is familiar territory, since it also placed seventh in the last survey, but Budweiser slid three notches to that spot after tying for fourth place in May with Chevrolet.

Procter & Gamble Co.'s Tide detergent and Nike clung to the No. 10 spot in overall recall; the recent survey didn't include the athletic shoe marketer's latest Bo Jackson campaign featuring "Multiple Bos," which broke July 8 via Wieden & Kennedy, Portland, Ore.

In the most recent survey, Chrysler dropped out of the top 10 after a three-month ride, and Toyota also disappeared after two months in the top 10.

AdWatch is a joint project of *Ad Age* and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is plus or minus 3.1%. □

AdWatch survey of advertising awareness Top 10 for June

In June, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 6/90	Rank 5/90	Advertiser	Agency
1	1	Coca-Cola	McCann-Erickson Worldwide
2	2	Pepsi-Cola	BBDO Worldwide
3	3	Ford	J. Walter Thompson USA
4*	4*	Chevrolet	Lintas:Campbell-Ewald
4*	6	McDonald's	Leo Burnett USA
6	—	Miller/Miller Lite	Backer Spielvogel Bates/Leo Burnett USA
7*	7	AT&T	N W Ayer/Ogilvy & Mather/Young & Rubicam
7*	4*	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles
7*	—	Grocery stores	—
10*	10*	Tide	Saatchi & Saatchi Advertising
10*	9	Nike	Wieden & Kennedy

*Indicates tie.

Plantation Lite sugar blend tests in East

By Judann Dagnoli

A tiny New York state marketer is hoping to reap sweet rewards from a new light sugar product.

U.S. Sugar Co., a $25 million Buffalo company unrelated to Florida's giant sugar processor of the same name, this month starts testing Plantation Lite all-natural light sugar blend.

Believed by U.S. Sugar to be the first of its kind, Plantation Lite is made of pure sugar and a natural blend of crystallized dextrose and fructose. The blend contains 12 calories per teaspoon, 25% less than pure sugar's 16 calories. U.S. Sugar wouldn't reveal the percentage of sugar in Plantation Lite.

The product is designed as both a tabletop sweetener and a baking ingredient, though the company doesn't recommend it for preparing meringue, brownies and certain hard candies, said Marketing Director William McDaniel Jr.

Plantation Lite is being tested in western New York, Pittsburgh and Erie, Pa., three of the company's strongest markets for its flagship regular sugar product, called U.S., he said. The target audience is health-conscious adults ages 25 to 54.

Mr. McDaniel said Plantation Lite will compete in the $1.5 billion granulated sugar category and against sugar substitutes, estimated to be a $1 billion market.

U.S. Sugar currently has 1% of the highly regionalized pure sugar market, distributing its regular sugar only east of the Mississippi River. Other players include much larger regional marketers such as Amstar Sugar Corp., California & Hawaiian Sugar Co., Savannah Foods & Industries and Imperial Holly Corp.—each with more than $500 million in sales.

But U.S. Sugar has high hopes for Plantation Lite. Mr. McDaniel said the product could become "the first national brand" of sugar blend.

Its closest rival now on the market, he said, is NutraSweet Co.'s Sugar Delight, which has limited distribution. The NutraSweet product is 99% sugar and 1% aspartame. Sugar Delight has 8 calories per serving but isn't heat stable, so it can't be used in baking. Because aspartame is much sweeter than sugar, a serving of Sugar Delight—somewhat less than a teaspoon—has a sweetness equivalent to 1 teaspoon of sugar.

U.S. Sugar won't be able to match the potential spending might of Sugar Delight, handled by J. Walter Thompson USA, Chicago. Mr. McDaniel said his company can't afford TV advertising yet and instead is opting for a six-week regional radio campaign that ends in mid-August.

The testimonial campaign, created in-house, re-creates comments from consumers in focus groups. Free standing inserts, offering 25¢ off the product, support. □

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Sears slipping from No. 1

By Kate Fitzgerald

Sears, Roebuck & Co.'s reign as the nation's largest retailer is about to end.

Sometime during the next few months, and certainly by yearend, Sears will fall behind K mart Corp. into second place and eventually drop to third behind Wal-Mart Stores, retail analysts say.

Retailers will release their July sales figures this week, and Sears is expected to trail K mart as it did in June, for the first time this year. Sears has been the No. 1 U.S. retailer for most of this century.

Depending on how the figures are viewed, K mart could pull ahead of Sears in total sales for the first seven months of 1990.

But one analyst pointed out that the month-to-month sales results for the top three retailers this year don't tell the whole story.

"If you include Sears' credit card business, the question of who's bigger in 1990 is touch-and-go. But as we get to the end of the year, it won't even be close—K mart will be well ahead of Sears," said Edward Weller, an analyst with Montgomery Securities.

K mart's reign as No. 1 may be short-lived, however.

"K mart will be on top when we go into 1991, followed by Sears and then Wal-Mart. But Wal-Mart will be No. 1 by the middle of next year," Mr. Weller predicted.

Rick Nelson, retail analyst for Duff & Phelps, agreed Sears is dropping fast.

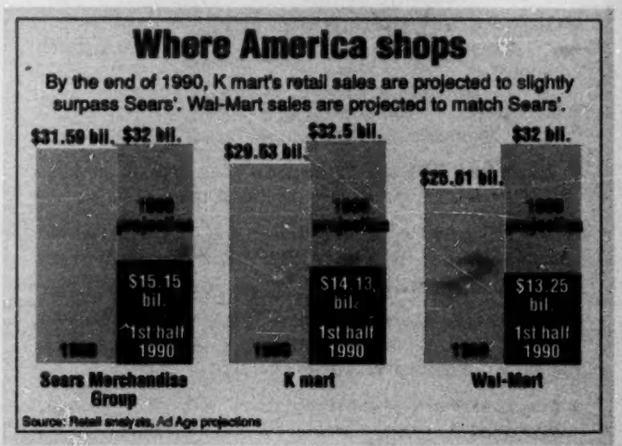
"They've been No. 1 for a long time but by next year Sears will have slipped to third place," he said.

Though not conceding the company's fall from the top spot, Sears executives discounted the importance of rankings.

"We want to be the premier retailer out there, but you don't have to be the biggest to do that," Michael Bozic, Sears Merchandise Group chairman, said last week. "It's more important to be the best in each of our individual lines of business."

The slide is likely to cause the retailer to seriously re-evaluate its strategies. Since launching the

(Continued on Page 36)



John Hall

NIELSEN UNDER SIEGE

Challenges from clients and rivals imperil stature in media, marketing research

By Wayne Walley and Scott Hume

A.C. Nielsen Co. has its back to the wall, fighting a multifront war to maintain its position as the world's dominant media and marketing research company.

How it responds over the next year to challenges from both competitors and clients is likely to decide whether that dominance will continue.

The most immediate and hottest challenge confronts its Nielsen Media Research unit, which finds itself caught in a nasty crossfire between the Big 3 TV networks on one side and advertisers and ad agencies on the other.

The well-known and widely used TV audience ratings system is under the most serious attack in its history, and the criticisms are coming from Nielsen's primary clients, the networks.

But the Nielsen Marketing Research unit—which accounted for an estimated $800 million in revenues last year, compared with $165 million for the media unit—is under fire as well.

The package-goods sales monitoring service has been forced to play catchup to competitors' innovations and to confront price cutting that's hurting profits. At the

(Continued on Page 37)

Shonna Valesky

Nielsen's Bill Jacobi: "prepared for a long, hard fight."

Sen. Kennedy aims at drug marketing

By Patricia Winters and Laurie Freeman

Sen. Edward Kennedy is investigating the marketing practices of the prescription drug industry, the latest sign that Congress suspects marketers are skirting federal rules.

Sen. Kennedy (D., Mass.), chairman of the Senate Labor & Human Resources Committee, sent letters July 12 to the nation's top pharmaceutical companies including Bristol-Myers Squibb Co., Pfizer and Warner-Lambert Co.

Art Stein

E. Kennedy

In the letter, Sen. Kennedy requested information about a variety of promotional practices, ranging from advertising to the use of seminars and non-traditional media such as video news releases.

Sen. Kennedy is well known in the drug industry. His committee sent a letter to drug companies a year ago asking about promotional practices.

In the 1970s he sponsored hearings on the industry's practice of courting doctors with premiums and unsolicited

(Continued on Page 36)

LAST MINUTE NEWS

Clark leaving Brouillard?

NEW YORK—Agi Clark, who last month was named chairman of the newly merged Brouillard/LGFE, will leave the shop in the next several weeks, a high-level source said. Ms. Clark, 48, was chairman-chief creative officer of Lord, Geller, Federico, Einstein before that agency was merged by parent WPP Group into Brouillard Communications. Her departure would mean none of Lord Geller's top executives and only a handful of its staffers will remain following a transition period. An agency spokesman said Ms. Clark will go to Brouillard/LGFE and has no other plans.

NBC, Gannett eye in-store

NEW YORK—NBC and Gannett are negotiating with Admax to become advertisers and programming suppliers on Admax's in-store TV network being launched in October in 50 supermarket warehouses, an Admax spokesman said. NBC confirmed it's talking with several in-store media companies. The network previously has said it was looking for another way to promote its shows while adding value to network TV buys. Gannett couldn't be reached for comment.

Lipstein deals with Japan

NEW YORK—Owen Lipstein is expected to announce this week he's selling a 50% stake in his troubled New American Magazine Co. to a Japanese media company, believed to be Tokyo-based JICC Shuppankyoku, sources said. The deal would be one of the first

(Continued on Page 2)

INSIDE

The game's getting ugly as sports media, advertisers face off over soaring costs—stories after Page 24.

Chiat's austerity moves P. 2 • What agency execs' kids do P. 12 • Who'll buy Trump's book? P. 30

NEWS SUMMARY

■ **K mart** is expected to pass Sears as the nation's largest retailer this year, but Wal-Mart may overtake them both some time in 1991. 1

■ **Prescription drug marketing** practices are being investigated by Sen. Edward Kennedy and may be the subject of Senate hearings this fall. 1

■ **Quaker Oats Co.** is re-evaluating new-product plans for 1991 as it closes out a poor fiscal year this week. 3

■ **Outdoor advertising spending** was down 15% in the first quarter, reflecting in part a pullback by tobacco companies. 3

■ **A "Fortune" letter** charging off-rate-card dealing by its rivals has heated up the business magazine wars. 3

■ **The 1992 Winter Olympics** have already attracted more than 30 U.S. companies as sponsors. 4

■ **Mutual fund** marketers' advertising may hit $120 million this year, up 50% over 1989, as investments in the funds increase. 13

■ **Procter & Gamble's Always,** the No. 1 sanitary napkin in the U.S., has entered Belgium and is expected to roll quickly into other European countries. 13

■ **Frequent shopper programs,** designed to reward consumers, are growing among supermarket chains. ... 21

■ **DowBrands** has introduced Fantastic S'wipes, premoistened cleaning towels, with a $4 million campaign. 31

■ **Alcoholic beverages** from Eastern Europe are hot in the U.S., despite an overall decline in spirits sales. 32

■ **Food labeling regulations** that would pre-empt some state regulations were approved by the U.S. House last week. 33

■ **Nabisco Foods** said it may sue Heinz Pet Products if it doesn't end an ad campaign claiming Meaty Bone dog biscuits are preferred 2-to-1 over Nabisco's Milk-Bone. . 34

■ **Terry Rakolta** said her Americans for Responsible Television group will start a membership drive next month with a mailing to 100,000 households with children. 35

■ **Cannes '90:** An eyewitness report and a study of the origins of originality. ("Creativity" is an *Ad Age* supplement available on request. Contact Dave Kelley, *Ad Age* Circulation, 965 E. Jefferson St., Detroit, Mich. 48207. 1-800-992-9970.) ..... Starts after Page 24

DEPARTMENTS

Ad Review	38	Letters	16
James Brady	17	Marketing to Hispanics	18, 20
Brady's Bunch	27	MediaWorks	25
Calendar	10	NewsWatch	10
Classified	29	People Moving	28
Con-Sid-erations	14	PeopleWorks	26
Editorials	14	Photo Review	28
For the Record	33	Sales Promotion News	21
Index to Advertisers	38	The Next Trend	17
International News	24	Joe Winski	17

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ABP ABC

Chiat's new route for '90s: Austerity

By Cleveland Horton and Gary Levin

High-profile, high-flying Chiat/Day/Mojo has clipped its own wings to prepare for a long journey through stormy weather.

Capping a decade of stellar growth, the agency last week put in place a severe austerity program that included layoffs of nearly 50 people, wage cuts and freezes, and scaled-back overhead.

The program extends beyond the general advertising agency to affect subsidiaries in public relations, design, direct marketing and business-to-business advertising.

The cutbacks stemmed primarily from the agency's hemorrhaging New York operation. Following the decision of Royal Caribbean Cruises to place its $30 million account up for review (AA, July 30), Chiat announced staff reductions in New York and the agency's Venice, Calif., headquarters.

Bob Wolf, chairman of North American operations, said 28 to 30 people were laid off at the New York operation. Sources indicated the figure may rise to 50.

Speculation also centered on the fate of two top people in New York—Jane Newman, president-ceo; and Michael Smith, senior VP-creative director—and on whether Mr. Wolf would return to New York to shore up the office.

"I don't plan to move to New York," Mr. Wolf said. "I don't want to comment on any management moves or speculation. Nothing's decided. . . . Obviously, we have to sit down and talk to Jane about the issues. No one's casting blame."

"To set some rumors straight, none of this has anything to do with the acquisition in Australia."

Asked whether he expected Ms. Newman to leave, Mr. Wolf said, "I don't expect her to leave."

About a dozen major accounts have either left the agency or substantially cut ad spending over the past 18 months. New York billings have dropped to less than $125 million from $200 million a year ago.

In a memo addressed to "Everyone in the Chiat/Day/Mojo family," agency Chairman Jay Chiat outlined the agency's problems and steps being taken to deal with "an extremely difficult year for our industry."

As part of the plan, agency directors, senior management and major shareholders took "significant" pay cuts. Further, staffers earning salaries of $100,000 or more face a wage freeze, while all other raises will be limited to 5%.

Overhead expenses have been "drastically cut," the memo said.

"Naturally, we hope these measures will be very temporary," Mr. Chiat said in his memo. However, other agency executives said privately they expect the company to remain in an austerity posture for several years.

At the company's headquarters, staff cuts were limited to about seven people. Peter deVaux, exec VP-chief financial officer, resigned last week, and Simon Bax, former VP-financial operations, will succeed him.

In an earlier staff cut, the corporate finance department reduced its staff by 15 in July.

Chiat design subsidiary Keith Bright & Associates let go about 12 employes in the Venice and New York offices, dropping the total staff to 49, primarily because corporate identity spending is off.

Observers suggest Chiat is feeling the financial pressures of debts taken on with a leveraged recapitalization and the later $56.5 million acquisition of Australia's Mojo MDA. The recapitalization, funded primarily with junk bonds, allowed agency prin-

(Continued on Page 8)

Disney, Kellogg team

By Marcy Magiera

Walt Disney Co.'s Buena Vista Television will launch in mid-August a giant cross-promotion with Kellogg Co. for the Disney Afternoon.

The promotion, running through October, will link the Disney Afternoon syndicated TV shows "DuckTales," "Chip 'N Dale's Rescue Rangers," "Disney's Adventures of the Gummi Bears" and "Tale Spin" with six Kellogg cereal brands.

The promotion is one of the largest ever in the cereal industry, said Celeste Clark, Kellogg VP-nutrition marketing and communications, but she wouldn't give a budget figure.

Buena Vista is taking a brand management approach to marketing its syndicated shows. The Disney Afternoon's entire marketing campaign, valued at $100 million, includes Buena Vista's own advertising and promotions; the Kellogg cross-promotion; a promotion with McDonald's Corp. in November or December; and an effort with another, undisclosed partner in first quarter 1991.

That package represents the largest consumer marketing effort ever for a syndicated program.

Spreading out the promotion during the fall and winter "goes back to the brand management system," said Rick Haskins, VP-marketing for Buena Vista. "We're thinking, how do we carry momentum throughout the year."

The Disney Afternoon will start Sept. 10 on more than 150 stations nationally. Each show in the syndicated, five-day-a-week programming block is 30 minutes long.

The Kellogg promotion pairs "DuckTales" with Rice Krispies; "Gummi Bears" with Froot Loops; "Tale Spin" with Frosted Flakes; and "Chip 'N Dale" with Honey Smacks, Corn Pops and Apple Jacks.

***Disney Adventures*, the company's first major consumer magazine, will be launched at checkout stands in October.**

One of four rubber stamps featuring characters from each show will be in each cereal box. Smaller boxes will also have cutout character masks on the back, while the inside of larger boxes will be printed with games and puzzles.

Kellogg will add 10-second tags supporting the promotion to TV spots that run during network and syndicated children's programming, including the Disney Afternoon.

Kellogg's promotion agency is Denscham & Smith, Los Angeles. Leo Burnett USA, Chicago, is producing the TV spots. Buena Vista handles creative and promotions in-house; media buying is done by Western International Media, Los Angeles.

In-store displays will offer Disney Afternoon character school folders with the purchase of Kellogg's cereals. In select stores, Kellogg will give "DuckTales" tote bags to consumers who buy Corn Flakes or Rice Krispies.

Corn Flakes boxes will have a proof-of-purchase mail-in offer for *Disney Adventures*, the entertainment giant's first major consumer magazine.

The digest-size magazine will be launched nationally at 1C0,000 checkouts at supermarkets, convenience stores and drugstores in October, said Carole Black, Buena Vista senior VP-marketing.

The 128-page monthly is filled with comics featuring characters from Disney Afternoon shows, games and puzzles.

Disney hopes *Disney Adventures*, priced at $1.95, will eventually carry ads from other marketers. The initial issue has ads only for Disney products, including the film "DuckTales: The Movie" and "The Little Mermaid" videocassette. □

Quaker stays course amid woes

By Julie Liesse

CHICAGO—When Quaker Oats Co. announces final results for its fiscal year Aug. 7, the news that sales, earnings and unit volumes dropped will close the book on a disastrous year.

Despite the declines, however, Quaker apparently is sticking with the strategy it launched during fiscal 1990.

At that time, the company decided to focus marketing dollars on "high-growth, high-margin" businesses such as cereals, Gatorade and certain pet foods, and cut trade promotion and ad spending where possible.

New-product plans are being re-evaluated in fiscal 1991 and some ad budgets are targeted for cuts, sources close to the company said. Even such key franchises as Gatorade may be affected in the cuts, those sources said.

The 1990 marketing strategy produced lackluster results for the fiscal year, ended June 30. The financial results disclosed tomorrow will include an overall 6% drop in unit volumes in the key U.S. & Canadian Grocery Products unit, analysts said.

Companywide sales will be down from the $4.9 billion posted in fiscal 1989, even though international sales have increased.

Through the first nine months of fiscal 1990, unit volumes were down 24% for Quaker's pet foods; 13% for Golden Grain and its Rice-A-Roni products; 9% for Aunt Jemima frozen foods; 5% for ready-to-eat cereals; 3% for hot cereals; and 2% for Gatorade.

"Quaker's in sort of a pickle. . . . Overall, their record of the past 10 years looks good, but much of it is window dressing."

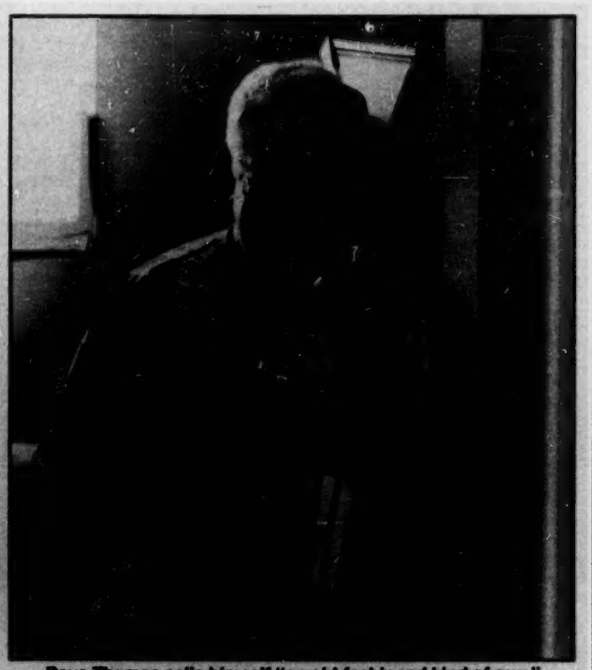
In the U.S., only granola bars (up 22%) and foodservice (up 6%) reported significant gains.

Insiders and analysts alike characterized Quaker's year as a nightmarish combination of bad judgment and poor luck.

The company was late in introducing a ready-to-eat oat bran cereal, for instance, and Quaker Oat Bran arrived just in time for the devastating collapse of that segment. With everything but Cap'n Crunch posting disappointing sales, the company's share of the $6.9 billion ready-to-eat cereal market fell to 8% from 8.7% for the year ending in May, industry sources report.

Quaker counted on Gatorade, its largest

(Continued on Page 36)



Dave Thomas calls himself "an old-fashioned kind of guy."

Thomas shines as Wendy's Col. Sanders

ONE

R. David Thomas, 58, has been in the restaurant business since he was 15. After working at one of the early Kentucky Fried Chicken franchises in Fort Wayne, Ind., he opened the first Wendy's Old Fashioned Hamburgers restaurant in 1969 in Columbus, Ohio. Today, Wendy's International is the nation's fourth largest hamburger chain with 3,729 restaurants and sales last year of nearly $3.1 billion.

Advertising Age Chicago Bureau Chief Scott Hume spoke with Mr. Thomas last week about his company and the industry, and his starring role in Wendy's advertising.

Advertising Age: *You've become quite a celebrity through the ads. Are you enjoying that?*

Mr. Thomas: Not all the time. I can't go anywhere without people coming up to me, and I don't always like that.

I was in Fort Lauderdale and this guy says, "I know you." I said, "From the post office?" and he said, "No. You're the Wendy's man!" That happens all the time. . . . But it's also fun to go into restaurants and talk to the kids.

AA: *You've taken some ribbing about your pronunciations. Does that bother you?*

Mr. Thomas: Oh, no. When we were doing the commercial for the Jetsons glasses, I kept saying, "The Jetsons: The Movie." We must have done six or seven takes. Finally, this kid says to me, "There's no 'the' there. It's 'Jetsons: The Movie.' "

AA: *Everyone's a critic, eh?*

Mr. Thomas: Sure. But . . .

(Continued on Page 34)

Outdoor feels drought

Spending drops 15% amid cost-cutting, protests

By Alison Fahey

The outdoor advertising industry is showing signs of severe battle fatigue.

First-quarter ad spending in the medium dropped a hefty 15% in the wake of controversial inner-city whitewashing campaigns, legislative threats and budget-conscious advertisers.

The drop compared with an 8% increase in overall outdoor ad spending in the first quarter of 1989, according to LNA/Arbitron Multi-Media Service.

"The whole industry had a weak first quarter," said Jay Zitz, senior VP-marketing at Gannett Outdoor. "The primary reason was the economic situation that began fourth quarter 1989. [Marketers] said, 'We've got problems hitting our numbers, so we have to cut back somewhere.' "

Mr. Zitz said another reason for the drop is that "in first quarter 1989 we had an influx of [unexpected] dollars, especially from tobacco marketers."

But other executives acknowledged that special-interest groups protesting tobacco and alcohol outdoor boards, especially those targeted to minorities, took its toll on the industry.

"I think some advertisers, especially tobacco and liquor [marketers], are running scared because of all the negative PR we're getting," said one outdoor executive who asked not to be identified. "No one wants to be in the limelight because they are the target of community protests or boycotts."

"These are issues the industry is going to have to deal with from this point forward," said Jim Eatrides, president of Boiseclair Advertising. "They are not going to go away."

Tobacco companies, outdoor's biggest category, spent about $41 million in first quarter 1990 compared with $55 million for the same period a year ago, representing a 26% decline.

Besides a major decline in tobacco spending, eight of the top

(Continued on Page 38)

Top 10 outdoor spenders

First quarter 1990 vs. first quarter 1989, Dollars in millions

Cigarettes, tobacco, accessories	$55,030	$40,784	(26)
[illegible]	[illegible]	[illegible]	[illegible]
Travel, hotels & resorts	12,958	12,561	(3)
[illegible]	[illegible]	[illegible]	[illegible]
Automotive	15,135	10,646	(30)
[illegible]	[illegible]	[illegible]	[illegible]
Entertainment & amusements	10,741	9,328	(13)
[illegible]	[illegible]	[illegible]	[illegible]
Miscellaneous (not classified)	5,240	5,798	11
[illegible]	[illegible]	[illegible]	[illegible]
Total:	$154,084	$128,668	(17)

Source: LNA/Arbitron Multi-Media Service

'Forbes' vs. 'Fortune'

Business books fight about rate-card deals

By Scott Donaton

NEW YORK—The long-simmering battle between the nation's top three business magazines came to a boil last week, the result of a letter *Fortune* mailed to advertisers charging its competitors with cutting off-rate-card deals.

Although the Time Warner title later retracted a claim against McGraw-Hill's *Business Week*, it let stand allegations against *Forbes*. *Forbes* responded with an ad in the Aug. 2 edition of *The New York Times* headlined "Why is *Fortune* fibbing?"

Now, *Fortune* says it's considering its own advertising response.

The letter that sparked the controversy began, "It doesn't take more than a glance to realize that selling off the rate card is growing in popularity." The July 16 letter, a copy of which was obtained by *Advertising Age*, went on to say, "Now it has spread to the imported car industry."

"Media don't need that kind of stuff in this kind of year. That kind of bickering makes everybody look bad."

The letter, signed by Consumer Advertising Manager Bruce Argus McNaughton, also said, "*Forbes* went off the rate card in an offer to a West Coast importer, providing them with a deeper discount than they offer on the card for space purchased."

Forbes also was accused of cutting similar deals with a "Japanese office equipment manufacturer" and a "watch manufacturer."

Business Week was accused of offering "a European manufacturer a package of metro areas free if they bought a national campaign."

"What our 'friends' at *Forbes* and *Business Week* are doing is wrong," the letter continued. "We treat all [advertisers] equally and give no unfair advantages."

The letter was sent to an unspecified number of unidentified business magazine advertisers and prospective advertisers. But, within days after the letter was sent, *Fortune* executives phoned recipients to retract the statement about *Business Week*.

"We apologized to *Business Week* for that error, and we regret

(Continued on Page 34)

PERSPECTIVAS

First half roars, but second half rumbles

By Christy Fisher

The continued softness in general-market advertising has many Hispanic market practitioners waiting for an adverse rub-off effect.

However, the first seven months of the year have been kind to most Spanish-language media. Hispanic network TV continues to report healthy gains, while print is moving ahead, primarily as a result of a string of new launches. The only real dim spot is network radio *(see story below)*.

Univision Network reports ad revenues are up 26% over the same period the previous year; Telemundo Group says it's realized a 41% gain.

Both TV networks attribute the gains to existing advertisers' spending jumps, new advertisers and rate increases.

"We feel great about our numbers—especially compared to what is happening in the general market," said Gary McBride, Telemundo's senior VP-sales.

National Association of Hispanic Publications, which has 50 newspaper and magazine members, reports that print advertising year-to-date is up about 10%.

Existing advertisers continue to market to Hispanics, but budgets have been relatively flat, said John Catalani of Hispanic Media Associates, NAHP's rep company.

"The Hispanic market is still a reflection of the general market," he said. "If the general market is soft, the Hispanic market will be somewhat soft."

Spanish-language TV, considered a primary buy, could be benefiting at other media's expense, observers say.

Hispanic agencies, meanwhile, are reporting mixed results.

Agencies reporting significant double-digit increases in new and existing business include: Berry-Brown Advertising, Casanova, Pendrill Publicidad, Publicidad Siboney, La Agencia de Orci, Noble & Asociados/USA, and regional agencies Lopez Negrete Communications, Marketing Mercadeo International and Sanchez & Levitan.

"We've heard Hispanic agencies have had budget reductions, but it's been a very good year for us—not just with new account gains, but we've had significant increases from virtually all our clients," said Laura Marella, media director at Casanova, Pendrill. "We may be an exception to the rule."

In most cases, Berry-Brown clients have increased their budgets, said Chairman Bob Berry. "We have had some reduce or eliminate their budget . . . but others have increased considerably."

Young & Rubicam's Bravo Group, Conill Advertising, IAC Advertising and Sosa & Associates expect smaller gains of around 10%.

"Things are pretty stable," said Ernest Bromley, president of Sosa & Associates, which is showing gains of about 8% for the year and no cutbacks by clients. "We've grown a bit, but not as much as last year. There does not seem to be much new-business activity with big clients [as last year]."

Executives at Martinez/Siboney and Montemayor y Asociados said spending is off because national money is being shifted to regional advertising and promotions and advertising is being focused on fewer products.

Robles Communications has seen several clients cut back, said Neil Campbell-Fereira, account management director. "We're not meeting anticipated growth projections. Most of our growth will come from new business as opposed to current business."

Billings are meeting expected levels at Ferrer/Ad America because of new clients, said President Carl Kravetz. "Existing clients are spending more, but not spending as much as they said they would spend."

Conill Advertising reports a handful of budget cuts "related to general-market issues," said CEO Carlos Rossi.

"The market still shows steady growth, but not the growth of the past," he said. "Instead of 20% and 30% increases, I think we'll see growth of 10% to 15%." □

PERSPECTIVAS ACCOUNTS

Charged up: Eveready Battery Co. assigned its Hispanic account to Casanova, Pendrill Publicidad. The now-defunct Bermudez & Associates had handled.

Fuzzy reception: Home Box Office and Publicidad Siboney have parted ways after a two-year relationship. HBO said it no longer requires a full-service Hispanic shop and will hire agencies on a project basis.

Santa Maria: Saint Mary's University of Texas, San Antonio, hired Marketing Mercadeo International for English- and Spanish-language advertising in Texas and Mexico. Pitluck Group had handled.

Taking a shine to ads: Upjohn Co. broke Spanish-language TV, radio and print in Los Angeles, Miami and New York for its Rogaine baldness treatment. Conill Advertising handles.

New campaigns: Pacific Bell is airing two 30-second TV spots from Casanova, Pendrill Publicidad to promote residential calling. In one spot a teen-age Hispanic girl de-emphasizes her background to be accepted by her peers. Later, after having her first child, she realizes the importance of maintaining her cultural ties. . . . Colgate-Palmolive Co. via Publicidad Siboney has introduced a new sweepstakes campaign that uses Univision's "Sabado Gigante" as a cornerstone. The sweepstakes promotes Colgate toothbrushes, toothpaste and mouthwash, and offers a college scholarship, Toyota Corolla, Caribbean cruise or $5,000 in toys and clothes as a grand prize. The effort marks Colgate's first involvement with "Sabado Gigante." . . . AppleTree Markets is airing a Spanish-language TV and radio campaign handled by Rives Smith Baldwin Carlberg. . . . Home Club broke Spanish-language TV and radio ads from Ferrer/Ad America. . . . Pepsi-Cola South broke an English- and Spanish-language TV, radio and POP campaign to help raise funds for SER-Jobs For Progress literacy labs. Former San Antonio Mayor Henry Cisneros is the spokesman; Ornelas & Associates handles. . . . Pepsi-Cola Co. signed Michael Carbajal, 1988 Olympic silver medal-winning boxer and current light flyweight world champion, as a spokesperson for Diet Pepsi. Radio and print ads featuring him will break in Phoenix and Tucson markets, and may roll nationally. La Agencia de Orci handles Pepsi's West Coast Hispanic account.

—Compiled by Christy Fisher

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National radio tuned out

By Christy Fisher

Concerned by flat national sales and the loss of market share to other media, the Spanish-language radio industry is banding together to get advertisers to tune in.

The heads of the four largest rep companies—Caballero Spanish Media, Katz Hispanic Radio, Lotus Hispanic Reps and SBS Network—met in late June to discuss the slump.

Although they won't provide specifics, Cabellero, Katz and Lotus all report flat sales this year; SBS says its gains have not been as large as expected.

"It's been a very tough year, said Rick Kraushaar, president of Lotus Hispanic Reps. "Radio is not being used anymore."

"We're not seeing many new accounts come to the market," said Eduardo Caballero, president of Caballero Spanish Media. "But, we have seen quite a few leave."

Spanish-language national radio spending has risen fairly steadily over the last five years to about $51.4 million in 1989 from $34.8 million in 1984, according to *Hispanic Business*.

However, the medium's share of total media spending has eroded to 8.8% in 1989 from 13.2% in 1984.

Some attribute national radio's decline to greater interest in its local counterpart.

Local Spanish-language radio grabs the greatest share of media expenditures—$149.3 million last year, up 14% from the previous year, according to *Hispanic Business*.

Radio reps said they need to improve radio's reception at Hispanic agencies if it is to pick up greater shares of ad dollars.

"A lot of [the slump in national radio spending] can be blamed on agencies' TV mentality," said Mr. Caballero. "TV commercial creative and production eats up such a large part of the budget, there's hardly anything left to air the spot or go into other media.

"This may seem hard to believe, but it's easier for us to sell Spanish radio to Anglo agencies than to Spanish agencies," he added.

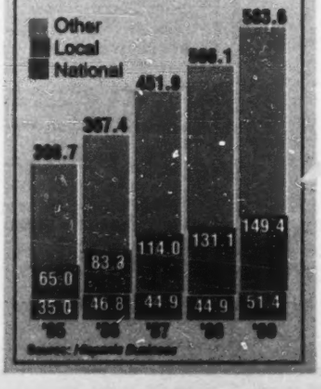
Noble & Asociados/USA has cut radio spending, said Eva May, management supervisor. But this is not due to dissatisfaction with radio, but the attraction of other media.

"For clients such as P&G we always look at TV first," she said. The agency also has been putting more money into other avenues such as coupons, direct mail and promotions, she said.

Agency and media buyers also

(Continued on Page 20)

National radio wocs
Local and national media spending for hispanic markets, in millions of dollars.



Pepsi tops recall

By Christy Fisher

In the first survey of Hispanic advertising awareness, Pepsi-Cola beat Coca-Cola.

According to a recent survey by Market Development, Pepsi topped its arch-rival in unaided advertising awareness among Hispanic consumers in the top six Hispanic markets.

Consumers were asked, "Of all the companies or brands you have seen or heard advertised in the last 30 days, which company or brand first comes to mind?" and "Which next comes to mind?"

Pepsi's "*Para la sed de la nueva generacion*" ("For the thirst of a new generation") campaign, created by Publicidad Siboney and starring entertainers Chayanne and Luis Enrique, was top of mind among most of the 754 Hispanic consumers surveyed by telephone in Houston, Los Angeles, Miami, New York, San Francisco and San Antonio.

Coca-Cola's "*El sabor de tu vida*" ("The taste of your life") campaign, via Sosa & Associates, ranked No. 2, followed by a spot from Mendoza, Dillon & Asociados for Ford Motor Co.'s Escort.

Other brands that make the top 10 most recalled list and their agencies are: Sears, Roebuck & Co. (Mendoza, Dillon); General Motors Corp. Chevrolet Motor Division (Lintas:Latina, Miami); Anheuser-Busch's Budweiser (Sosa & Associates); Procter & Gamble Co.'s Tide (Conill Advertising, New York); Goya Foods (in-house); P&G's Pampers (Noble & Asociados/USA, Irvine, Calif.); and General Electric Co. (local retail advertising). □

SHOP TALK

Agencies hook up: W.B. Doner & Co., which shuttered its Hispanic division in May, has signed Sanchez & Levitan, Miami, Fla., to provide Hispanic market services for Doner's general-market clients. Sanchez & Levitan already is servicing Doner client Jack Eckerd Corp.

Alan Kalter, Doner's exec VP-retail, said the agency eventually may purchase a stake in the Florida shop. "We'll work together a while and see," he said.

Bermudez progeny: The shuttering of Bermudez & Associates, New York and Los Angeles, is bringing about the birth of several smaller shops.

Former Chairman Eduardo Bermudez is consulting for Publispana, Los Angeles, which opened its doors last month. William Peniche, former president of J. Walter Thompson/Mexico, heads the office. Debra Gish, former Bermudez VP-management supervisor, has formed Core Group, Los Angeles. Fernando Tamayo, former Bermudez exec VP-creative services director, has opened a creative boutique in Tarzana, Calif., working with former Bermudez client Disneyland and Kentucky Fried Chicken of Southern California through HDM, Los Angeles.

Coastal shift: Third Coast Marketing, Houston, teamed up with Black Gillock & Langberg, Houston. The Hispanic shop changed its name to Lopez Negrete Communications, and will continue to operate as a minority-controlled agency.

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Radio

(Continued from Page 18)

said radio suffers from a higher cost per thousand than Hispanic TV, a criticism the radio reps dismiss.

"The rate question is just a good excuse," said Mr. Caballero. "They compare [Strategy Research Corp.'s] TV numbers with Arbitron's radio numbers and say CPMs for TV are better.

"The fact is, they're not comparing apples and *manzanas*, but apples and *naranjas*." Mr. Caballero said a more accurate CPM comparison would be obtained by comparing Arbitron's TV and radio ratings.

Julio Omana, managing director of SBS Network, pointed out that if production costs were included in CPM estimates, TV would not appear as cost-effective.

The rep firms admit the radio industry could do a better job of selling the medium, adding that the keys are improving radio ratings research and the use of effectiveness studies.

"The challenge is to substantiate our portion of the media dollars," said Gene Bryan, VP-national sales manager of Katz Hispanic Radio.

Hispanic agencies have long said the reliability of ratings provided by Arbitron Co. and Birch/Scarborough Research are a serious impediment.

"If our decision were based on numbers only, Spanish radio would probably never be a part of our media plan," said Monica Fragale Gadsby, Hispanic media director, Leo Burnett Co. "[As other Hispanic media measurement improves] it will become increasingly difficult for agencies and advertisers to continue to justify buying radio on a purely qualitative call."

Arbitron defended its service, while Birch said further improvements were in the works, including improving weighting variables and qualitative research.

Mac Tichenor, president of Tichenor Media Systems, is talking with research companies about establishing an independent Spanish-language radio ratings service for the top 10 Hispanic markets.

This service, which could get under way as early as the fall, would track audience ratings, media usage and demographic profiles.

"Something has to be done," he said. "Everyone is clamoring for

SPECIAL REPORT

Sports Media

Edited by Junu Bryan Kim

Escaping a batting slump S-2
Magazines go after new categories.

Power hitters S-6
Regional sports nets' value increasing.

10 million solutions S-7
Execs asked to solve TV sports problem.

Fall scrimmage gets rough

Advertisers holding back ad dollars await network 'fire sales'

By John McManus

Madison Avenue's top sports media buyers have begun a relished vigil.

"We're looking forward to some real interesting Friday afternoons in the fall," says Larry Novenstern, VP-manager of national sports franchises at BBDO, New York.

Mr. Novenstern is referring to an anticipated return of the Friday afternoon fire sales of network weekend time common during the mid-1980s, when advertisers and their agencies last clearly held the upper hand in the net TV sports poker game.

Excluding the automotive industry, many traditional sports advertisers have chosen to forgo the sports upfront season and keep their money for "opportunistic" buys in the scatter marketplace.

Indeed, the operative word for advertisers is opportunity. As an executive from one of the most ubiquitous advertisers on TV sports advises media sellers, "Any dollar on the table that looks reasonably good, take it, because it sure isn't going to be there tomorrow."

The three major networks last year pocketed $1.8 billion in sports ad revenue. But whether advertisers will help the networks surpass that amount this year remains to be seen.

Record breakers

Major TV sports contract expenditures, by network

1.	CBS	$3,682,000,000
2.	NBC	1,791,000,000
3.	ABC	1,075,000,000
4.	ESPN	975,000,000
5.	TNT	725,000,000

Source: Network reports

Indicative of the sagging fourth-quarter TV sports marketplace:

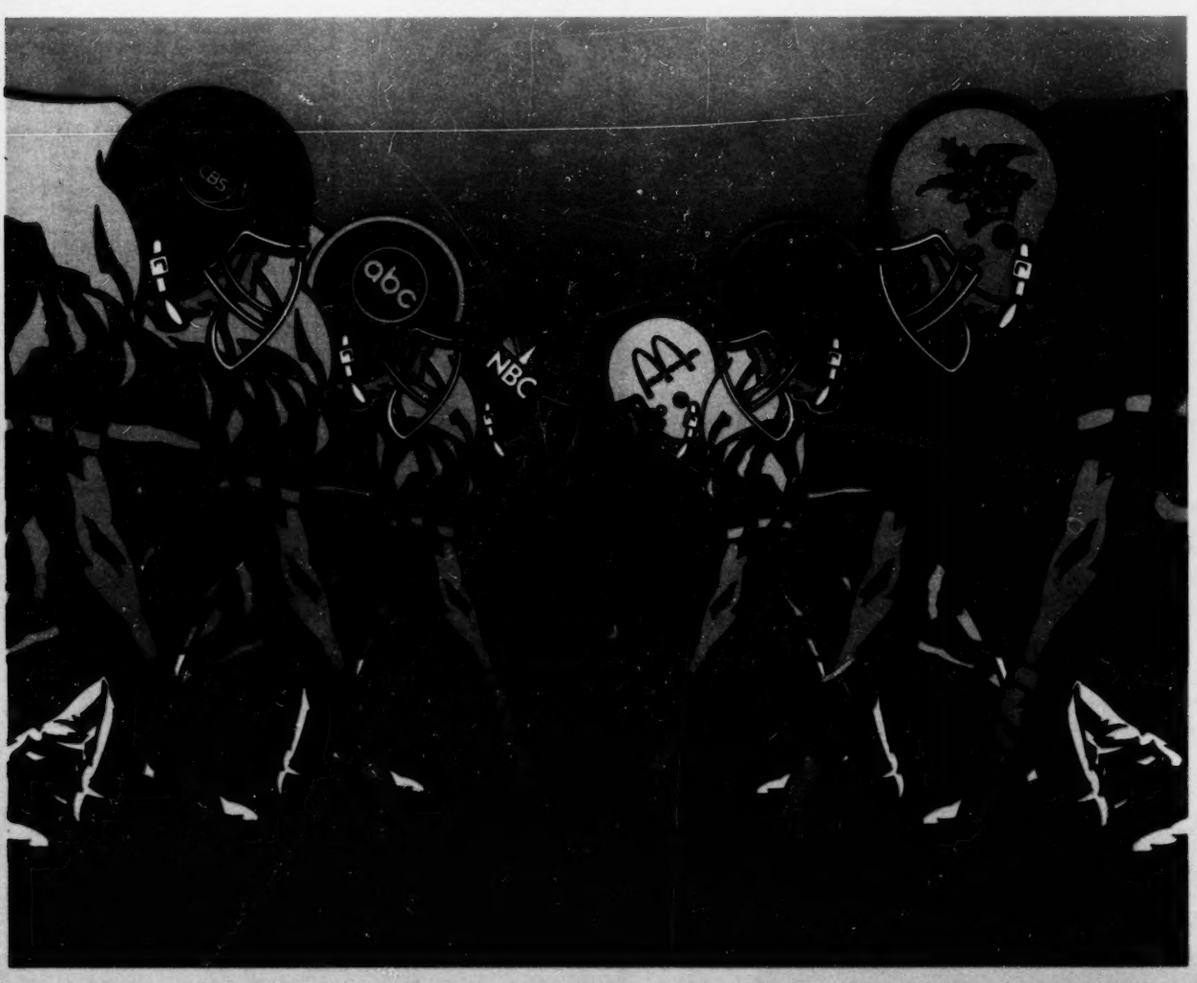
- ABC lowered its asking price 7.7% for 30-second spots on "Monday Night Football" to $240,000 and reduced the number of beer spots in each game from 10 to eight to secure commitments from Anheuser-Busch and Miller Brewing Co.
- Turner Network Television, selling its new National Football League commercial time, has slashed initial 30-second prices from $80,000 to about $50,000.
- CBS has come way down from its asking prices for Major League Baseball playoff and World Series games. League Championship Series prime-time 30-second spots can be had for as low as $115,000, down from $135,000 per unit on NBC last year. CBS is asking $300,000 per World Series unit, down from ABC's 1989 price of $310,000.

"The softness in the sports marketplace is hurting all of the networks, and let me tell you this, it's going to continue," says an executive with one of sports television's top five advertisers. "But we didn't tell the networks to go out there and make those kinds of rights deals."

In the last 30 months, major national and international sports leagues and organizations have extracted more than $8.2 billion from the TV industry for the privilege of carrying sports events.

The networks have attempted to cover the rights fees by passing on costs to advertisers, who have become increasingly hesi-

(Continued on Page S-8)



REVIEWING STAND

Writers speak up for guys in booth

The prototype sports broadcaster has two principal traits: He's a good-natured but rambling chatterbox, and he's not spontaneous enough to utter anything besides cliches—*"He did what he had to do"*—or I-remember-when stories.

We asked sportswriters to name the play-by-play men and analysts who transcend this image.

Steve Woodward, *USA Today*: Mr. Woodward chooses ABC's Al Michaels as his favorite announcer.

A. Michaels

"There's some security that viewers get from a sameness in a voice. He doesn't turn on a switch that makes him a football announcer at a football game and another switch that makes him sound like something else at a baseball game or a track meet."

As top analyst, Mr. Woodward selects another ABC property, Dan Dierdorf of the "Monday Night Football" crew.

Mr. Dierdorf "doesn't ever overlook the fact that 'MNF' is entertainment, and that he to some extent is an entertainer," Mr. Woodward says.

Larry Stewart, *Los Angeles Times*: Mr. Stewart fingers Vin Scully, the longtime Los Angeles Dodgers play-by-play man, as his favorite announcer.

J. Madden

"Over the years he's really remained at the top," Mr. Stewart says.

His favorite analyst is CBS football commentator John Madden.

"He's in a class by himself. Besides being entertaining, he really tells me things I don't know."

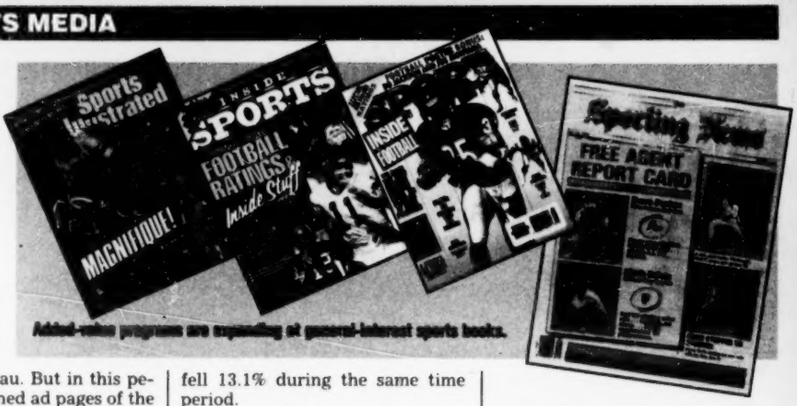
Steve Nidetz, *Chicago Tribune*: After reeling off a litany of favorite past and present announcers, Mr. Nidetz settles on Jack Quinlan, who called Chicago Cubs games in the late 1950s and early 1960s.

"Even with real bad teams on the

(Continued on Page S-8)

New tricks to escape batting slump

Magazines go after new categories



Added-value programs are expanding at general-interest sports books.

By Scott Donaton

Hammered by deep cuts in automotive and tobacco spending, sports magazines are scrambling to attract new categories. Accomplishing this goal is increasingly crucial as competition becomes more fierce and advertisers tighten their belts.

"In five years, I'd be surprised as heck if there are still two monthlies," says an executive at one sports publication.

Total consumer magazine ad linage fell 3.3% in the first half of 1990, according to Publishers Information Bureau. But in this period, the combined ad pages of the nation's largest general-interest sports titles—*Inside Sports*, *Sport*, *Sports Illustrated* and *The Sporting News*—dipped 14.5%.

Category leader *SI* saw its ad pages drop 16.5% through June. Ad pages at Times Mirror's *TSN* fell 13.1% during the same time period.

Thomas Hickey, *SI's* ad sales director, calls 1990 "a very tough year."

In a weak ad market, magazines not considered to be core buys are often the first to fold.

"There are too many sports books, and in a soft market you want to concentrate on the leaders," says Jay Schoenfeld, exec VP-media director, Backer Spielvogel Bates, New York.

Media watchers suggest *Sport* and *Inside Sports* increasingly will be slugging it out as the market tightens because the two monthlies are the most similar and don't offer the frequency and cachet of *SI* or the statistical, hard-core-fan approach of *TSN*.

The heads of the two magazines say they can coexist, but offer a similar definition of their publications' editorial intent.

"We do in-depth analysis," says Jerry Croft, senior VP-marketing for Century Publishing's *Inside Sports*. "We have access to people who really know about sports."

"Our position is to let fans know a little more from inside and behind the scenes," says Terry Shiver, president of Petersen Publishing's *Sport*.

Sport maintains a circulation edge with an 850,000 rate base compared with *Inside Sports'* 625,000, according to Century. But in ad pages, *Inside Sports* has passed *Sport*, Century says.

Of the four leading books, *Inside Sports* is the only one to gain ad pages this year. Its ad pages totaled 235.2 through June, a 4.8% gain, according to Mr. Croft. In this period, rival *Sport's* ad pages fell 21.7% to 183.2, according to PIB.

Fueling the shakeout speculation is the drop in tobacco advertising, which has sunk a whopping 34.9% to $15.8 million through June among these books, according to PIB and *Inside Sports*. The falloff was largely the result of R.J. Reynolds Tobacco Co.'s decision late last year to cut 1990 magazine spending 25%, a drop of more than $26 million.

Automotive spending also fell 27.5% to $42.1 million through June in these books, PIB and *Inside Sports* report.

Publishers say they're cautiously optimistic auto spending will rebound in the fourth quarter on the strength of new-car launches and a number of corporate image campaigns expected from Detroit.

But tobacco spending, which in *SI*, *Sport* and *TSN* increased 7.7% from $39.6 million in 1988 to $42.7 million last year, according to PIB, may never return to its former levels.

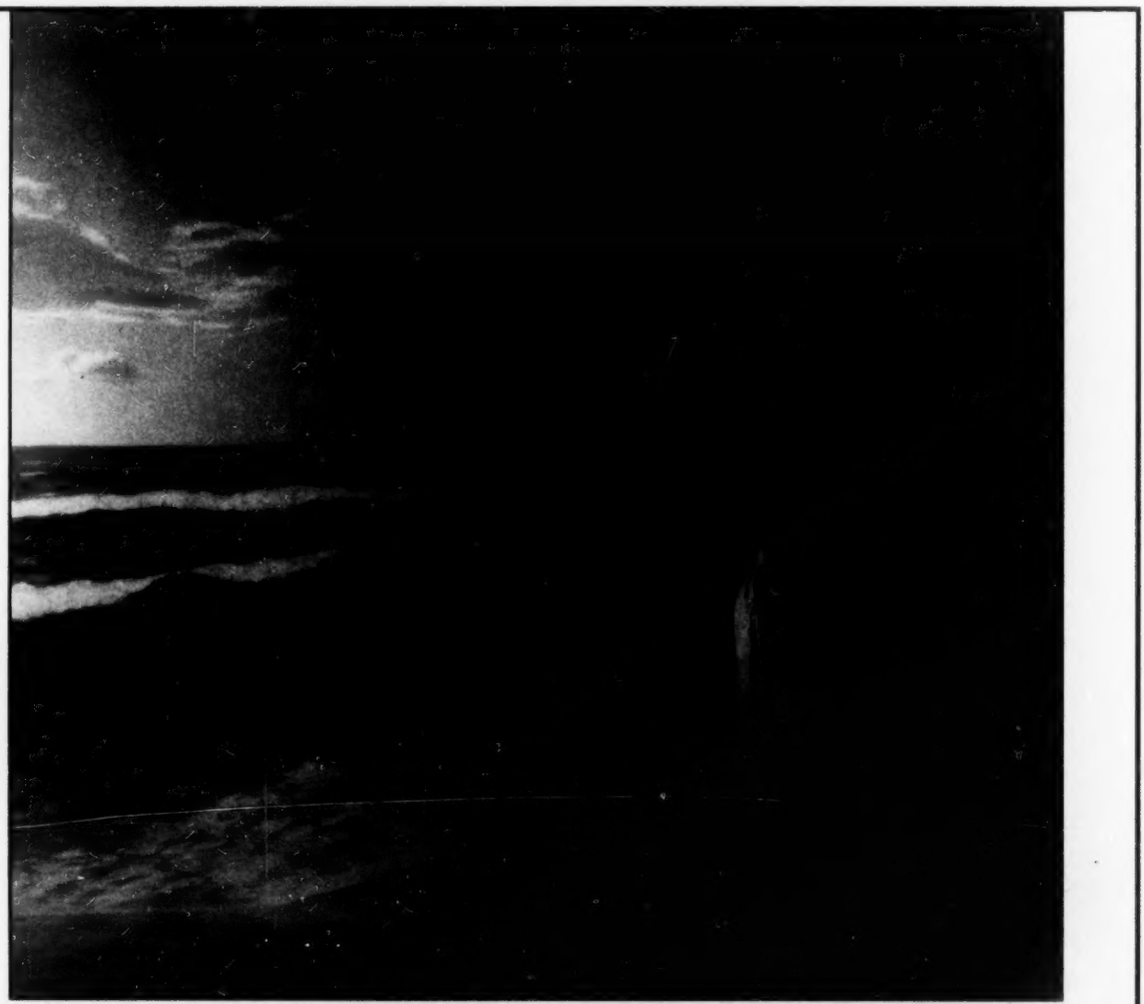
"Tobacco's gone forever," says Martin Walker, president of Periodical Studies Service, a New York-based magazine consultancy.

"We certainly haven't given up on tobacco or automotive, but we're working very hard on every men's category there is," says Mr. Shiver.

Although magazines have courted new product groups, buyers wonder how these titles can help their clients.

Bob Zach, senior VP-media director, Chiat/Day/Mojo, New

(Continued on Page S-6)



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Power hitters

Always interested in the home team, fans help push regional sports nets into the picture

By John McManus

George Steinbrenner did at least one thing right.

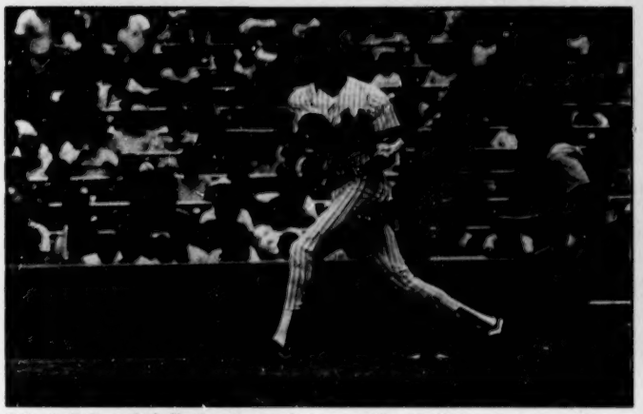
Although he's being relieved of control of the New York Yankees, who have been patsies on the field this year, a rights deal with a regional sports cable network is making the 1990 Yankees a powerhouse at the bank.

Regional sports networks such as Madison Square Garden Network, now in the second year of a 12-year, $500 million pact to televise Bronx Bomber games, are the most recent money machine in the megabucks world of TV sports.

The number of regional sports networks has jumped from about 10 to 33 in five years, and these outfits will collect up to $408 million in subscriber and advertiser revenues this year.

Currently, regional sports networks, which focus their coverage on local team events for subscribing homes in their areas, reach about 30 million homes, with at least one channel in virtually every part of the U.S.

"With the amazing proliferation of viewing options out there, especially the number of nationally telecast baseball games, fans will always be interested in their home team," says Douglas Moss, VP-advertising for MSG Network. "That's why you've seen so many of these operations springing up recently."



Roberto Kelly and his Yankee teammates may not be dazzling opponents on the field, but the team is doing quite well financially.

Not only are the subscriber rolls growing, but so is advertiser interest. According to John Mansell, senior analyst at cable consultant Paul Kagan Associates, advertisers this year will spend about $102.1 million for commercial time on regional sports nets, up 37.4% over last year's $74.3 million and 96.7% over 1988's $51.9 million.

Although Mr. Mansell estimates that advertising represents only between 25% and 35% of total regional sports network revenues, it represents a growing portion of those networks' revenues.

"From an advertising point of view, we've only begun to scratch the surface," says John Severino, president-ceo of Los Angeles-based Prime Ticket Network, the largest regional sports network with 4.1 million subscribers. The percentage of advertising's contribution to Prime Ticket's total revenues rose from 15% to 50% from October 1988 to October 1989, he says.

But the cable networks have had to address several concerns in their quest for programming that will result in more ad dollars.

They risk falling into the trap that plagues the broadcast networks—engaging in bidding wars and winning contracts at prices that revenues might not offset.

MSG Network had to outbid rival SportsChannel New York for the bitterly contested Yankee rights. Despite the cost, an MSG Network spokesman says the station expects Yankee broadcasts to be profitable.

Most regional sports nets are either affiliated or owned-and-operated by one of two national companies, Prime Network or SportsChannel America, which in some areas compete against each other for broadcast rights.

SportsChannel America represents both the national repository for programming for its affiliated channels and the basic, stand-alone programming service for areas without a regional SportsChannel affiliate. The latter entity has not drawn subscribers as expected. But the individual channels have viewerships that are growing, though at different rates.

"Initially, we expected competition in certain markets, but not quite the competition that emerged," says John Mohr, president of the SportsChannel Regional Network. "It's taken a lot of discipline and restraint not to overbid on events."

Still, Mr. Mohr feels that, to

Feller, Mudcat, Fidrych, Ford and Lefty. And that's just for starters.

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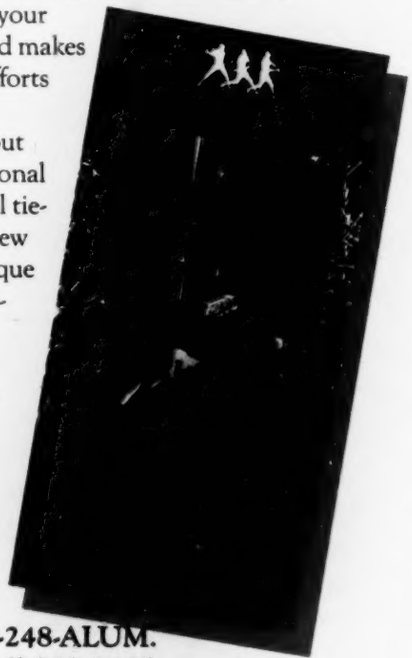

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Magazines

(Continued from Page S-2)

York, notes that most of these magazines have smaller readerships that are already addressed through broader buys.

"What do [other books] bring to the party?" he asks. "It's usually nothing."

Like numerous publications, sports titles also are instituting value-added programs to keep existing business and attract new advertisers.

Earlier this year, *SI* signed a wide-ranging deal with PepsiCo's Diet Pepsi that included an ad schedule in the magazine, video sponsorship and promotion.

The deal was *SI's* largest ever and represented a new strategy for Diet Pepsi, which had previously shied away from magazine advertising.

The key to improving perfor-

Bad swing in sports books

Ad page totals	Jan.-June '90	% change vs. Jan.-June '89
Sports Illustrated	1,242.8	-16.5
Sporting News	255.5	-13.1
Inside Sports	235.2	4.8
Sport	183.2	-21.7

Source: Publishers Information Bureau; Inside Sports

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paraphrase the sports cliche, both networks have come to play.

"I don't think you'll see a shakeout. Both teams seem pretty committed to staying in the business," he says.

"I don't see us trying to overtake any of the SportsChannel networks," comments Ed Frazier, president-ceo of Prime Network.

But competition is not just limited to broadcast-rights skirmishes. It also involves a battle for audiences and advertising dollars among broadcast networks, syndication and national cable networks. Perhaps the toughest battle will be between regional sports nets and local broadcast stations, because of their programming's local coverage and comparable spot pricing.

Some industry experts have begun to question whether the sports marketplace can support so many viewing venues. However, media buyers welcome the increased competition among the properties.

"With the interest level assured because of the home team attraction, we see regionals as a great opportunity for leveraging spot dollars vs. broadcast stations that don't have the same compelling original programming," says Howard Nass, senior VP-corporate director of spot broadcasting at Foote, Cone & Belding Communications, New York.

Working against the networks, however, is client and agency reluctance to shift dollars into a medium without solid ratings numbers.

Group W Sports Marketing, which handles national ad sales for 10 regional networks, is working with Nielsen Media Research to try to obtain "unwired network" ratings for a package of weekly football games slated for this fall.

"We're big fans of the concept," says Ron Von Urff, VP-associate media director at J. Walter Thompson USA. "Once they come in with ratings similar to an unwired, we'll be able to make them a part of our national television mix." □

mance, says *TSN* President-CEO Thomas Osenton, is "understanding why, for example, Coke aligned itself with the NFL. Then we can help them maximize that buy in a traditional way and a non-traditional way, by helping the company develop promotional opportunities to support the buy."

Inside Sports is negotiating a package with Kraft Foods USA but declined to reveal details.

Indicating the maturity of the core marketplace, some of *SI's* biggest action has come outside its pages.

Backed by Time Warner's deep pockets, *SI* launched *SI Business* last year, a six-times-yearly supplement mailed to 500,000 subscribers. Other line extensions, such as *Sports Illustrated for Kids*, books and videocassettes and a credit card, pulled in revenues of $25 million last year.

Mr. Walker urges the publications not to abandon their mission yet, saying there may be room for everyone in the category.

He blames the sports books' current woes on their inability to market themselves to advertisers.

"I think [sports books] have undermarketed themselves, and they have to convince marketers that they represent an important, relatively affluent market," he says. "There's a lot more money there than people think." □

10 million ways to tap beer drinkers

Execs asked to solve TV sports glut

By Steven W. Colford

Call it the $10 million solution.

If big-name sporting events are losing their luster as an advertiser's shortest distance to males ages 18 to 49, then what media alternatives add efficiency?

That was the question posed to media buyers and agency executives who were asked to spend $10 million for a fictional beer client in whatever manner deemed best to hit that target market.

Mark Goldstein, president of Earle Palmer Brown Cos., Bethesda, Md., wasted no time deciding how he'd use his $10 million.

"One thing that comes to mind right away is that I'd try to buy every stadium and arena scoreboard contract in the U.S.," he says.

"That would go through the $10 million pretty quickly, but it would be worth it. Not only are you reaching the million or so that show up in arenas each year, but every time you're on TV, there's additional exposure."

Mr. Goldstein says he considers the ap-

> **"One thing that comes to mind is I'd try to buy every stadium and arena scoreboard contract in the U.S."**

peal of stadium boards so great that he'd sooner drop his imaginary $10 million there than on the Super Bowl or another televised sporting event.

"In this area with the Baltimore Orioles,

(Continued on Page S-8)

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For the full story and a free catalog, call or write John Gattney, CBS/FOX Video Sports, 1211 Avenue of the Americas, New York, NY 10036, (212) 819-3309.

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$10 million beer question

(Continued from Page S-7)
for example, there are 1.5 million people who see the game in person plus about 150 games on cable and about half the games on local broadcast," he says.

"It's the national game, sometimes with a national TV audience," he continues, "and if the scoreboard is seen five or six times a game . . . you can establish yourself as an important player for beer drinkers based on the repeated exposure, in person and televised."

Taking a more traditional approach was Cathy Farrell, president of Farrell Media, New York, and perhaps best known as the media buyer for George Bush's 1988 presidential campaign.

"If this was $10 million for an account that was on an equal level with the other top beers in sports advertising, then I'd probably put it into late-night programming—NBC-TV's 'Tonight Show,' 'Late Night With David Letterman'—and syndicated sports," Ms. Farrell says.

Ms. Farrell notes about 25% of all beer drinkers consume some 75% of all beer, "and the best place to get to that core is sports, without a doubt, and then prime time."

But if Ms. Farrell's mystery brewery client were not in the league of Anheuser-Busch Cos. or Miller Brewing Co., her strategy would be different.

"If I'm No. 5 in that category, then I'd just add that $10 million to my overall sports buy," she says.

Hal Carlson, media planning supervisor, Martin Agency, Richmond, Va., offers a third view.

"Well, $10 million is nothing," Mr. Carlson says. "So I'd be forced to look elsewhere . . . where there are a number of regional opportunities left."

Mr. Carlson admits finding the alternative buy would involve a "pretty labor-intensive" search but thinks pushing a company's name on a regional scale could do the trick.

> "I think that $10 million could still have a significant presence on cable for something like the Winston Cup NASCAR racing."

"In the Southeast you have something like Atlantic Coast Conference basketball that's available, or Big 10 basketball [in the Midwest]," he says.

Auto racing also stimulates Mr. Carlson's interest.

"I think that $10 million could still have a significant presence on cable for something like the Winston Cup NASCAR racing," he says.

Ed Irons, VP-associate media director at McFarland & Drier, Miami, figures that A-B and Miller have locked up ESPN.

As a result, he'd put his money into alternative events. Mr. Irons developed a multimedia, six-prong strategy:

- $3.7 million into cable. Mr. Irons would put about 24 spots a week for 10 weeks on various cable networks, including TBS, TNT, USA Network and the SportsChannel stations.
- $2 million into network radio. It's "a really efficient way to tie into the men 18-to-34 target with a lot of frequency," Mr. Irons says.
- $2 million to sports anthologies, such as "Wide World of Sports," over a 10-week period. "The most important thing is that we don't need to buy these programs upfront, so they're still available," he says.
- $1 million into syndicated sports programs, such as truck pulls, hydroplane races, NASCAR races, rodeos, pro beach volleyball and off-road trucking.
- $750,000 on televised Hispanic sports programs, game shows and talk shows with on-air contests. "The merchandising allows us to put our products in the shows themselves," explains Mr. Irons.
- $500,000 into print. Mr. Irons would put *Sports Illustrated* and *Rolling Stone* on the plan, as well as *Penthouse* and *Playboy* for their spring break programs.

Although his $10 million is spent elsewhere, Mr. Irons predicts that by the year 2000, the hottest properties will be pro and college basketball and skiing. □

Free-lance writer Kathy Martin contributed to this story.

TV pays to play in big leagues

Major television sports broadcast fees ($000,000)

	Price	Network	Length
National Football League	$1,060.0	CBS	4 years
	900.0	ABC	4 years
	752.0	NBC	4 years
	450.0	ESPN	4 years
	450.0	TNT	4 years
Major League Baseball	1,060.0	CBS	4 years
	400.0	ESPN	4 years
NCAA men's basketball	1,000.0	CBS	7 years
National Basketball Assn.	600.0	NBC	4 years
	275.0	TNT	4 years
1992 Summer Olympics	401.0	NBC	
1994 Winter Olympic	300.0	CBS	
1992 Winter Olympics	243.0	CBS	
CFA (college football)	175.0	ABC	5 years
College football	125.0	ESPN	6 years
National Hockey League	51.0	SCA*	3 years
Notre Dame college football	38.0	NBC	5 years
PGA Championships (golf)	19.0	CBS	4 years

Sources: Network reports; *SportsChannel America. Advertising Age chart: Holly Seguine

Opportunity

(Continued from Page S-1)
tant to meet them.

"Overall, I think the networks overestimated the demand side of the equation in their bidding," says Marc Goldstein, senior VP-director of national broadcast programming at Lintas:USA, New York. "Their estimates were colored by the competitive arena in the automotive industry that doesn't exist in other sports categories.

"They also failed to realize that there is a point when they cross a certain price line that forces advertisers to look hard at alternatives," he continues.

"A few years ago, there weren't alternatives that could hold up to what we needed as advertising vehicles. But now there are."

Contributing to the softness is the expiration of long-term advertising agreements.

The networks traditionally forge commitments from major sports advertisers to run the length of their TV contracts. In the last 12 months, an unprecedented number of contracts have expired, forcing the networks to scramble to re-sign major advertisers.

The relative surplus of inventory—"$90 million in brand-new NFL inventory," according to Mr. Novenstern—has allowed advertisers to take a tougher stance on pricing.

The automakers came in quickly and spent heavily to lock up their positions in telecasts. However, network sports power players A-B and Miller have held their ground.

Miller, a long-standing major advertiser on network baseball, has balked on CBS' pricing, and A-B bought only four units per game.

That leaves eight beer commercial units per game—a potential revenue base of $35 million for CBS—going begging for advertisers. The beer companies also succeeded in cutting down their required number of purchases in the National Basketball Association and NFL.

"This upfront has showed a migration out of sports," says Alan Gottesman, an analyst for Paine-Webber. "The pricing is too high. It reminds me of 1984 when daytime went through the roof and [advertisers] moved to cheaper dayparts. Sports sales are under a great deal of pressure since the networks are paying [higher rights fees]."

Mr. Gottesman also notes the two major sports categories are facing increasingly intense ad pressures. Automakers' ad costs are up and business is down. Beer and wine advertising, he says, "could go the way of cigarette [TV] advertising. What happens if you lose that category? You lose an important bidder at the auction and prices go down." □

Writers

(Continued from Page S-1)
field, he could bring the team alive and not get carried away," Mr. Nidetz says.

For an analyst, Mr. Nidetz selects Tony Kubek, formerly of NBC and now with Madison Square Garden Network in New York.

"His knowledge of baseball is so good that he doesn't get caught up in telling the old stories over and over again."

Steven Goff, *Washington Post*: NBC's Marv Albert and ABC's Mr. Michaels tie as Mr. Gofi's best play-by-play announcers.

"They both bring a level of professionalism to the business that is much needed. They're smooth," Mr. Goff says.

His favorite analyst is Dick Vitale of CBS' college basketball team.

"He brings excitement to the game and doesn't take it too seriously."

Prentis Rogers, *Atlanta Journal-Constitution*: Mr. Rogers selects former NBC play-by-play announcer Curt Gowdy as his favorite.

"I remember his voice being very distinctive, and I just liked the way he called the game. He had an air of excitement in his voice but didn't try to overplay what was happening."

As for an analyst, Mr. Rogers names Mr. Madden.

"He casts an essence of what an analyst is supposed to do—technical observations mixed with humor and an enthusiasm that's very genuine for the sport." □

—Compiled by Sarah Polster, Alicia Lasek and Junu Bryan Kim

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James Dean	Frank Lloyd Wright	J.P. "Big Bopper" Richardson	Indianapolis Motor Speedway	(Baseball)	Cy Young	(Football)	(Olympics)
Fred Astaire	Mark Twain	Buddy Holly	Hollywood Chamber of Commerce	Babe Ruth	Roberto Clemente	Vince Lombardi	Jesse Owens
Humphrey Bogart	Will Rogers	Ritchie Valens	Hollywood "Walk of Fame"	Ty Cobb	Pie Traynor	Jim Thorpe	(Boxing)
James Cagney	Amelia Earhart	Hank Williams, Sr.	Amateur Athletic Union	Lou Gehrig	Harmon Killebrew	Willie Davis	Joe Louis
					Honus Wagner	Ernie Stautner	Rocky Marciano

Drug marketing

(Continued from Page 1)

free drug samples.

The latest Kennedy inquiry comes just a few months after Rep. John Dingell (D., Mich.), chairman of the House Energy & Commerce Committee, asked the Food & Drug Administration to provide an update on direct-to-consumer advertising of prescription drugs.

Dingell aide Dennis Fitzgibbons said hearings might be held this fall on whether drug companies use "loopholes and inconsistencies in the law" to advertise prescription drugs to consumers.

Rep. Dingell was prompted by a resurgence of consumer advertising, which he considers to be outside FDA guidelines (AA, April 2).

So far, Sen. Kennedy's committee office has been quiet about its plans. Committee spokeswoman Lorrie McHugh said only that the probe is "within the committee's jurisdiction."

She said fall hearings are possible, but the committee hasn't completed its calendar.

"At this point it's difficult to tell what they are probing for and whether any bills will be drafted," said a spokesman for the Pharmaceutical Manufacturers Association. "They are compiling a very comprehensive look at drug companies' advertising and promotional practices. But they are being very closed about where all this is heading."

A member of the Kennedy committee told the Pharmaceutical Manufacturers Association in June the committee was concerned about a return to "unsavory" pharmaceutical promotional practices, according to the newsletter *F-D-C Reports*. Such practices include lavishing gifts on doctors and sending them on junkets.

Executives at medical ad agencies are accusing Congress of seeking an easy publicity target to blame for spiraling healthcare costs.

"It's not clear whether this will develop into anything, but it seems Dingell and Kennedy want to trot out the drug industry as a whipping boy," said William Castagnoli, president of Medicus Intercon International, New York, the nation's leading medical ad agency.

Robert Portman, president of M.E.D. Communications, a Woodbridge, N.J. medical agency, said he's concerned the politicians apparently want to control the flow of information to both physicians and consumers.

"This is a dangerous trend in terms of regulating what we can hear," Mr. Portman said. "It's the same as a ban on liquor or cigarette advertising—should this be the kind of effort with which a legislator concerns himself?"

Like Rep. Dingell, Sen. Kennedy has also asked for and received information from the FDA regarding consumer advertising of prescription drugs. But an FDA official and others said Sen. Kennedy seems particularly interested in the industry's sponsorship of continuing medical education.

Drug companies typically sponsor seminars about new drug therapies, including information about their own drugs, for which physicians get continuing medical education credits. The seminars are usually tied to an academic institution and feature well-known physicians as speakers.

Drug industry sources say because the seminars include information about a drug company's products, Sen. Kennedy apparently considers the seminars inherently biased. □

Sears

(Continued from Page 1)

"everyday low pricing" format 18 months ago, Sears has greatly boosted ad spending, but sales haven't responded.

"The fact that Sears isn't king of the hill anymore is . . . a very hard pill for people at Sears to swallow," said Sid Doolittle, a partner at the retail consultancy McMillan/Doolittle.

Sears' 1990 yearend sales are expected to be about $32 billion, just slightly ahead of last year's sales of $31.6 billion and tied with Wal-Mart Stores. But K mart's sales this year are expected to total $32.5 billion, according to analysts' estimates.

One way for Sears to maintain its No. 1 ranking would be to merge with another retailer. The company disclosed last week that it discussed "certain joint opportunities" with No. 9 retailer Montgomery Ward & Co.

However, statements issued by both companies said those discussions have been terminated.

Crain's Chicago Business reported the discussions almost certainly would have seen a spinoff of the Sears Merchandise Group to a new entity headed by Ward's Chairman Bernard F. Brennan, and had been under way for more than a year.

Although the talks were initiated by Ward's, sources said Sears' management team, led by Chairman Edward Brennan, is facing pressure from outside board members to undertake a dramatic restructuring that would result in a split of the company's retail and financial services operations.

The same sources also said that General Electric Capital Corp., which was a key financial partner in the buyout two years ago of Ward's from Mobil Corp., was a major player in the Sears-Ward's talks. While both companies now say they are committed to remain independent retailers, sources say GECC remains keenly interested in a transaction involving Sears.

Sears' income in the first half of 1990 fell 62.8% to $72.6 million compared with the same period a year earlier.

Sears' Mr. Bozic said the results of the first half compared unfavorably with the previous year's first six months because of last year's heavier sales following the biggest ad blitz in Sears' history for the everyday low price promotion.

"We knew the comparisons for the first half of this year would be difficult, but we said all along we expect things will improve, and they will," Mr. Bozic said. "Our Brand Central and Kids & More power formats are going to be the best in the business."

Sears increased its measured media spending 34% in 1989 to $525 million, primarily to support its everyday low pricing ad blitz. The surge propelled Sears to the No. 4 spot among all U.S. advertisers in 1989 from No. 12 in 1988.

K mart's potential status as the No. 1 retailer "is not something we're terribly concerned about," said Orren Knauer, director of investor relations, K mart. "What we're trying to do is increase our sales in order to increase profits, and being No. 1, No. 2 or No. 3 is not a corporate goal."

Wal-Mart wouldn't comment on its status among the top three retailers. □

Patricia Strnad contributed to this story.

It's Hype, Hype Hooray for new book by Trump

By Jennifer Lawrence

Brace yourselves. The new and improved Donald Trump will make his debut in bookstores nationwide Aug. 15.

That's when Random House unveils "Trump: Surviving at the Top," Mr. Trump's sequel to his 1987 best seller, "The Art of the Deal."

The publisher, sure that the market is ready for more Trump tales at $21.95 a copy, convinced the tycoon to move up the publication date from October and ordered 500,000 copies for the first printing.

Random House has a flexible marketing plan for the book, said Joni Evans, exec VP-publisher of the company's adult trade division. Although $200,000 has been budgeted for a newspaper campaign, it may be tripled or slashed to zero.

"We may spend $600,000 or nothing," Ms. Evans said. "It's totally unpredictable with Donald. Donald works differently from other authors. He has his own sense of rhythm. . . . He understands the art of promotion."

That art will be to maximize free media exposure before committing to buying ad space. Random House's theory is that just about everyone is waiting to hear The Donald's version of his ongoing financial and marital woes.

Though details are secret and literally under guard, Ms. Evans said the book's content is "intimate, realistic, and honest and right on," focusing on "things people haven't heard yet on the banks, Ivana and the divorce. The book is extremely surprising and disarming."

Random House is anticipating a barrage of media attention during the first week.

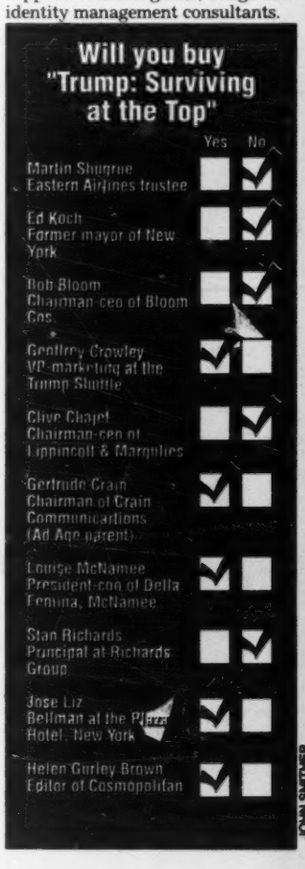
As the book makes its impact, Random House executives will plot their ad strategy.

"The book is famous before it has appeared," said Peter Osnos, Random House adult trade division associate publisher and Mr. Trump's editor.

"We are planning an ad campaign that will take shape as the book lands in stores. . . . The strongest thing that any ad can do is [say] that the book is here—an announcement ad. What we do [next] will depend on how the book is received," Mr. Osnos said.

Advertising is handled in-house.

Even with a lot of support, the book has "an unfortunate title," said Clive Chajet, chairman-ceo at Lippincott & Margulies, image and identity management consultants.


Will you buy "Trump: Surviving at the Top"
Yes
No
Martin Shugrue Eastern Airlines trustee
Ed Koch Former mayor of New York
Bob Bloom Chairman-ceo of Bloom Cos.
Geoffrey Crowley VP-marketing at the Trump Shuttle
Clive Chajet Chairman-ceo at Lippincott & Margulies
Gertrude Crain Chairman of Crain Communications (Ad Age parent)
Louise McNamee President-ceo of Della Femina, McNamee
Stan Richards Principal at Richards Group
Jose Liz Bellman at the Plaza Hotel, New York
Helen Gurley Brown Editor of Cosmopolitan
JOHN SMITHER

"To question survival in the title is already a problem, he said."

"We're expecting it to be one of the hottest books of the season," said Donna Passannante, spokeswoman for B. Dalton Bookseller. "We still think that regardless of his troubles, his name is still a big enough draw that people will want to hear what he has to say." □

Quaker

(Continued from Page 3)

brand, to help offset the sales declines it was risking in mature categories with the marketing strategy. But Gatorade suffered through soft sales in a cooler-than-normal summer.

"Quaker has a lot to accomplish in the next year," said Timothy Ramey, analyst with County NatWest Securities USA. "I think Quaker is going to have to focus on blocking and tackling, regaining market share and forget about financial performance. They need to get into the trenches with the big guys and slug it out for market share."

Mr. Ramey believes Quaker inevitably will have to restore marketing dollars to compete in those battles for share.

"In fiscal 1990, they tried to moderate spending, but their volumes fell out of bed. At least, they have to reverse this strategy," said Nomi Ghez, a Goldman, Sachs & Co. analyst.

"The problem isn't profit margins but sales," agreed William Leach, VP-analyst with Donaldson, Lufkin & Jenrette. "Quaker's in sort of a pickle. . . . Overall, their record of the past 10 years looks good, but much of it is window dressing. Good acquisitions like Gatorade have masked a lot of core problems."

But as Quaker starts a new fiscal year, insiders are optimistic Chairman-CEO William Smithburg and Exec VP Philip Marineau have a plan that can improve overall performance and help the company avoid a potential takeover.

Quaker gathered its Chicago-based work force at the Chicago Theater late last month. Employees at that meeting said Mr. Smithburg, Mr. Marineau and other divisional presidents discussed the disappointments of fiscal 1990 and plans for fiscal 1991; those at the meeting described it as "reinvigorating" and "passionate."

"People needed to hear something about how we are going to turn this around," said one employee. "It was good to hear that management is human and shares in the responsibility for what happened last year."

Mr. Smithburg "has acknowledged that he's gotten separated from the business in the past couple of years and plans to get more involved," another source said.

The company is planning to move ahead with Quaker Oven-Stuffs frozen sandwiches, rolling national in September with $22 million in marketing support, and sources hinted the company may introduce new pet food products in the coming year.

Management has listed ready-to-eat and hot cereals, Gatorade, microwave meals, foodservice and international operations as businesses it considers high growth, and it has focused marketing dollars on those areas.

Nevertheless, the ad budget for Gatorade has been cut to less than $30 million, from around $35 million, said sources close to the company. That likely will primarily affect Gatorade Light and Freestyle, flanker products introduced in limited areas this spring.

Some businesses will continue to get strong marketing support. For instance, Quaker last month broke a TV and print campaign for Kibbles'n Bits 'n Bits 'n Bits, its leading dog food. Two spots were produced, instead of the usual one, via J. Walter Thompson USA, Chicago.

A source said Quaker has "significantly" increased its ad budget for Rice-A-Roni.

"They have fairly aggressive sales goals and marketing goals, and have made plans to meet those goals," the source said.

Quaker broke a new campaign for Rice-A-Roni last month via Goldberg Moser O'Neill, San Francisco.

Gravy Train dry dog food will get its first substantial ad support in more than a year, sources said. Bayer Bess Vanderwarker, Chicago, handles.

Also, actor Wilford Brimley is expected to return in style this fall for Quaker's signature oatmeal line.

"They are continuing to support their principal cereal brands in a smart and aggressive fashion," said Jim Jordan, chairman of Jordan, McGrath, Case & Taylor, New York, agency for oatmeal and several ready-to-eat cereal products. □

Gary Levin contributed to this story.

AD REVIEW

Levi's buttons up and flies right with delightful Spike Lee ads

(Rating: ★ ★ ★ ★)

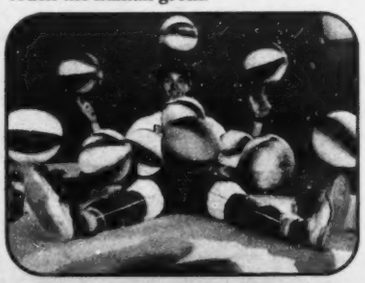
By Bob Garfield

Garfield

Now playing on a screen near you: Spike Lee's "Mo' Better Blues" and Spike Lee's mo' better "Blues."

Using the fabled, but outmoded, "501 Blues" campaign as a point of departure, director Lee and Foote, Cone & Belding, San Francisco, have stuck with the same camera techniques and psychological appeal, but seasoned them with humor, celebrity cachet and much-needed product focus.

The result is a remarkably unified new campaign that combines Bo Jacksonlike marquee value, individualist imagery of the Marlboro Cowboy school and the first unique selling proposition ever to touch the human groin.



Quirky pursuits, like spinning a bunch of basketballs at once, stand for the individualism promised by Levi's in an unusually product-focused 501 campaign.

The result is "Levi's 501 Button-fly Report," the best TV campaign so far this year.

The first nine spots portray young devotees of a particular idiosyncratic activity. There's a guy in Florida who spins nearly a dozen basketballs at a time, two Brooklyn teen-agers who speak fluently backwards, a tour guide at an Atlanta cemetery, a group of Waveland Avenue ballhawks outside Chicago's Wrigley Field and sundry other single-minded icons of iconoclasm.

We see them in their natural habitats, through the quick-cut, hand-held, occasionally b&w cinematic kaleidoscope we've come to expect from Levi's 501. Indeed, the camera angles, editing and general self-consciousness very much recall 501's last seven Leslie Dektor years. But this campaign has two things "501 Blues" never had.

First, there is Spike Lee, the personality—the first celebrity presenter to present from behind the camera. We don't see him, but we hear him banter with his subjects, and his trademark dual attitude of skepticism and wonder is everywhere. If Tom Wolfe is at one pole of the '90s Zeitgeist, Lee is at the other, attracting the young and ardent in large numbers.

His vision here is certainly superb, and so is his sense of detail. In one spot, on Coney Island, one of the backward talkers practices his craft at the snack bar. The counter girl hears the order, checks the menu board behind her, and says, "Ain't nothin' up there that says that." Later, she begins to catch on. When the boy asks for "pupchek," she asks "Ketchup?" Half disgusted with him, half pleased with herself, she fetches it, with just the hint of a sly smile.

A marvelous moment, just as it is marvelous when we meet a little guy who never catches any balls hit out of Wrigley Field because the other kids muscle him away. "Too small," he explains. "Yeah, be knockin' me around in there." But then he gets his first ever (off the bat of Joe Carter of the San Diego Padres. Really.).

There are many delights more, all adding warmth and humor to a framework that, in its last incarnation in the Dektor era, had grown labored verging on self-parody. The stars of these spots, unlike previous 501 "real people" aren't so hip it hurts.

You'd be forgiven for looking at Lee's discoveries—his backward talkers, his 365-day-a-year surfers, his loving Big Brother to several inner-city kids—and concluding the campaign is about dedication.

Look at how each of these adolescent heroes has cut against the grain, devoting countless hours to some esoteric pursuit that defines his very being—definition such as most teen-agers can only yearn for. A new Firebird or $140 Nikes might be objects of high school envy, but FCB has long understood that material emblems are nothing compared with an identifiable persona.

In adolescent psychology, self-image—or, more to the point, satisfaction with the image you project to others—means everything. Thus the influence of these charming ad verite characters. To adults, they are carefree young people with strange notions of how to amuse themselves. To teen-agers, who are never carefree, they are demigods.

Oh, and they wear 501 jeans. With a button fly.

And *that*, not dedication, not the director cult hero, is what this campaign is about—and what earlier campaigns ignored entirely. While "501 Blues" had deteriorated to where it was an empty celebration of phony individualism, these ads portray bona fide individualism as a showcase for the product's single, bona fide point of distinction. Lee's iconoclasts show up in Button Your Fly T-shirts, they talk about their button flys and they show us their button flys. "Fly buttoned?" Lee asks the cemetery guide. "Fly buttoned," he responds.

USP. Levi's ads gotta have it, and FCB did the right thing. □

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

Outdoor falloff

(Continued from Page 3)

10 outdoor ad categories reported slight to significant spending declines in first quarter 1990 over 1989.

The automotive category saw the second-biggest decline, down 30%. Spending declines in that and other categories are attributed to the generally soft ad climate.

The publishing and media category was down 17%; spending by promotion-minded retailers also dipped 17%.

Overall, spending among the top 10 categories dropped 16% to $129 million *(see chart on Page 3)*.

Philip Morris USA, which earlier this year was targeted by anti-tobacco protestors, said it would take steps to ease community concerns over the proliferation of boards. Those steps include voluntarily limiting the number of tobacco boards in certain areas.

A similar policy restricting the number and location of tobacco- and alcohol-related boards also was issued earlier this year by the Outdoor Advertising Association of America.

Even so, whitewashing campaigns and community protests against tobacco and alcohol boards don't appear to be subsiding. Last month in Chicago, community activist Rev. Michael Pfleger led a group that whitewashed 40 outdoor boards.

In addition, federal and local legislation is on the horizon that could restrict advertisers' use of outdoor boards.

In Chicago, for instance, City Council Finance Committee Chairman Edward Burke has opened hearings on his proposed citywide ban of outdoor ads for tobacco products.

On the national level, U.S. Sen. John Chafee (R., R.I.) introduced a bill last April that would prohibit construction of new signs on federal highways, and Rep. John Lewis (D., Ga.) introduced a similar bill earlier.

Even with all these problems, most industry executives predict business will rebound later in the year. Some outdoor companies, like Gannett and Patrick Media Group, said they're stepping up marketing efforts to offset recent declines.

"For the rest of the year, I see the industry doing OK," said Gannett's Mr. Zitz. "The big question in our minds now as an industry is the fourth quarter."

Ron Pancrantz, senior VP-marketing and sales at Patrick Media, said package goods and automotive are coming back and will help strengthen the third and fourth quarters.

Some outdoor companies are targeting local business.

"We're concentrating on local sales in case media buyers on Madison Avenue decide that, because of what's going on with all the outdoor companies, it's not the way to go," said Neal Radding, VP-national sales for Whiteco. Whiteco hopes to tap into co-op promotional budgets by teaming with retailers to run ads for major national brands.

"Sure, [Patrick] is competition, but we need as many mouths out on the street selling this medium as we can."

"The trend is now for large marketers to look at making national programs available to local retailers," said Robert Dragotta, president of National Out-of-Home Media Sales.

Gannett's new Creative Challenge program "dares" ad agencies to come up with great creative for outdoor. Gannett offers prizes to the winning agencies and posts the winning board free in the creator's hometown.

The industry may be aided in the second half by a return to the offensive by Patrick. The No. 1 U.S. outdoor company, with 42,000 boards, recently took itself off the auction block.

"Sure, [Patrick] is competition, but we need as many mouths out on the street selling this medium as we can," said an outdoor executive who asked not to be named. "We're glad to have them back." □

Sports

(Continued from Page 4)

we're not going to roll a Trojan warhorse onto Sixth Avenue and dramatically change all our sports businesses. We're going to reshape them over time, but boxing is where we're most experienced, so that's where our first announcements will be."

The division will also set up a sports management and marketing operation to represent athletes for commercial endorsements, Mr. Abraham said.

"When we see a linkage between any of the athletes we're dealing with and the advertisers in the magazine group, we will create sponsorship opportunities for them," he said.

Further, "we're offering advertisers with an affinity for sports a new playing field," he said. "It might be a pay-per-view sponsorship opportunity, or maybe it will be a home video sponsorship. Ultimately, we may create sports events knowing full well that there's an advertiser who might be interested in an exclusive sponsorship deal."

Time Warner estimates that its sports-related businesses—including *Sports Illustrated*, HBO Sports, HBO Video and the sports arm of Licensing Corp. of America—amount to about $750 million annually in advertising and subscriber revenue.

"The sports gross national product in this country is between $60 billion and $65 billion," Mr. Abraham said. "Worldwide, the figure rises to about $120 billion. We feel we can make a good business of this, and we'll be competitive."

Mr. Tyson on Sept. 22 will fight the last bout in a three-year, seven-fight series on HBO that brought him $26 million. A similar pay-per-view deal could generate $190 million in revenues.

Cable services now reach about 60% of U.S. households; about 25% of those cable homes have access to pay-per-view.

"The venture makes a lot of sense from the point of view of aggressively going after pay-per-view properties," said Paul Bortz, president of Bortz & Co., a consultancy.

In 1989, two Sugar Ray Leonard fights generated $50 million in pay-per-view revenues. Mr. Tyson's 1988 bout with Michael Spinks to win the undisputed heavyweight title lasted 90 seconds and generated $21 million in pay-per-view revenues. □

Scott Donaton contributed to this story.

INDEX TO ADVERTISERS

Advertising Age	15,35	Discover	11E	People	7
ABC Nameboard	34	Discovery Channel	27	Ponygrad	4
AdPulse International	24	Fasteners for Retail	21	Prime Network	5-2
Athletes in Advertising	5-8	Forbes	5,9	Rainbow Advertising Sales Corp.	54/55
B & F Systems	105	Game Show Placement, Ltd.	13,35	Rodale Active Network	25
Boomak Plastics	6	Graphic Calculator Company	34	Schoenfeld, Chapman & Pearl Inc.	4
Bert and Ron's Company	10E	Heard Communications, Inc.	6	Shopping Center Network	4
B.I.G. Corp.	37	Home 2Mico Computing	8	Strategy Research Corp.	18
Caballero Spanish Network	20	Will Jordan	34	Taymor	13
CBS / Fox Video	5-7	Leading National Advertisers	30	Telemundo Group Inc.	19
Congressional Quarterly, Inc.	33	Major League Alumni Marketing, Inc.	5-6	Travel Channel	16
Crain's New York Business	11	Morton-Kane, Inc.	21	USA 800	6
The Curtis Licensing Corp.	8-9	Nielsen Clearing House	22/23	USA Today	5-3
Diamond Video	5-6	Out of the Blue Creative	18	Vorsolo Dahler & Associates, Inc.	40

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August 13, 1990

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Dentsu, Frankel huddle

May mean U.S. promotion link

By Scott Hume and Alison Fahey

Dentsu and Frankel & Co. are holding negotiations that could end the giant Japanese agency's search for a sales promotion partner.

The two agencies "are having discussions regarding the formation of an alliance to service Dentsu's Japanese-based clients in the U.S.," a spokeswoman for Chicago-based Frankel said last week.

She said there have been no discussions about Dentsu possibly acquiring an equity stake in Frankel, the third-largest sales promotion agency in the U.S. with 1989 sales promotion revenues of $23.2 million.

The talks with Frankel culminate months of rumors within the sales promotion field concerning Dentsu's possible interest in acquiring or aligning with a major U.S. shop.

Representatives of Dentsu—the world's largest ad agency with gross income last year of $1.3 billion—have met with several agencies in the U.S. and the U.K., including FKB Group and KLP Group, both based in London, about its desire for partners in sales promotion and direct marketing.

FKB's empire was broken up last week as many of its U.S. sales promotion agencies were either sold to Carlson Marketing Group or back to their management.

A top executive at a shop reportedly on Dentsu's list said the Japanese company is "very conservative. They're going to move slowly, but they're going to be a player in the U.S."

"Dentsu has been and is still looking for a working relationship with a U.S. promotion agency or network," said another agency source once engaged in similar talks with Dentsu executives. "They don't necessarily want to acquire [an agency] but want to associate with or have a trading relationship with someone here."

While Dentsu can tap the promotion serv-

(Continued on Page 51)

Martha Stewart's magazine project with Time Warner makes its debut in November.

Martha Stewart teams with Time

By Scott Donaton

Time Warner is developing an upscale women's lifestyle/how-to magazine with home entertainment queen Martha Stewart and will publish a first test issue in November, industry sources said.

The media/entertainment giant is said to be using the magazine as a springboard for other projects involving Ms. Stewart, including a line of books, videos and catalogs, and possibly even a TV series.

The test comes during a magazine industry ad page crunch that's hit women's titles particularly hard.

"We and Martha Stewart have basically entered into an agreement to explore a magazine project," said a Time Warner official who asked not to be identified. The official refused to discuss further details and said it's too early to speculate about future projects the company might undertake with Ms. Stewart.

The project is being developed under Time Publishing Ventures, a newly formed division of Time Inc. Magazine Co. overseen by S. Christopher Meigher as president-ceo. Eric Thorkilsen, director of development, is believed to be overseeing the magazine project.

Among the titles being considered:

(Continued on Page 51)

Fox's early start bogging down

By John McManus

Advertisers are getting uneasy about production delays that may push back the fall debut of some of Fox Broadcasting Co.'s expanded schedule.

Fox wanted to get a strategic jump on the Big 3 TV networks by premiering most of its fall series before the official Sept. 17 season kickoff. The Big 3 are also premiering some series before the season starts but not to the extent Fox planned.

It now appears at least three series—"Babes," "The Simpsons" and "Class of Beverly Hills"—will be delayed until possibly as late as October.

The three shows are part of Fox's Thursday night lineup, when competition from rival networks, particularly NBC, will be especially fierce.

A July 27 Fox memo alerted affiliated stations that the network's plan to get a jump on its rivals "must be constrained by the realities of the production process" and that revisions are required.

"Please bear in mind that premiere dates for all programs may change because of unavoidable production delays," said the memo, written by Preston Padden, Fox's senior VP-affiliate relations.

Advertisers had been warned new episodes of "The Simpsons" would be delayed, but Fox had planned to get "Babes," a new series, on the air by Aug. 23. Industry sources familiar with Fox say production on "Babes" won't even start until Aug. 23.

Officially, the network said it's now shooting for "an early to mid-September premiere." "Class" will premiere Oct. 4, Fox said.

Fox could be forced to air the first new

(Continued on Page 51)

LAST MINUTE NEWS

Gov't readies for cuts

WASHINGTON—The White House told the Federal Trade Commission, Federal Communications Commission and other agencies to prepare contingency plans for a 31% budget cut for fiscal 1991. The plans are to be turned into the Office of Management & Budget by Aug. 27. OMB said the plans would be needed if negotiated budget cuts don't meet Gramm-Rudman Act reduction targets. A 31% cut would mean an FTC budget of about $50 million and about $70 million for the FCC.

Seagram reviews Soho

NEW YORK—Seagram Beverage Co. said it's reviewing the Soho Natural Soda account and confirmed Chiat/Day/Mojo is off the business. The company wouldn't list contenders. Chiat said the brand hasn't been advertised for several months.

DMB&B gets Yellowhammer

LONDON—Financially troubled Yellowhammer was bought by D'Arcy Masius Benton & Bowles last week as Yellowhammer Chief Executive Tim Lefroy joined Young & Rubicam U.K. in the same post. That sparked the resignations of Y&R Joint Managing Directors Sue Coupland, 37, and Don Sperring, 39. Mr. Lefroy, 42, takes some duties from John Banks, who remains regional chairman for Northern Europe, Australia, Africa and New Zealand.

Separately, Chris Dickens, 46, will return to Y&R as worldwide media director, based in London. The post wasn't filled after Mr. Dickens left two years

(Continued on Page 8)

INSIDE

Marketers skittish about Iraq P. 3 • Outdoor backlash: Gallup P. 20 • Twin Peaks' Obsession P. 49

NEWS SUMMARY

■ **Time Warner** and home entertaining expert Martha Stewart will jointly develop a woman's lifestyle/how-to magazine and, perhaps, other related ventures. 1

■ **Dentsu** of Japan, the world's No. 1 ad agency, is negotiating with Frankel & Co., Chicago, the third-largest sales promotion agency in the U.S., "regarding the formation of an alliance." 1

■ **Fox Broadcasting's** production delays, which hamper its plan to beat the Big 3 networks with early fall premieres, are causing some concern among advertisers. ... 1

■ **Hallmark Cards** is testing the sale of fresh flowers in two markets. 3

■ **General Mills** continues to gain on leader Kellogg in the breakfast cereal share battles. 4

■ **Aspirin Free Excedrin,** launched by Bristol-Myers Squibb, reportedly will claim in ads that the acetaminophen product relieves headaches better that Extra-Strength Tylenol, the category leader. 3

■ **Brand franchises** are being threatened by marketplace changes and need improved creative strategies, several speakers said at *Advertising Age's* 33rd annual Creative Workshop. 3

■ **Adolph Coors Co.'s** new $4 million ad campaign centers on a water quality and conservation message, and features for the first time brewery President Peter Coors. 6

■ **Celestial Seasonings** will introduce a line of caffeinated teas and will drop Mariette Hartley as its TV spokeswoman in favor of radio and print ads. 12

■ **Medical advertising agencies,** unlike many of their consumer counterparts, are showing healthy billings increases this year. 16

■ **Pacific Bell Directory** is testing a new Yellow Pages ad program that includes delivering product samples. ... 17

■ **Beer marketers** locked in summertime market share battles find several new products doing well. 21

■ **Canon USA** will use tennis star Andre Agassi in ads introducing its EOS Rebel camera later this month. 23

■ **An anti-tobacco bill** being considered in the U.S. House has been stripped of several proposed ad restrictions, sources say, but a ban on sponsorship of sports and cultural events remains. 25

■ **K mart** breaks a new ad campaign this week positioning its stores as trendy places to shop. 28

■ **Furniture marketers** are adopting a "lived-in" look in their advertising. 31

■ **Escada,** the designer clothing marketer, will add a women's fragrance this fall. 49

■ **Hispanic influence** in the U.S. will increase dramatically, former San Antonio Mayor Henry Cisneros told the *Advertising Age* Marketing to Hispanics Symposium. 55

DEPARTMENTS

Ad Review	56	Index to Advertisers	56
Brady's Bunch	44	Letters	33
Classifieds	46	MediaWorks	43
Con-Sid-erations	32	NewsWatch	12
Corrections & Clarifications	33	People Moving	46
Editorials	32	Photo Review	45
For the Record	51	Research News	34

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Chiat shuffle in N.Y.

Wolf, Perkins assume Newman's titles

By Jon Lafayette

Chiat/Day/Mojo North American Chairman-CEO Bob Wolf traveled to New York last week to find out "what it is we're doing wrong and go fix it." He began with the executive suite.

Mr. Wolf replaced Jane Newman as president-ceo of the New York office, which laid off 30 people earlier this month following a string of account losses.

Mr. Wolf, 48, who was Ms. Newman's predecessor, assumed the ceo title and named Bob Perkins president. Mr. Perkins, 44, continues as chairman of Perkins/-Butler, Chiat's direct marketing unit. Mr. Perkins had been an account director in Chiat's Los Angeles office before co-founding Perkins/Butler two years ago.

Ms. Newman, 42, becomes vice chairman for strategic planning and business development for North America. Exec VP-Worldwide Business Development Don Peppers and his staff will report to Ms. Newman.

Mr. Perkins said his first priority is to meet existing clients and his second is to look for new business. Royal Caribbean Cruise Lines, whose decision to review its $30 million account (AA, July 30) precipitated both the layoffs and the management changes, falls under both categories.

Though Perkins/Butler had done some direct marketing projects for Royal Caribbean, Mr. Perkins said he didn't know details about why the account was in review, "but I can't imagine that it's something that can't be fixed. We're treating them as a new-business prospect."

Observers believe Chiat has little chance to retain the account.

B. Wolf

Chiat lost an ally there earlier this year when Jim Kissel, who had hired the agency, resigned as VP-marketing and sales to start a tour package company.

"When I left at the end of February, there were no problems" with the relationship, Mr. Kissel said.

The review appears to stem from problems with Chiat rather than problems at Royal Caribbean, which competitors agree is in excellent shape.

Sources say Royal Caribbean Exec VP Rod McLeod is unhappy with the continual turnover in Chiat account and creative personnel working on the account.

The latest management changes, however, may provide Chiat with a small opportunity, sources say.

"Perkins is a smart business guy. He's good at talking about a client's business, and its important to Royal Caribbean that their agency understand the travel business," said a former Chiat staffer. "He's also very personable, and you can never say Jane was a people person."

Mr. Wolf denied Ms. Newman is being made a scapegoat for the New York office's recent problems.

"It's a matter of playing on everybody's strengths, and Jane's strength, more than anything else, is her ability to strategically solve advertising problems," he said. "By being caught in a job where she was an administrator, new-business director, personnel manager—all jobs that go with running an office—we weren't tapping her best assets."

Ms. Newman said she expects her new job will allow her the freedom to deal with clients' problems without having to deal with day-to-day responsibilities.

"These moves are designed to strengthen senior management," she said. "I will be freed from the day-to-day running of business, so I can concentrate on strategic insights."

Mr. Wolf added that Tom McElligott "will be devoting more time to New York. We really haven't tapped that asset well enough."

Mr. McElligott has been spending a great deal of time in the agency's Toronto office.

Mr. Wolf himself plans to spend about half his time in New York. □

Bradley Johnson and Ira Teinowitz contributed to this story.

Sears chief gets ultimatum

Crain News Service

Sears, Roebuck & Co.'s board told Chairman Edward Brennan last week he has six months to post significant gains in the company's flagging retail operations or face a move to oust him.

Members of the Sears board, who spoke only on condition of anonymity, told *Crain's Chicago Business* the ultimatum was delivered to Mr. Brennan at a tumultuous board meeting Aug. 8.

Sources familiar with the drama unfolding at Sears also said Philip J. Purcell, chairman of the company's Dean Witter Financial Services Group, is slated to assume broadened responsibilities for the company's expansive financial services operations.

Mr. Brennan, 56, last week took on the additional title of chairman of the Sears Merchandise Group in a last-ditch effort to improve retailing results. He replaced Michael Bozic, 49, who was demoted to president of the unit and removed from the company's board.

Sears, Mr. Brennan and Mr. Purcell all declined to comment.

Also at last week's board meeting, Mr. Brennan failed in a move to secure a public statement reaffirming the directors' faith in his ability to turn around the retailer.

A board member suggested if Mr. Brennan isn't able to make "significant" gains, the board may move to reopen talks about selling the merchandise group. □

Lang eyes stake in 'Confetti'

By Scott Donaton

Media entrepreneur Dale Lang is negotiating to buy a stake in *Confetti*, a struggling group of beauty salon magazines launched last spring.

The talks follow Lang Communications' relaunch of *Ms.* and Mr. Lang's formation of Star Television Network.

Mr. Lang's involvement with *Confetti* would put him in competition with Whittle Communications, which plans to launch its own beauty salon magazine next month.

Confetti Publisher Howard Garey confirmed last week he's been holding talks with Lang Communications but wouldn't discuss details.

"Because it's still in negotiations, I don't want to get into that," he said.

Mr. Garey said he expects to make an announcement as early as next week. Mr. Lang couldn't be reached for comment.

Communications Venture Group, a media investment company, launched *Confetti* with an April/-May issue. *Confetti* is styled after Whittle's *Special Report* magazines for doctors' waiting rooms.

D. Lang

Confetti consists of six oversize glossy titles, each devoted to a single topic such as style, home and leisure. The magazines, published every other month, are distributed to about 4,000 beauty salons nationwide.

The magazines were launched amid an ad slump, and *Confetti* was forced to cut ad rates by as much as 50% after the first two issues. Several months after the launch, Communications Venture Group began looking for a partner.

Mr. Lang has a penchant for buying troubled media properties and trying to revive them. Late last month, he relaunched *Ms.* as an ad-free "magabook."

Last month, he also announced the formation of Star Television Network, a direct response entertainment network to be launched next month in more than 20 cities.

Media buyers say they don't understand Mr. Lang's recent spate of activity.

"I don't know if Dale's just buying low-cost media [properties] and trying to turn them around or if he has a master plan," said one agency executive who asked not to be identified.

Meanwhile, Whittle's *American Style* will be launched next month. The every-other-monthly will be distributed in 140,000 beauty salons nationwide. □

Regulate outdoor ads: poll

Most want local control, but balk at defacing 'offensive' boards

By Scott Hume

Consumers are putting outdoor advertising companies on notice that they want a say over the kinds of products advertised in their neighborhoods.

A majority believe regulatory power should reside with local city councils, but a substantial percentage—especially of racial minorities—said citizens are justified in using "any means they can" to force outdoor companies to remove boards the community deems offensive.

GALLUP SURVEY

Most people draw the line at defacing outdoor boards as a protest. But there's strong consumer support for a community's right to regulate the types of outdoor advertising allowed there, according to a national survey conducted for *Advertising Age* by the Gallup Organization.

In New York's Harlem neighborhood, on Chicago's South Side and in inner-city areas in Baltimore and Houston, community activist organizations have been complaining about what they see as an overabundance of outdoor ads for tobacco and alcohol products in low-income neighborhoods.

In some cities, the protest over the outdoor boards has extended to painting over or defacing the ads.

Last month, Gallup polled a nationally projectable sample of 1,000 adults, selected at random, for their opinions about outdoor advertising and these protests. The survey was conducted by telephone; the results have a margin of error of plus or minus 3.1%.

Slightly more than one-third (36%) of those polled said they were aware that outdoor boards were being defaced to protest tobacco or alcohol marketers' targeting practices.

But awareness was higher among black respondents (42% aware) and Asians (44%) than whites (36%), and lower among Hispanic respondents (22%).

The total sample was asked which outdoor advertiser came to mind first from among all they had seen in the previous 30 days. Cigarettes were the most often recalled product category: six of the top 30 ads in awareness were for cigarettes in general or for specific brands.

The No. 2 category in recall was restaurants (five of the top 30), including the single best-recalled marketer, McDonald's Corp., followed by beer marketers (four of the top 30)

One-third of the sample said they couldn't recall any outdoor advertiser.

Although only 36% of those polled said they were aware of the defacement protests, all 1,000 respondents were asked how strongly they agreed or disagreed with the action these community groups have taken. One-quarter of the sample said they agreed or strongly agreed with defacing outdoor advertising as a form of protest.

Support for those who deface outdoor boards was significantly stronger among black respondents (44% of whom agreed or strongly agreed with the tactic) and Hispanic respondents (35%) than among whites (24%).

Among respondents ages 18 to 34, support for defacing boards was strongest, 28% agreeing or strongly agreeing, compared with 23% among those ages 35 to 54 and 24% for those ages 55 or older.

Respondents also were asked whether they agreed with this statement: If members of a community find an advertisement offensive, they should use any means they can to cause the advertiser to remove that advertisement.

Of the total sample, 40% said they agreed or strongly agreed with that statement, but majorities of black respondents (54%), Hispanic respondents (52%) and Asian respondents (50%) said they agreed with the right to use "any means" to force removal of an outdoor ad. By comparison, 39% of white respondents agreed or agreed strongly with that right.

But do citizens believe that "any means" includes the illegal action of defacing an outdoor board?

Respondents were asked whether they agreed with this statement: Defacing outdoor boards is against the law and shouldn't be allowed under any circumstances.

A full three-quarters of the sample agreed that illegal defacements shouldn't be tolerated. Majorities of all respondents from all racial, income and age groups agreed that defacing boards was going too far.

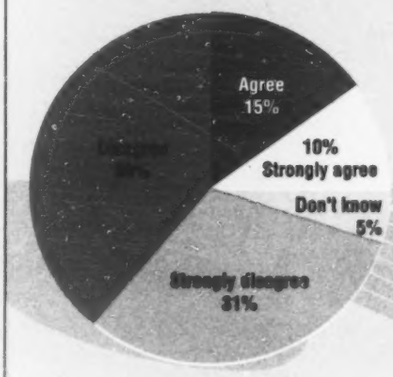
By what process, then, should outdoor advertising be regulated in local communities?

Respondents were asked whether they supported this statement: Local city councils should have a committee that reviews advertising in their area for suitability and that can regulate the type of outdoor board advertising shown in their community.

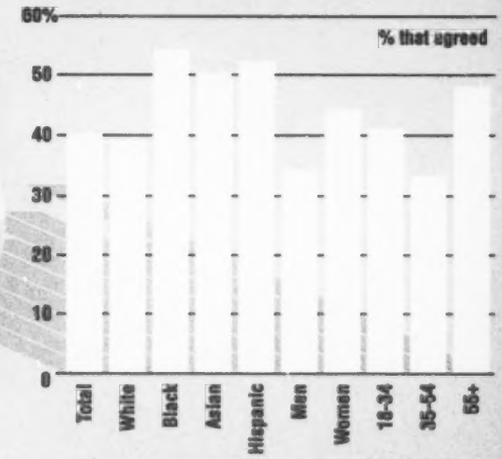
Better than seven of 10 respondents (71%) agreed or strongly agreed that such local control should exist. Agreement extended to 71% of whites polled, 72% of blacks, 61% of Hispanics and 72% of Asians polled in the survey. □

Outdoor's defacement dilemma

How strongly do you agree with or disagree with defacing outdoor ads:



Do you agree that any means should be used to get an advertiser to remove an offensive ad:



Source: Gallup Organization survey of 1,000 adults.

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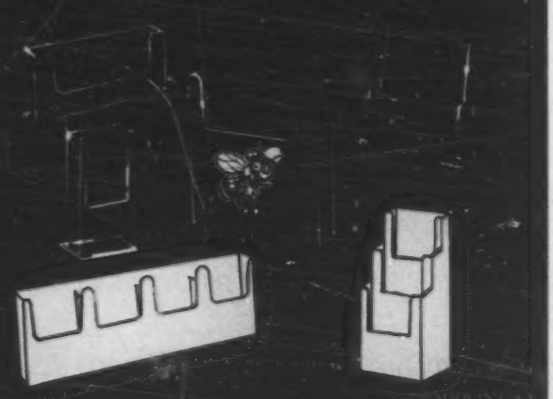

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Study sees ad outlay gains

LINCOLNSHIRE, Ill.—Large diversified food companies will boost ad spending 9.3% to $10.1 billion this year, a study by Schonfeld & Associates found.

Eating places will spend $1.5 billion, up 10%, while the miscellaneous amusement and recreational services category will see spending grow 13.7%.

The study estimated advertising expenditures and advertising-to-sales ratios in more than 400 industry sectors.

The data were compiled from a variety of sources, including the 10-K reports of publicly held companies. Estimates and forecasts were developed by using historical data. The annual report includes data about more than 5,700 companies.

Besides advertising-to-sales ratios, the report forecasts 1991 ad spending for each company and industry. The new study also includes sales growth rates.

Other industries with significant ad growth this year include airlines, where ad spending will exceed $2.4 billion, up 8.7%; the hotel industry, with 7.6% ad growth; and hospital and medical service plans, up 12.9%.

Other industries with significant expected ad growth this year include airlines, where ad spending will exceed $2.4 billion, up 8.7%; the hotel industry, with 7.6% ad growth; and hospital and medical service plans, up 12.9%.

Despite industry turmoil, department store chains will spend $4.8 billion, up 5.6%. Variety store chains will show stronger advertising growth of 8.9%.

Many industrial companies will likewise increase their ad budgets, the study found. General Electric Co. will increase ad spending 13% to $562 million. High-tech Gandalf Technologies will increase spending 19.9%, and Medtronic's ad spending will be up 13%.

Among foreign companies, Matsushita Electric Co. will bump up spending 10.7% to $996 million. Honda Motor Co. will also be a heavy spender at $866 million. Volvo will invest $405 million and Burroughs Wellcome Co. will invest $222 million in advertising.

Schonfeld noted results could be affected by financial events such as mergers, acquisitions or divestitures; private ownership; and multi-industry companies reporting only in their primary industry.

Copies of the study are available for $295 by contacting Schonfeld & Associates, 1 Sherwood Drive, 60069. Phone: (708) 948-8080.

Advertising-to-sales ratios, 1990

Computed by industry.

Industry	SIC no.	Ad dollars as percent of sales	Ad dollars as percent of margin	Annual growth rate (%)
Abrasive, asbestos, misc minerals	3290	1.3	3.9	9.6
Adhesives & sealants	2891	4.0	8.9	10.2
Agriculture chemicals	2870	0.9	3.6	12.2
Agriculture production-crops	100	2.1	6.3	7.5
Air cond, heating, refrig equip	3585	2.0	6.4	14.1
Air courier services	4513	1.4	9.1	10.7
Air transport, scheduled	4512	2.0	21.4	8.7
Aircraft & parts	3720	0.6	3.6	14.6
Aircraft parts, aux equip, NEC	3728	1.0	4.2	7.4
Apparel & other finished prods	2300	6.4	16.5	72.2
Apparel & accessory stores	5600	2.4	5.9	8.0
Auto & home supply stores	5531	2.3	6.6	14.6
Auto rent & lease, no drivers	7510	2.9	4.2	4.6
Bakery products	2050	1.4	3.1	6.2
Beverages	2080	9.0	16.2	9.0
Biological prods, ex diagnostics	2836	3.1	6.1	13.0
Bldg matl, hardw, garden-retail	5200	4.5	11.4	5.2
Books: Publishing & printing	2731	3.1	8.6	5.1
Broadwoven fabric mill, cotton	2211	2.6	10.2	7.5
Bttld & canned soft drinks, water	2086	3.6	8.0	13.2
Business services, NEC	7389	4.5	9.1	1.7
Cable & other pay TV services	4841	2.6	4.5	18.8
Can fruit, veg, preserv, jam, jelly	2033	2.5	7.4	12.6
Can, frozn preserv fruit & veg	2030	7.1	18.0	8.5
Catalog, mail-order houses	5961	5.4	15.6	7.8
Chemicals & allied products	2800	2.6	6.6	10.9
Cigarettes	2111	4.2	7.7	0.5
Computer integrated sys design	7373	1.8	4.3	11.0
Computer processing, data prep svc	7374	0.7	1.9	7.7
Commercial printing	2750	1.4	5.4	15.9
Communications equip, NEC	3669	2.1	5.2	9.3
Computer & office equipment	3570	1.3	2.8	8.9
Computer communication equip	3576	2.1	4.4	15.9
Computer peripheral equip, NEC	3577	2.0	5.4	13.0
Computer storage devices	3572	1.0	4.8	9.8
Computers & software-whsl	5045	0.5	3.9	20.8
Construct, mining, matl handl equip	3530	1.1	4.0	7.3
Construction machinery & equip	3531	0.6	2.1	11.6
Convrt papr, paprbrd, ex boxes	2670	1.9	4.4	4.7
Cutlery, hand tools, gen hardware	3420	10.2	19.6	10.6
Dairy products	2020	3.2	9.4	10.5
Department stores	5311	2.8	15.1	5.6
Drug & proprietary stores	5912	1.2	4.5	8.4
Eating places	5812	3.4	17.7	10.0
Educational services	8200	6.3	12.9	15.8
Elec meas & test instruments	3825	2.8	5.5	9.0
Electr, other elec eqp ex comp	3600	1.8	4.8	8.8
Electric housewares & fans	3634	4.5	18.2	2.7
Electric lighting, wiring equip	3640	3.2	10.3	10.3
Electrical industl apparatus	3620	2.1	8.4	9.1
Electromedical apparatus	3845	1.4	2.3	12.4
Electronic comp, accessories	3670	0.9	2.8	6.5
Electronic components, NEC	3679	1.1	3.7	7.3
Electronic computers	3571	4.8	10.3	13.0
Electronic parts, eq-whsl-NEC	5065	1.7	6.1	14.2
Employment agencies	7361	7.2	16.8	26.8
Engines & turbines	3510	1.8	7.8	10.9
Engr, acc, resh, mgmt, rel svcs	8700	3.1	13.5	(4.1)
Equip rental and leasing, NEC	7359	0.6	2.7	5.0
Fabricated plate work	3443	1.0	3.8	11.2
Fabricated rubber prods, NEC	3060	0.4	2.4	3.9
Facilities support mgmt svcs	8744	1.3	10.0	20.2
Family clothing stores	5651	1.7	4.8	7.5
Farm machinery & equipment	3523	1.1	5.4	(2.5)
Finance-services	6199	0.6	4.2	4.2
Food & kindred products	2000	6.7	16.4	9.3
Footwear, except rubber	3140	3.8	10.5	6.3
Furniture stores	5712	7.1	14.9	6.4
Games, toys, child veh, ex dolls	3944	14.4	29.4	12.7
Gen med & surgical hospitals	8062	0.4	2.4	(4.7)
General industrial mach & equip	3560	1.9	6.4	19.5
Glass, glassware-pressed, blown	3220	2.5	5.9	10.9
Grain mill products	2040	10.3	21.8	8.5
Greeting cards	2771	4.1	7.3	8.4
Groceries and related prods-whsl	5140	1.3	9.4	5.9
Grocery stores	5411	1.2	5.2	2.8
Guided missiles & space vehc	3760	1.7	20.1	(10.7)
Hardware, plumb, heat equip-whsl	5070	1.3	9.5	2.8
Help supply services	7363	2.4	10.7	35.8
Hobby, toy & game shops	5945	1.8	4.8	9.2
Home furniture & equip stores	5700	4.4	9.7	9.3
Hospital & medical svc plans	8324	1.2	14.3	12.9
Hospitals	8060	6.0	19.8	14.5
Hotels, motels, tourist courts	7011	3.8	12.1	7.6
Household appliances	3630	1.9	4.8	(1.4)
Household audio & video equip	3651	4.0	10.2	13.5
Household furniture	2510	4.0	12.9	6.0
Ice cream & frozen desserts	2024	6.8	25.4	18.4
Indust comt fans, blowers, other eq	3564	1.1	4.5	5.3
Industrial inorganic chemicals	2810	12.3	28.3	9.2
Indust trucks, tractors, trailers	3537	1.1	6.1	8.8
Industrial measurement instr	3823	1.8	4.8	6.6
Investment advice	6282	8.3	19.7	2.8
Iron & steel foundries	3320	1.2	3.8	10.3
Jewelry & watches-whsl	5094	19.8	48.5	11.4
Jewelry stores	5944	2.7	6.8	6.1
Jewelry, precious metals	3911	2.8	5.7	8.9
Knit outerwear mills	2253	1.8	5.3	16.6
Knitting mills	2250	2.5	8.6	10.6
Lab analytical instruments	3826	1.9	3.9	4.8
Lawn, garden tractors, equip	3524	2.3	7.5	15.7
Lumber & other bldg matl-retail	5211	2.1	7.2	4.4
Lumber & constr matl-wholesale	5030	2.7	23.6	12.7
Magnetic, optic recording media	3695	2.9	7.9	14.0
Malt beverages	2082	5.7	19.2	8.3
Manifold business forms	2761	0.9	2.8	8.1
Mvas & controlling dev, NEC	3829	1.6	4.4	17.5
Meat packing plants	2011	1.8	12.6	8.8
Men, youth, boys furnsh, wrk clthng	2320	2.9	8.9	7.3
Metalworking machinery & equip	3540	3.9	10.7	13.4
Misc amusement & rec services	7990	5.9	17.0	13.7
Misc business services	7380	0.8	1.5	0.4
Misc chemical products	2890	7.1	19.1	7.4
Misc elec machine, equip, supply	3690	1.6	4.0	(10.0)
Misc fabricated metal prods	3490	0.6	2.4	6.7
Misc food preps, kindred prods	2090	2.4	6.5	3.0
Misc furniture & fixtures	2590	1.4	3.0	13.9
Misc general mdse stores	5399	3.0	11.1	4.0
Misc indl, comt, machy & equip	3690	2.7	8.3	(4.6)
Misc manufacturing industries	3990	4.4	11.5	12.5
Misc shopping goods stores	5940	3.6	8.8	3.4
Miscellaneous retail	5900	2.7	10.2	15.9
Motion pic, videotape prodtn	7812	12.6	23.8	13.6
Motion pic, videotape distr	7822	9.5	24.4	22.5
Motion picture theaters	7830	4.9	32.2	16.9
Motor homes	3716	1.0	5.5	2.6
Motor veh parts, supply-whsl	5010	4.8	32.9	7.8
Motor veh parts, accessories	3714	0.9	4.1	5.7
Motor vehicles & car bodies	3711	1.8	8.5	13.7
Motors & generators	3621	0.9	2.6	6.5
Newspaper: Pub, pub & print	2711	3.1	8.2	9.6
Office furniture	2520	1.3	3.7	9.3
Office machines, NEC	3579	1.5	4.5	4.6
Operative builders	1531	1.0	3.3	14.5
Operators-nonres bldgs	6512	2.1	5.4	8.0
Ophthalmic goods	3851	10.6	18.2	21.7
Ortho, prosth, surg, appl, supply	3842	2.7	5.9	11.2
Paints, varnishes, lacquers	2851	3.6	9.9	6.8
Paper & paper products-whsl	5110	2.9	12.7	36.5
Paper mills	2621	2.1	6.8	9.7
Pens, pencils, office material	3950	4.3	9.1	12.8
Perfume, cosmetic, toilet prep	2844	9.6	15.2	14.0
Periodical: Pub, pub & print	2721	4.4	9.7	15.6
Personal credit institutions	6141	1.3	2.6	11.0
Personal services	7200	7.5	19.1	8.6
Petroleum refining	2911	2.5	8.6	7.0
Pharmaceutical preparations	2834	6.8	10.1	10.2
Phone comm ex radiotelephone	4813	2.1	4.2	2.5
Phono records, audiotape, disc	3652	9.3	23.1	19.1
Photofinishing laboratories	7384	4.0	12.0	10.7
Photographic equip & supply	3861	3.8	11.3	14.2
Plastic matl, synthetic resin	2820	0.3	0.8	18.3
Plastic products, NEC	3089	1.9	5.2	5.7
Plastics, resins, elastomers	2821	0.6	2.0	4.1
Poultry slaughter & process	2015	2.4	12.7	11.2
Prepackaged software	7372	2.6	4.3	15.8
Printing trades machy, equip	3555	1.9	5.4	5.0
Pumps & pumping equipment	3561	1.1	3.0	8.2
Radio broadcasting stations	4832	9.3	23.8	16.1
Radio, TV broadcast, comm equip	3663	1.1	3.2	11.0
Radio, TV, consumer electr stores	5731	5.9	17.6	10.1
Radiotelephone communication	4812	2.9	5.2	20.1
Real estate investment trust	6798	0.8	1.2	10.8
Record & tape stores	5735	1.3	3.1	10.2
Refrig & service ind machine	3580	1.7	5.5	3.5
Retail stores	5990	7.0	14.0	8.7
Rubber & plastic footwear	3021	6.2	15.4	19.7
Sausage, other prepared meat prod	2013	7.4	23.3	11.3
Savings instns, not fed chart	6036	0.5	2.0	11.0
Savings instns, fed chartered	6035	0.8	2.1	11.3
Security brokers & dealers	6211	2.8	5.6	11.7
Semiconductor, related devices	3674	1.3	3.2	11.6
Ship & boat bldg & repairing	3730	2.0	11.1	18.2
Shoe stores	5661	1.7	4.0	(8.0)
Short-term bus credit, ex ag	6153	0.9	1.5	13.3
Skilled nursing care facil	8051	3.2	23.0	13.9
Soap, detergent, toilet preps	2840	7.1	16.9	7.0
Special clean, polish preps	2842	15.7	27.8	9.9
Special industry machinery	3550	8.6	37.7	12.5
Special industry machy, NEC	3559	1.3	2.9	18.2
Sporting & athletic goods, NEC	3949	5.2	14.8	11.0
Steam, del, nav, gold, semi sys	3812	1.0	3.3	11.9
Subdivid, develop, ex cemetery	6552	1.9	9.0	7.6
Sugar & confectionery prods	2060	10.4	26.8	13.6
Surgical, med instr, apparatus	3841	1.5	2.9	12.3
Switchgear & switchboard app	3613	1.6	4.8	10.8
Tele & telegraph apparatus	3661	1.0	2.2	2.1
Telegraph & other message comm	4822	6.4	10.9	88.4
Television broadcast stations	4833	2.8	6.7	2.2
Tires & inner tubes	3011	2.2	8.3	4.9
Tobacco products	2100	1.5	3.5	4.8
Transit & passenger trans	4100	1.7	25.7	8.1
Unsupp plastics film & sheet	3081	8.5	26.9	5.2
Variety stores	5331	1.8	7.8	8.9
Videotape rental	7841	4.6	8.2	28.6
Water transportation	4400	6.2	13.2	10.7
Wmns, misc, child, infnt undgrmnt	2340	4.4	10.1	10.5
Women's clothing stores	5621	3.4	9.0	12.7
Womens, misses, jrs outerwear	2339	3.7	11.5	69.2
Wood hshld furn, ex upholsterd	2511	2.8	6.8	10.8

Source: Schonfeld & Associates, 1 Sherwood Drive, Lincolnshire, IL 60069. (708) 948-8080. Legend: SIC – Standard Industrial classification; Gen, NEC – Not elsewhere classified; Ad dollars as percent of sales: Ad expenditures/net sales; Ad dollars as percent of margin: Ad expenditures/(net sales – cost of goods sold); Annual growth rate of advertising dollars.

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NEWSPAPER

Advertising Age

August 20, 1990

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LAST MINUTE NEWS

New outdoor board plan

WASHINGTON—The Outdoor Advertising Association of America today will announce a new program that identifies outdoor boards within 500 feet of schools, places of worship and hospitals with decals to signal the boards are "off limits" for cigarette and alcohol-related ads. The association in June adopted guidelines encouraging members to voluntarily prohibit such ads on boards in those areas. The association said major outdoor companies including Gannett Outdoor, Patrick Media Group, Lamar Advertising and Penn Advertising have agreed to use the decals.

McD grills chicken

OAK BROOK, Ill.—McDonald's has begun testing a grilled chicken breast sandwich served on a wheat bun in Albany, N.Y.; Knoxville, Tenn.; San Diego; Toledo, Ohio; and the Quad Cities area of Illinois and Iowa. McDonald's is positioning the item as a lower-calorie (less than 300) and lower-fat menu option. Leo Burnett USA, Chicago, provides TV and in-store creative; local co-op agencies are placing media. Burger King added the BK Broiler grilled chicken sandwich systemwide this spring; Wendy's will roll its version national this fall.

Surf's Up! for snacks

MINNEAPOLIS—General Mills next month will introduce Surf's Up! fruit snacks in the Midwest and Western states. Tutti Frutti and Sun Splash flavors feature a variety of beach shapes, including sand castles, dune buggies, sunglasses, starfish and boom boxes. A spot, syndicated and cable TV campaign will break this fall via Saatchi & Saatchi Advertising, New York. Free standing inserts and other promotions support.

Ad watchdog to aid PR

WASHINGTON—The State Advertising Coalition, formed three years ago by three industry associations to fight off state ad-tax attempts, hired Linda Myers Dove, former assistant press secretary to Maryland Gov. William Schaefer, to monitor state legislative initiatives against public relations. The hiring indicates the Association of National Advertisers and American Advertising Federation agreed to proposals by the American Association of Advertising Agencies to

(Continued on Page 8)

INSIDE

Newspapers

Say farewell to major metro start-ups—their days are over.
Starts after Page 48

Marketers on alert

Iraq crisis rattles U.S. consumers' confidence

An Advertising Age roundup

The Middle East crisis brought on by Iraq's invasion of Kuwait is triggering a decline in consumer confidence that marketers fear could descend to alarming levels as they head for the crucial fourth quarter.

MIDDLE EAST CRISIS

Fear of higher prices due to rising energy costs is what's shaking consumer confidence *(see* Advertising Age*/Gallup Organization poll below).*

Consumers are "shaken, confused and concerned" about the oil crisis though confident in the Bush administration's assertive action, said Gary Stibel, a founding principal of New England Consulting Group.

Some marketers are developing contingency plans to cover "what-if" situations for worse-than-expected or better-than-expected holiday sales, Mr. Stibel said. Companies dependent on fourth-quarter sales may actually boost ad spending *(see story below on Eastman Kodak Co.)*, he predicted, especially if consumer confidence worsens.

See related stories on Pages 38, 39 and 59; see Editorial on Page 46.

The crisis is already having an impact on advertising strategies, particularly at the U.S. oil companies.

Last week, Sun Oil Co. decided to postpone a campaign for its Atlantic gas stations division.

"Certainly they don't want to go ahead and do advertising for Atlantic until they see what the [Mideast] situation is," said Jeff Fine, chairman-chief operating officer at the Bloom Agency, New York, the company's ad agency.

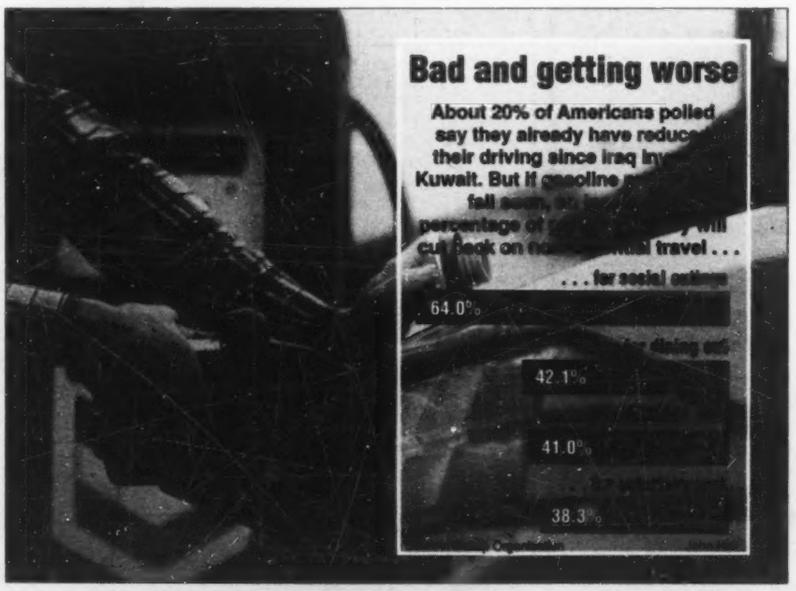
The U.S. Council for Energy Awareness, a Washington lobbying group for the nuclear energy industry, last week added 11 major dailies to its regular weekly schedule of newspaper ads in three papers, said Ed Arduss, VP-advertising.

The print ad from Ogilvy & Mather,

(Continued on Page 62)

Oil's image problem
Do you think the price increase by the oil companies was necessary because of the Iraqi situation, or do you think the oil companies only raised prices to take advantage of the situation?
Necessary 4%
4% Don't know
91% Yes, oil companies are taking advantage of the situation to increase profits
Source: Gallup Organization

John Hall


Bad and getting worse
About 20% of Americans polled say they already have reduced their driving since Iraq invaded Kuwait. But if gasoline prices fall soon, the percentage of drivers who will cut back on nonessential travel . . .
. . . for social outings
64.0%
42.1%
41.0%
38.3%

Comstock/Michael Stuckey

Consumers already are driving less

By Scott Hume

Consumers have changed their behavior in response to the sudden surge in gas prices, and even more dramatic changes can be expected if gas prices don't come down.

The implications of those changes for the entertainment, restaurant, travel/tourism and retailing industries are dramatic.

What those and other industries rely on is consumers' willingness to use their cars, but an exclusive survey conducted last week for *Advertising Age* by the Gallup Organization shows that the double-digit jump in gas prices following Iraq's invasion of Kuwait is already causing people to cut

(Continued on Page 63)

Kodak pins hopes on a Star

New 35mm camera line to snap up bigger ad spending

By Alison Fahey

Eastman Kodak Co., in a reversal of its previous marketing strategy, will introduce a new line of low-price 35mm amateur cameras designed to appeal to "the masses."

This move and other fall plans by Kodak mean a boost in fourth-quarter ad spending by the camera marketer.

The new Star line, coming in October, represents Kodak's attempt to hike sales with high-volume, low-price cameras. It replaces the 2 Series, 100 Series and 200 Series.

"We've changed our price strategy to appeal to the masses," said Dan Matthaidess, a Kodak spokesman. "We're broadening our audience and trying to upgrade consumers into 35mm from their older model, non-35mm cameras such as Instamatics."

The Star line will be supported by a $7 million TV and print campaign from Young & Rubicam, New York, and promotional support via Hutchins/Y&R, Rochester, N.Y.

Kodak's latest single-use 35mm camera also will get a fourth-quarter push, backed by new ads from Y&R.

The campaign will boost overall fourth-quarter ad spending for cameras by 15% from the same period in 1989, said Joseph Ganey, Kodak's U.S. marketing manager for cameras.

He added that Kodak's 1990 ad spending for cameras will be up about 35% over 1989 but declined to disclose budget figures.

Kodak spent about $6 million on measured media advertising for cameras during fourth quarter 1989 and $9 million for the year, according to LNA/Arbitron Multi-Media Service.

J. Walter Thompson USA, New York

NEWS SUMMARY

■ **A buying slowdown** by consumers in reaction to the Middle East confrontation is becoming the big worry of marketers. 1

■ **Eastman Kodak** will introduce the Star line of mass-market, low-price 35mm cameras in October with a $7 million media ad campaign. 1

■ **An "upfront" market** for magazines may emerge this fall, with advertisers offering long-range bulk-buying dollar commitments to multititle publishers. 3

■ **Frisbee Flying Dog Treats,** shaped like small versions of the disc toy and aerodynamically designed, will be introduced in October by Quaker Oats Co. 3

■ **Home video marketers** plan to increase ad spending for new releases to stave off slower growth. 3

■ **Scali, McCabe, Sloves** blamed the loss of Procter & Gamble business on the shop's ties to WPP Group, whose main agencies handle Unilever business. P&G moved Old Spice and Santa Fe brands to Tatham-Laird & Kudner. 4

■ **Kellogg** and Nabisco settled their legal fight over nutrition claims for shredded wheat but are testing nearly identical shredded wheat products. 6

■ **Choice Hotels International,** formerly Quality Inns International, is using daredevil Evel Knievel as its latest celebrity to climb out of a suitcase in its ads. 16

■ **Creative talent** is in short supply as several leading ad agencies seek to fill key creative posts. 37

■ **Ed McCabe,** creative partner at Beber, Silverstein, McCabe & Partners, said a recession brings out the best in talented adpeople. 38

■ **Military recruitment ad spending** is expected to face a cut of 10% or more in fiscal 1991 despite the deployment of forces in the Middle East. 39

■ **NutraSweet Co.'s** introduction of Simple Pleasures frozen dessert with Simplesse fat substitute has been hampered by production problems and an ad delay. 40

■ **Magazine circulation** figures from the Audit Bureau of Circulations showed only 20 of the 55 leading titles with increases over last year's first half. 42

■ **Most Middle East** ad agencies, with the exception of those in Kuwait, are doing business as usual despite the tense political and military situation. 59

■ **Eastern Europe** continues to attract U.S. agencies. Young & Rubicam purchased majority interest in a Prague shop, and Bozell has signed agreements with agencies in Budapest and Warsaw. 61

■ **Pepsi-Cola Co.** named David Novak exec VP-marketing; he was with PepsiCo's Pizza Hut unit. 65

■ **Publisher Mortimer Zuckerman** said he's had preliminary discussions about acquiring *Memories*. 66

DEPARTMENTS

Ad Review	66	International News	59
James Brady	48	Letters	47
Brady's Bunch	54	MediaWorks	52
Joe Cappo	48	NewsWatch	12
Classifieds	56	People Moving	54
Con-Sid-erations	46	PeopleWorks	53
Corrections & Clarifications	47	Photo Review	55
Editorials	46	Retail Marketing News	49
For the Record	61	Sales Promotion News	50
Index to Advertisers	66	The Next Trend	48

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McCaffrey deal set

Saatchi decides to finance buyback

By Jon Lafayette

NEW YORK—Saatchi & Saatchi Co.'s agreement last week to finance the long-delayed sale of McCaffrey & McCall could set a benchmark for other units interested in buying themselves back from the London-based holding company.

"I'm sure people at all the Saatchi agencies are looking to see how much [McCaffrey] paid," said an executive at a Saatchi agency. "They'll all want at least as good a deal."

This executive speculated that Saatchi preferred to finance the buyback itself rather than reduce the price for the $303 million shop even further.

When negotiations began early last year, Saatchi wanted as much as $40 million. Last November, Saatchi reached an agreement in principle to sell the agency for $20 million to $25 million.

Under last week's agreement, Saatchi will sell the agency to management for less than $20 million, a source close to the deal said. McCaffrey management will pay Saatchi about $2 million now and will pay interest on notes for the balance for several years, the source said.

The deal provides cash-strapped Saatchi with some money now, and a stream of income for the next few years.

Saatchi decided to finance the purchase itself because McCaffrey management couldn't get favorable financing from banks. Financial institutions have become more restrictive in their loans, especially for service businesses such as ad agencies.

Although Saatchi decided to sell the agency for a depressed price and receive payments for an extended period, analysts weren't disappointed.

"Getting rid of non-strategic pieces, where possible, for reasonable prices is good, period," said Greg Ostroff, analyst at Goldman, Sachs & Co.

Saatchi Chief Executive Robert Louis-Dreyfus has also sold off the company's consulting units at prices mostly below the price Saatchi originally paid for them.

There have been reports that other parts of the company's communications division are up for sale, to third parties or management. But Mr. Louis-Dreyfus has consistently denied the reports.

With its ownership uncertain, McCaffrey—led by Chairman-CEO Robert Cherins—has found competing for new business difficult. The agency has been revamping management, including the hiring last September of John Doig from Ogilvy & Mather as deputy chairman-chief creative officer.

McCaffrey last week also joined the ranks of agencies adopting the British account planning system by hiring Lauren Press as director of strategic planning, from VP-planning director at O&M.

Planners try to bring the consumer's viewpoint into the process of creating advertising. □

McDonell exits 'Smart'

By Scott Donaton

NEW YORK—Editor in Chief Terry McDonell's departure from *Smart* casts a shadow of doubt over the fledgling men's magazine, just weeks after it got an infusion of much-needed cash.

Mr. McDonell, 46, was named editor in chief of Hearst Corp.'s *Esquire* last week. He succeeds Lee Eisenberg, 44, who's moving to London as editor in chief of a U.K. edition of *Esquire*, scheduled to be launched next March.

"From what I know about *Smart*, [Mr. McDonell] was the magazine," said Roberta Garfinkle, VP-director of print media at McCann-Erickson Worldwide. "Whether there's a potential to have a magazine without him, I don't know."

Majority owner New American Magazine Co. is "a troubled magazine company and there seems to be a glut of men's magazines right now, so I think there would be difficulties without him," she said.

"Terry conceived of *Smart*; his stamp was on every article," said Valerie Green, former marketing director at the magazine and now VP-advertising sales and marketing at *Spin*. "I can't see *Smart* without Terry there."

T. McDonell

Mr. McDonell founded *Smart*, positioned against *Esquire*, in 1988. He sold a majority stake in the magazine to Owen Lipstein, chairman of New American, the following year. Mr. Lipstein sold 50% of his magazine company, including *Smart*, to Tokyo-based Japanese Independent Communication Co. earlier this month (AA, Aug. 13).

Last week, Mr. Lipstein said he will buy Mr. McDonell's stake in the magazine for an undisclosed amount.

Smart has won critical praise since its launch, but Mr. Lipstein's financial troubles hurt the magazine's reputation with advertisers.

Tension between Messrs. McDonell and Lipstein became apparent earlier this year during their efforts to find an investor for *Smart* (AA, June 11).

Smart, published 10 times yearly, claims a rate base of 250,000, but its circulation isn't audited.

Both Messrs. Lipstein and McDonell described their parting as "amicable" and both downplayed speculation that *Smart* can't survive without Mr. McDonell.

"I'm not going to pretend it's good, but we have major financing behind the magazine and we have an editor in mind who we think is terrific," Mr. Lipstein said. He declined to comment further on Mr. McDonell's successor.

Smart's loss could be *Esquire's* gain. Mr. McDonell's 20-plus years in the magazine business have included stints as founding editor of *Outside*, managing editor of *Rolling Stone* and assistant managing editor at *Newsweek*.

Esquire, a monthly, has a rate base of 700,000. □

PM adds to smaller shops

By Judann Dagnoli

NEW YORK—Philip Morris USA has given new, unspecified cigarette assignments to three small-to-midsize agencies in an attempt to develop more creative advertising.

Philip Morris has assigned three new-product projects to TBWA; two projects to Omon, at least one of which is a new product; and is "very close to an agreement" with Romann & Tannenholz for at least one other project, a Philip Morris source said.

Both TBWA and Omon already handle undisclosed projects on assignments for Philip Morris, awarded earlier this year when the company unexpectedly opened it doors to smaller agencies (AA, Feb. 19).

Philip Morris traditionally relies on Leo Burnett USA, Chicago, and New York agencies Backer Spielvogel Bates and Wells, Rich, Greene for the bulk of its $300 million-plus in cigarette advertising.

The new assignments are said to be in response to the company's frustration over a lack of breakthrough creative ideas.

In addition, the tobacco giant has asked Burnett to help WRG in executing a long-delayed campaign for the $60 million Benson & Hedges account.

The company views Burnett almost as its "house agency," the Philip Morris source said, adding that the request "is not in the nature of an [account] shift."

The move marks the second time Philip Morris has asked other agencies to pitch in on Benson & Hedges. Last October, WRG managed to hold onto the business after the company conducted an unofficial review.

The source said Philip Morris "is committed to giving [WRG]

Newsstand woes grease magazine skid

By Ira Teinowitz

Six of the nation's top 55 magazines failed to make their circulation guarantees for the first half of the year.

Reports to the Audit Bureau of Circulations showed *Family Circle*, *National Enquirer*, *First for Women*, *Scholastic*, *Penthouse* and *Globe* all missed their marks.

In fact, only 20 of the top 55 magazines saw circulation increases from a year earlier.

Among the biggest losers: *National Geographic Magazine*, down 6%; *Sports Illustrated*, down 7%; *Playboy*, down 6.1%; *People*, down 5.1%; *First for Women*, down 25%; and *Penthouse*, down 18.6%.

Conversely, membership titles were some of the biggest winners.

The nation's largest magazine, the American Association of Retired Persons' *Modern Maturity*, rose 10.4%; the National Education Association's *NEA Today* gained 9%; and the American Automobile Association's *Home & Away* rose 6%.

Among the few gainers in general interest magazines: *Woman's Day*, up 4.8%; *Money*, up 7.9%; *1,001 Home Ideas* up 6%; and *Soap Opera Digest*, up 15.2%.

Some industry officials blamed newsstand sales, though several magazines also suffered subscription declines. They said the growth in the number of magazines available may have cannibalized some existing titles.

"We don't see a major trend downward on the subscription side, but single-copy sales are primarily an impulse purchase and people seem to be watching their purse strings," said Bob Cohn, senior VP-circulation marketing for the Magazine Publishers of America. "There is also . . . a lot of product and clutter on the newsstand, and some magazines are finding it difficult to get as much display."

Several publishers, however, said there were other factors.

Time, with a 3.1% circulation drop, said it lowered its rate base to 4 million from 4.3 million last year to cut back unprofitable circulation. The magazine raised its subscription rate, dropped direct marketing to less desirable circulation areas, cut off direct response TV and raised the newsstand price to $2.50 from $2.

"We expected to be down 300,000," said Ellen Fairbanks, consumer marketing director. "It didn't happen. Advertisers got a bigger bonus. They won't see a bonus like that again."

Penthouse blamed the economy and also cited debt woes at convenience stores, where most of its single copies are sold. As of June 1, the title's rate base dropped 12.5% to 2 million.

Suppliers reduced shipments to Circle K Corp. and Southland Corp.'s 7-Eleven chains due to financial troubles, said Marcia Orovitz, VP-newsstand circulation for *Penthouse* parent General Media Co.

Sports Illustrated said its 1990 loss was partially attributable to an unusual 1989.

David Mercado, consumer marketing financial manager, said 1989's figures included the title's 25th anniversary swimsuit issue, which sold nearly 2.5 million single copies (vs. the usual 168,263).

As expected (AA, Aug. 13), *First for Women* was 30.9% below the title's 4 million rate base as of the beginning of the year. *First* lowered its rate base 25% to 3 million on April 23 and is pledging to make the base in the second half of the year or give advertisers 200% of any needed make-goods.

Penthouse, which had a 2.25 million rate base before dropping it to 2 million June 1, fell 24.4% below the higher base. The other titles that fell below their bases: *Family Circle*, 1.7% under its 5.25 million base; *National Enquirer* 2% below its 4.1 million base; *Scholastic* 8.9% below its 2,975,000 base; and the *Globe* 12.3% below its 1.5 million base.

Business Publications Audit of Circulation titles also reported last week but with somewhat more favorable results that may reflect the group's inclusion of unpaid as well as paid circulation. □

BPA's top magazine circulations

Circulation of top magazines as reported to the Business Publications Audit of Circulation. Figures are for the first half of 1990 as compared with the same period in 1989 and are unaudited.

Rank	Publication	Paid circ.	% chg	Total circ.	% chg
1	Disney Channel Magazine	—	—	5,073,963	7.7
2	Friendly Exchange	—	—	4,709,285	2.7
3	AAA World	2,472,436	8.3	2,479,214	8.6
4	TV Host	1,898,240	(1.1)	2,008,484	7.6
5	American Baby Healthy Kids (4-10)	—	—	2,004,175	FA
6	Investment Vision	—	—	1,834,917	0.6
7	American Baby Healthy Kids (Birth-3)	—	—	1,504,298	0.0
8	U., The College Newspaper	78	50.0	1,436,084	0.0
9	Hertz Travel Guide	—	—	1,260,166	99.0
10	Expecting	—	—	1,210,013	(2.3)
11	American Baby	193,063	(3.0)	1,155,063	(0.3)
12	Health Journal	1,108,229	FA	1,108,229	FA
13	Baby Talk	5,251	(26.1)	1,083,729	7.7
14	Movies USA	—	—	1,000,350	FA
15	GO! Girls Only	—	—	1,000,000	FA
16	Mickey Mouse Magazine	953,631	FA	913,631	FA
17	Prize Club Journal	—	—	875,231	14.3
18	Sports Illustrated for Kids	695,283	FA	845,248	FA

Consumer magazine circulation

Circulation of top magazines as reported to the Audit Bureau of Circulations. Figures are for the first half of 1990 as compared in percentage change with the same period in 1989 and are unaudited.

Rank	Publication	Circulation	% chg
1	Modern Maturity	22,443,464	10.4
2	Reader's Digest	16,[illegible]919	(0.2)
3	TV Guide	15,837,064	(3.0)
4	National Geographic Magazine	10,182,911	(6.0)
5	Better Homes & Gardens	8,002,895	(0.3)
6	Family Circle	5,159,147	(1.0)
7	Good Housekeeping	5,105,094	(0.2)
8	Ladies' Home Journal	5,022,414	(1.9)
9	McCall's	5,011,473	(2.7)
10	Woman's Day	4,612,833	4.8
11	Time	4,258,604	(3.1)
12	Guideposts	4,131,548	(2.5)
13	National Enquirer	4,019,187	(4.8)
14	Redbook	3,947,106	1.0
15	Star	3,615,692	1.5
16	Sports Illustrated	3,507,627	(7.0)
17	Playboy	3,436,471	(6.1)
18	Newsweek	3,227,522	(1.9)
19	People	3,176,166	(5.1)
20	Prevention	3,025,746	(4.3)
21	The American Legion Magazine	2,858,405	(0.5)
22	First for Women	2,764,667	(25.0)
23	Cosmopolitan	2,714,639	(2.3)
24	Scholastic Magazines	2,709,232	(5.3)
25	U.S. News & World Report	2,319,591	0.7
26	Smithsonian	2,295,985	(1.2)
27	Southern Living	2,295,241	(0.1)
28	Glamour	2,210,938	(4.8)
29	Field & Stream	2,006,253	(0.7)
30	Money	1,959,228	7.9
31	NEA Today	1,915,891	9.0
32	Motorland	1,902,234	3.6
33	Ebony	1,887,595	3.8
34	Home & Away	1,882,064	6.0
35	V.F.W. Magazine	1,861,182	1.8
36	Popular Science	1,820,471	(0.3)
37	Seventeen	1,754,194	2.2
38	Parents	1,751,839	1.1
39	Country Living	1,750,187	(4.1)
40	Life	1,734,105	(0.2)
41	Penthouse	1,700,984	(18.6)
42	1,001 Home Ideas	1,653,017	6.0
43	Popular Mechanics	1,633,210	(3.3)
44	Woman's World	1,542,582	0.9
45	Outdoor Life	1,506,944	(0.4)
46	The Elks Magazine	1,459,251	(2.6)
47	Boys' Life	1,434,486	(0.4)
48	Sunset	1,401,922	0.2
49	The American Rifleman	1,398,666	(1.5)
50	Soap Opera Digest	1,388,930	15.2
51	Bon Appetit	1,371,084	1.6
52	Golf Digest	1,357,087	1.0
53	New Woman	1,353,373	1.1
54	US	1,326,870	(1.1)
55	Globe	1,315,106	(6.3)
56	The American Hunter	1,284,762	(9.0)
57	Sesame Street Magazine	1,271,403	4.6
58	The Workbasket	1,242,486	(4.9)
59	Vogue	1,219,958	(3.3)
60	Home Mechanix	1,204,213	(1.4)
61	Changing Times	1,180,157	10.8
62	Rolling Stone	1,179,074	(1.3)
63	Self	1,173,682	0.0
64	Teen	1,163,522	12.4
65	Mademoiselle	1,119,142	(1.9)
66	Travel & Leisure	1,117,701	0.6
67	Discover	1,095,232	6.6
68	Golf Magazine	1,059,354	3.1
69	Organic Gardening	1,035,014	(1.8)
70	Business Week (Worldwide)	1,020,371	1.8
71	Yankee	1,007,336	0.6
72	Weight Watchers Magazine	1,002,335	(3.4)
73	Popular Photography	1,001,726	38.1
74	YM	1,000,133	11.1
75	Scouting	975,927	1.2
76	True Story	974,515	(21.4)
77	Country Home	971,126	(0.1)
78	Sport	941,071	(5.5)
79	House Beautiful	932,377	3.4
80	Jet	931,469	0.4
81	Home	925,605	(1.8)
82	Omni	925,114	2.5
83	Car & Driver	915,504	(1.3)
84	Hot Rod	904,696	0.8
85	National Examiner	892,498	(13.0)
86	Workbench	882,070	0.8
87	Cooking Light	870,845	22.3
88	Consumers Digest	858,841	1.7
89	Nation's Business	858,089	0.1
90	Essence	850,099	0.0
91	Motor Trend	842,836	8.9
92	Health	841,306	(16.5)
93	Elle	838,007	0.0
94	Food & Wine	821,380	0.5
95	Gourmet	804,748	2.8
96	Fortune (Worldwide)	794,380	1.5
97	Vista USA	792,288	9.8
98	Victoria	780,854	(2.4)
99	Weekly World News	764,588	(15.4)
100	Homeowner	758,319	2.1
101	Conde Nast Traveler	756,949	8.3
102	Practical Homeowner	750,769	1.6
103	Tennis	749,783	39.8
104	Vanity Fair	749,066	9.5
105	Endless Vacation	743,181	11.6
106	Forbes	741,634	0.2
107	Esquire	740,656	(0.7)
108	The Sporting News	727,568	(0.2)
109	Shape Magazine	726,359	(8.6)
110	Traveler	725,923	(4.4)
111	VFW Auxiliary Magazine	718,954	0.5
112	Harper's Bazaar	705,036	(0.7)
113	Mother Earth News	703,153	(1.2)
114	Road & Track	702,548	0.3
115	Metropolitan Home	701,015	(1.6)
116	GQ	673,408	(2.1)
117	Inside Sports	662,743	15.2
118	Scientific American	639,021	0.1
119	Guns & Ammo	632,784	6.2
120	Architectural Digest	632,302	(0.7)
121	The New Yorker	623,229	2.5
122	Muscle & Fitness	622,952	(0.6)
123	HG-House & Garden	619,920	5.2
124	Decorating Remodeling	618,046	12.4
125	Stereo Review	609,885	20.3
126	Midwest Living	605,780	13.7
127	New Choices	594,807	6.9
128	Flower & Garden Magazine	591,618	(3.0)
129	Woman	582,070	12.8
130	Colonial Homes	580,714	(3.4)
131	The Saturday Evening Post	570,336	(0.1)
132	Parenting	568,215	32.8
133	Travel-Holiday	553,987	(28.0)
134	Basemaster Magazine	533,444	0.7
135	The Rotarian	530,183	1.1
136	Natural History	518,569	1.1
137	Sports Afield	513,818	(1.9)
138	World Tennis	511,885	1.8
139	PC/Computing	506,490	19.4
140	Financial World	500,455	25.0
141	In Health	480,221	33.6
142	Country Music	467,446	7.0
143	Golf Illustrated	466,809	11.4
144	The Atlantic	464,870	(1.0)
145	Insight	463,087	f.a.
146	Car Craft	456,286	3.8
147	Lear's	453,094	22.5
148	Savvy Woman	451,933	10.9
149	Grit	451,588	(19.5)
150	Audubon	447,775	3.1
151	Premiere	446,907	16.5
152	Sierra	441,990	10.8
153	3-2-1 Contact	441,535	(0.1)
154	Ski Magazine	441,172	(1.3)
155	Skiing	440,476	0.0
156	Pillsbury Classic Cookbooks	438,966	9.1
157	Runner's World	438,269	0.8
158	New York Magazine	437,412	2.5
159	Sun	430,735	(3.6)
160	Automobile	428,415	29.0
161	Bride's	425,340	(11.3)
162	Town & Country	424,326	1.8
163	The Walking Magazine	423,946	12.1
164	Alfred Hitchcock & Ellery Queen	412,658	(5.7)
165	WWF Magazine	389,078	27.2
166	Bicycling	385,530	20.0
167	Capper's	383,436	0.1
168	Game & Fish Magazine	376,131	(3.3)
169	Home Office Computing	375,168	(3.4)
170	European Travel & Life	372,846	15.0
171	Gallery	362,713	0.0
172	Petersen's 4 Wheel & Off-Road	357,207	6.3
173	Four Wheeler	355,486	13.9
174	California Magazine	353,652	(1.9)
175	Crafts	352,411	(6.1)
176	The In-Fisherman	338,344	17.2
177	Petersen's Hunting	336,035	(0.3)
178	Cycle	333,423	4.7
179	Carolina Country	333,309	(4.8)
180	Entrepreneur Magazine	332,170	7.9
181	Satellite Orbit	328,888	(3.9)
182	Kid City	327,846	8.0
183	Computer Shopper	326,640	15.6
184	Connoisseur	325,373	(2.2)
185	Outside	325,120	7.1
186	The Tennessee Magazine	321,981	2.2
187	Flying	321,801	0.4
188	Easyriders	321,566	(1.8)
189	Air & Space/Smithsonian	316,788	1.4
190	Crafts 'n Things	309,135	(10.6)
191	TV Crosswords	306,800	(14.9)
192	Modern Bride	306,397	(22.7)
193	Texas Monthly	305,404	1.5
194	Trailer Life	304,486	(8.4)
195	Hadassah Magazine	295,347	(7.2)
196	Learning '90	295,169	(0.2)
197	Teen Beat	292,492	92.0
198	American Heritage	290,409	4.8
199	Country Journal	288,333	(14.8)
200	The Kiwanis Magazine	283,029	0.9

THE TOP 200 BRANDS

Automobiles and food pace category spending in Ad Age look at first-quarter 1990 spending

AT&T outspends other big brands

By R. Craig Endicott

If Bo can do it better, so can Ma Bell.

AT&T Co. not only outspent all other brands in major media during the first quarter of 1990 but used the omnipresent Bo Jackson to do it.

Ad spending by the telecommunication giant rose to $103.8 million, up 25.8% from the previous year's first quarter, as it replaced McDonald's Corp. as No. 1.

McDonald's restaurant spending dipped 1.7% to $92.8 million as it slipped to third behind Kellogg brands at $93.6 million, up 4.5%.

Media totals for *Advertising Age's* quarterly report on the nation's top 200 brands are derived from nine-media composites provided by LNA/Arbitron Multi-Media Service. They accounted for $3.6 billion in advertising, up 15.6%, while advertising for all other brands (39,000) tracked by LNA dropped 3.6%.

Mr. Jackson, pressed into pushing discount calling for AT&T's "Reach Out America" network TV campaign that broke in late February, was only one of the reasons the AT&T "brand" took off.

AT&T also apologized to the nation with copious ads following its mid-January breakdown in national phone service; it introduced the Universal card in late March on the Academy Awards telecast; it shot comparative salvos at its rivals in an "Aren't you glad you never left?" campaign.

In addition, AT&T set the stage for heavy spending by all long-distance carriers. Earlier this month, US Sprint began challenging AT&T's "Get it in writing" line, saying it will put its customer proposals in writing.

In the first quarter, media spending by No. 57 US Sprint leaped 57.5% to $19.7 million, and No. 73 MCI Communications Corp.'s spending rose 18.5% to $15.7 million. The phone category rose 25.9% to $148.1 million.

Automobiles, with ad volume at $792.1 million, emerged as the spending king among the top 200's 31 categories. Food placed a distant second with $419.1 million.

But there's caution in Motor City, as seen by spending totals of General Motors Corp., Ford Motor Co. and Chrysler Corp. Their brand lines totaled $409 million, down 4.4%. That left overall 8.9% auto category growth solely with the imports, whose outlays of $383 million were up 31.6%.

Auto category spending levels brought healthy growth to network TV, the dominant medium among the 200 at $1.64 billion, up 26.4%. The networks accounted for 45% of all top 200 ad volume.

But autos, accounting for 34% of all top 200 spending, weren't as good to spot TV, magazines and newspapers—the next three media in total ad volume, respectively.

Autos, the lead category in spot TV and magazines, dropped 8.4% and 10%, respectively, in dollar volume as total spending by the 200 rose 8.1% in spot and dipped a faint 0.6% in magazines. Fourth largest category in newspapers among the 200, autos dropped 7.5% in ad volume. Total 200 spending in the medium slipped 0.5%.

Automotive ad largess went to high-growth media, syndicated TV and cable TV. Syndication rose 72.8% to $197.9 million as the auto category increased 183.9% to $24.7 million. Cable TV rose 33.7% to $109.9 million as auto spending led all other categories with a 28% boost to $18.7 million.

Spending by the 23 food brands on the chart rose 16.7%, with virtually all this dollar growth going to broadcast: Food ad volume hit $242.8 million on network, up 23.2%; $61.8 million on spot, up 26%; and $59.7 million in syndication, up 28.4%.

Restaurants, third largest category at $268.7 million for 10 brands, rose 12.4%, most of its growth in spot TV and syndication. Volume leader network TV's food revenue declined 0.5%, but the nets still accounted for half the dollar volume.

The retail non-food category, fourth largest in 200 ad volume, dictated the fortunes of national newspaper advertising. While the category showed only a 1.5% gain to $257.4 million, retail non-food advertising in newspapers declined 3.6% to $138.4 million, representing 53.7% of all newspaper spending by the 200.

Procter & Gamble Co. and Philip Morris Cos. hold the most brand positions on the list, each claiming 10. P&G's $132 million total for a wide range of brands placed it third behind No. 1 General Motors Corp.'s $211 million from seven brands and Philip Morris Cos.' $206.8 million.

As a brand "parent," P&G moved up from sixth in 1989 as GM and Philip Morris retained their positions.

Among the top 25 brands, the biggest quarterly leaps were by No. 14 Chrysler cars, up from No. 24 a year ago based on its 49.2% advertising boost to $42.4 million. This was largely from new spending on Chrysler New Yorker Fifth Avenue and a hike of $11.6 million on Chrysler passenger cars overall.

Johnson & Johnson's Tylenol line rose to 19th from 27th, based largely on a $6 million hike on Tylenol Extra Strength Caplets and $3 million on Tylenol Cold Medication. Tylenol advanced 31.2% to $34.4 million.

Miller beers, collectively, rose to No. 22 from No. 48 a year ago thanks to new spending behind Miller Genuine Draft ($9 million) vs. a negligible amount in 1989, and Miller Lite ($6 million more). The total Miller brand ad volume of $31.5 million was up 64.8%.

The biggest spending exodus from the top 25 was Ford Motor Co.'s Mercury, now No. 119 with ad volume at $10.6 million, a 62.8% plunge. In '89, it was No. 23.

Philip Morris' Post cereals dropped 26.4% in spending to $25.3 million, falling to No. 35 vs. No. 18 last year.

Ad volume for Marlboro cigarettes, a Philip Morris brand, fell 27.4% to $21 million, dropping it to No. 48 from No. 22 a year ago.

The top 200, accounting for 40.5% of ad spending tracked by LNA for the 39,000 brands it monitored in the quarter, represented the bulk of advertising in network, spot, syndicated and cable TV, and Sunday magazines—all media that show more dramatic growth in the 200 universe than the 39,000. □

Top 10 parent companies of brands in top 200

Rank	Company	Measured ad spending in first quarter 1990	1989	% chg	First quarter 1990 spending by media Print	Broadcast	Outdoor	Number of brands
1	General Motors Corp.	$211.0	$212.0	(0.4)	$46.6	$163.8	$0.7	7
2	Philip Morris Cos.	206.8	170.7	21.2	36.3	157.1	13.4	10
3	Procter & Gamble Co.	132.0	96.7	36.5	16.0	115.9	0.0	10
4	PepsiCo	122.5	95.6	28.2	3.1	118.6	0.8	5
5	Sears, Roebuck & Co.	111.3	99.4	12.0	30.8	80.4	0.2	3
6	Chrysler Corp.	106.9	102.3	4.5	27.9	78.7	0.3	5
7	AT&T Co.	103.8	82.5	25.8	24.0	79.6	0.1	1
8	Kellogg Co.	93.6	89.6	4.5	2.2	91.4	0.0	1
9	McDonald's Corp.	92.8	94.4	(1.7)	0.2	91.3	1.3	1
10	Ford Motor Co.	91.1	113.5	(19.8)	35.0	55.5	0.5	3

Notes: Dollars are in millions. Totals include only brands from within the top 200. Source: LNA/Arbitron Multi-Media Service

Top 10 categories among top 200 brands

Rank	Category	Measured ad spending 1990	1989	% chg	First quarter 1990 spending by media Print	Broadcast	Outdoor	Number of brands
1	Automotive	$792.1	$727.7	8.9	$204.3	$585.7	$2.2	30
2	Food	419.1	359.2	16.7	35.8	383.0	0.3	23
3	Restaurants	268.7	239.2	12.4	2.5	263.5	2.7	10
4	Retail, nonfood	257.4	253.6	1.5	151.4	105.9	0.1	12
5	Pharmaceuticals, drugs	162.3	107.5	51.0	11.5	150.8	0.0	12
6	Toiletries, cosmetics	162.0	129.4	25.1	40.4	121.6	0.0	13
7	Telephone	148.1	117.6	25.9	32.5	115.5	0.2	4
8	Movies	137.1	111.4	23.1	41.0	95.3	0.8	8
9	Airline	130.4	118.2	10.3	64.3	64.8	1.3	8
10	Beer	109.6	98.6	11.2	4.8	103.8	1.0	4

Notes: Dollars are in millions. Totals include only brands from within the top 200 for first quarter 1990. Source: LNA/Arbitron Multi-Media Service

Measured ad spending by media for 200 brands

Rank	Media	First quarter spending: top 200 brands 1990	1989	% chg	All measured brands 1990	1989	% chg
1	Network TV	$1,640.1	$1,297.1	26.4	$2,574.8	$2,266.8	13.6
2	Spot TV	661.7	612.2	8.1	2,007.7	1,964.7	2.2
3	Magazine	496.5	499.7	(0.6)	1,445.4	1,439.3	0.4
4	Newspaper	368.5	370.3	(0.5)	1,849.4	2,016.2	(8.3)
5	Syndicated TV	197.9	114.5	72.8	351.0	266.0	32.0
6	Cable TV networks	109.9	82.2	33.7	253.6	215.4	17.7
7	Network radio	76.0	78.4	(3.1)	174.1	152.7	14.0
8	Outdoor	37.4	35.8	4.5	143.1	175.3	(18.4)
9	Sunday magazine	34.8	43.7	(20.5)	151.0	161.8	(6.7)
	Subtotal print media	899.8	913.7	(1.5)	3,445.7	3,517.2	(4.7)
	Subtotal broadcast media	2,685.5	2,184.4	22.9	5,361.2	4,865.6	10.2
	Total nine media	3,622.6	3,133.9	15.6	8,950.0	8,658.1	3.4

Notes: Dollars are in millions. Source: LNA/Arbitron Multi-Media Service

Ad chart: Kevin Brown

What constitutes a brand: Part 2

A "brand" is every product or service marketed under the same name.

For *Ad Age's* first-quarter brand rankings, the definition of a brand has been expanded to include ad expenditures for all products and services using the same name regardless of Publishers Information Bureau classification.

In the previous report on total 1989 spending by the top 200 brands (AA, May 21), brand totals could come from only one class.

For example, Kraft's cheeses, prepared dinners and salad dressings, fitting in several subclasses, all have been folded into a total to put Kraft foods at No. 10 in the brand ranking. The previous listing separated Kraft products because they were in different subclasses.

This change in methodology shows the power of brand identity, which doesn't necessarily stop at the subclass level.

The definition includes some gray areas. Should the Prudential brand identity extend to Prudential-Bache? For this tabulation, the two are kept separate, mainly because the name and image of the latter are related to financial services; the former name clearly means insurance.

Are Nestle, Nescafe and Nestea one megabrand or three separate brands? We chose three, mainly because Nestle chose to apply hybrid versions of its name in creating brands. □

Top 200 mega-brands by first-quarter ad spending

Rank '90	Rank '89	Brand, product, service & parent company	Total measured ad spending 1990	1989	% chg
1	3	**AT&T Co.**, AT&T Co.	$103,761.0	$82,482.4	25.8
2	2	**Kellogg's products**, Kellogg Co.	93,580.5	89,576.7	4.5
3	1	**McDonald's restaurants**, McDonald's Corp.	92,793.7	94,361.1	(1.7)
4	4	**Sears, Roebuck & Co. stores**, Sears, Roebuck & Co.	84,926.5	80,707.0	5.2
5	6	**Chevrolet cars & trucks**, General Motors Corp.	68,742.4	74,362.5	(7.6)
6	5	**Ford cars & trucks**, Ford Motor Co.	65,488.0	77,094.2	(15.1)
7	8	**Toyota cars & trucks**, Toyota Motor Corp.	61,298.1	47,343.9	29.5
8	9	**Nissan cars & trucks**, Nissan Motor Co.	56,396.6	43,475.9	29.7
9	7	**American Express services**, American Express Co.	50,465.2	51,574.5	(2.2)
10	16	**Kraft foods**, Philip Morris Cos.	50,054.2	34,715.9	44.2
11	12	**Pepsi beverages**, PepsiCo	48,027.0	38,192.9	25.7
12	17	**Budweiser beers**, Anheuser-Busch Cos.	46,165.5	34,427.8	34.1
13	11	**Coca-Cola beverages**, Coca-Cola Co.	42,472.0	39,611.1	7.2
14	24	**Chrysler cars**, Chrysler Corp.	42,379.8	28,404.2	49.2
15	26	**Mazda cars & trucks**, Mazda Motor Corp.	40,478.6	26,621.2	52.1
16	19	**Honda cars & motorcycles**, Honda Motor Co.	38,996.3	32,911.4	18.5
17	14	**Burger King restaurants**, Grand Metropolitan	37,591.6	36,586.5	2.7
18	13	**Oldsmobile cars**, General Motors Corp.	34,718.3	37,875.0	(8.3)
19	27	**Tylenol remedies**, Johnson & Johnson	34,452.1	26,266.9	31.2
20	10	**Dodge cars & trucks**, Chrysler Corp.	34,002.0	40,606.3	(16.3)
21	21	**Warner entertainment**, Time-Warner	32,067.2	29,663.5	8.1
22	48	**Miller beers**, Philip Morris Cos.	31,490.6	19,109.8	64.8
23	15	**Macy's stores**, R.H. Macy Co.	30,875.8	35,967.9	(14.2)
24	20	**Pontiac cars & trucks**, General Motors Corp.	29,846.4	30,484.9	(2.1)
25	29	**Buick cars**, General Motors Corp.	28,754.9	25,480.0	12.9
26	37	**Pizza Hut restaurants**, PepsiCo	27,518.5	22,416.4	22.8
27	50	**Folgers coffees**, Procter & Gamble Co.	26,943.9	18,646.5	44.5
28	199	**Ultra Slim-Fast**, Thompson Medical Co.	26,941.5	71.4	37,633.2
29	114	**Nike shoes & sportswear**, Nike Inc.	26,643.6	10,110.1	163.5
30	43	**United Airlines**, UAL Corp.	26,302.3	19,829.2	32.6
31	40	**Campbell soups & other products**, Campbell Soup Co.	26,259.7	21,611.8	21.5
32	31	**American Airlines**, AMR Corp.	26,072.1	23,638.4	10.3
33	71	**Gillette toiletries**, Gillette Co.	25,680.2	14,382.7	78.5
34	75	**Volkswagen cars & trucks**, Volkswagen AG	25,327.8	13,857.9	82.8
35	18	**Post cereals**, Philip Morris Cos.	25,266.2	34,310.0	(26.4)
36	53	**Disney entertainment**, Walt Disney Co.	24,502.6	17,513.5	39.9
37	41	**Columbia pictures, records, tapes**, Sony Corp.	24,449.7	21,383.1	14.3
38	51	**Delta Air Lines**, Delta Air Lines	23,621.0	18,331.0	28.9
39	39	**Time-Life books, videos, records**, Time Warner	23,614.4	21,936.1	7.7
40	35	**Coors beer, water**, Adolph Coors Co.	23,331.8	22,553.2	3.5
41	61	**Maxwell House coffees**, Philip Morris Cos.	22,655.2	15,739.8	43.9
42	64	**Universal Pictures entertainment**, MCA Inc.	22,339.8	15,040.8	48.5
43	58	**Stouffer foods, restaurants, hotels**, Nestle SA	21,821.7	16,506.2	32.2
44	62	**Hershey foods**, Hershey Foods Corp.	21,488.5	15,633.9	37.4
45	25	**Subaru cars**, Subaru of America	21,350.9	28,342.9	(24.7)
46	33	**Nabisco foods**, RJR Nabisco	21,283.1	23,495.1	(9.4)
47	42	**Penney's stores**, J.C. Penney Co.	21,224.0	20,792.3	2.1
48	22	**Marlboro cigarettes**, Philip Morris Cos.	20,976.9	28,903.4	(27.4)
49	99	**Paramount entertainment**, Paramount Communications	20,917.9	11,509.5	81.7
50	44	**Kentucky Fried Chicken restaurants**, PepsiCo Inc.	20,694.6	19,669.8	5.2
51	84	**Dominos Pizza**, Dominos Pizza Inc.	20,691.4	12,717.9	62.7
52	196	**Lexus cars**, Toyota Motor Corp.	20,591.8	333.1	6,081.9
53	32	**Wrigley gums**, Wm. Wrigley Jr. Co.	20,489.6	23,523.9	(12.9)
54	69	**Mercedes-Benz cars**, Daimler-Benz AG	20,386.3	14,452.2	41.1
55	38	**Weight Watchers products & services**, H.J. Heinz Co.	20,149.8	22,176.8	(9.1)
56	47	**Touchstone entertainment**, Walt Disney Co.	19,975.5	19,119.9	4.5
57	86	**US Sprint telephone services**, United Telecommunications	19,654.9	12,478.6	57.5
58	34	**K mart stores**, K mart Corp.	19,626.9	22,836.6	(14.1)
59	46	**General Motors cars, parts, corporate**, General Motors Corp.	19,418.3	19,579.3	(0.8)
60	59	**Montgomery Ward**, Montgomery Ward & Co.	18,695.3	16,377.9	14.1
61	63	**Clairol hair products**, Bristol-Myers Squibb	18,434.4	15,412.8	19.6
62	164	**Jell-O gelatins & puddings**, Philip Morris Cos.	18,348.9	6,464.9	183.8
63	105	**Quaker foods**, Quaker Oats Co.	18,285.6	11,171.3	63.7
64	49	**Mitsubishi cars & trucks**, Mitsubishi Motors Corp.	18,276.8	18,656.5	(2.0)
65	73	**Cheerios cereal**, General Mills	18,144.2	13,981.7	29.8
66	60	**U.S. Army**, U.S. Government	17,863.9	16,171.6	10.5
67	57	**Wendy's restaurants**, Wendy's International	17,778.1	16,711.3	6.4
68	125	**Advil & Coadvil remedies**, American Home Products Corp.	17,615.6	8,915.6	97.6
69	30	**Hyundai cars**, Hyundai Group	17,052.2	25,458.4	(33.0)
70	56	**Acura cars**, Honda Motor Co.	16,885.9	16,937.9	(0.3)
71	77	**Geo cars & trucks**, General Motors Corp.	15,731.1	13,619.2	15.5
72	104	**Taco Bell restaurants**, PepsiCo	15,696.6	11,229.1	39.8
73	80	**MCI Communications**, MCI Communications Corp.	15,651.3	13,206.3	18.5
74	70	**United Parcel Service**, United Parcel Service of America	15,582.3	14,428.3	8.0
75	106	**Nyquil cold products**, Procter & Gamble Co.	15,450.8	11,098.3	39.2
76	67	**Circuit City stereo stores**, Circuit City Stores	15,407.6	14,902.4	3.4
77	68	**Alka-Seltzer remedies**, Bayer AG	15,301.1	14,794.0	3.4
78	85	**Pan Am Airlines**, Pan American World Airways	15,118.2	12,690.8	19.1
79	92	**Red Lobster Inns restaurants**, General Mills	14,954.9	11,901.7	25.7
80	146	**Lincoln cars**, Ford Motor Co.	14,924.4	7,747.9	92.6
81	118	**Allstate insurance**, Sears, Roebuck & Co.	14,867.7	9,916.1	49.9
82	78	**Du Pont products**, E.I. du Pont de Nemours	14,691.4	13,468.8	9.1
83	97	**May Co. stores**, May Department Stores Co.	14,586.8	11,609.8	25.6
84	110	**L'Oreal cosmetics**, Nestle SA	14,477.7	10,710.4	35.2
85	153	**Royal Caribbean Cruise Line**, Royal Caribbean Cruise Line	14,167.5	7,075.5	100.2
86	28	**Franklin Mint collectibles**, Franklin Mint	14,158.9	25,945.1	(45.4)
87	55	**Hallmark products**, Hallmark Cards	14,141.4	17,185.2	(17.7)
88	152	**Sport Illustrated magazine, videos**, Time Warner	14,129.5	7,132.1	98.1
89	82	**Tri-Star Pictures**, Sony Corp.	13,965.4	12,906.9	8.2
90	162	**Vicks remedies, ointments**, Procter & Gamble Co.	13,914.3	6,590.4	111.1
91	113	**Cadillac cars**, General Motors Corp.	13,827.0	10,579.4	30.7
92	111	**Citibank services**, Citicorp	13,470.8	10,705.2	25.8
93	93	**Cover Girl cosmetics**, Procter & Gamble Co.	13,172.3	11,859.4	11.1
94	66	**CBS TV & radio**, CBS Inc.	13,133.8	15,005.3	(12.5)
95	107	**Isuzu cars & trucks**, Isuzu Ltd.	13,112.7	11,067.7	18.5
96	102	**Broadway Department Store**, Carter Hawley Hale Stores	13,067.4	11,379.6	14.8
97	94	**BMW cars, BMW AG**	13,048.6	11,720.8	11.3
98	87	**Vaseline creams, ointments**, Unilever PLC	12,708.4	12,434.3	2.2
99	95	**Tide products**, Procter & Gamble Co.	12,635.8	11,683.2	8.1
100	108	**Goodyear tires & services**, Goodyear Tire & Rubber Co.	12,521.5	11,058.8	13.2
101	169	**Ocean Spray beverages & sauces**, Ocean Spray Cranberries	$12,271.3	$6,071.5	102.1
102	91	**Revlon products**, Revlon Group	12,051.1	11,938.0	0.9
103	81	**Plymouth cars & trucks**, Chrysler Corp.	12,026.2	13,066.9	(8.0)
104	159	**Head & Shoulders shampoos**, Procter & Gamble Co.	11,821.5	6,812.0	73.5
105	79	**Highland Superstores**, Highland Superstores	11,795.6	13,443.4	(12.3)
106	139	**Northwest Airlines**, NWA Inc.	11,746.8	8,295.2	41.6
107	74	**CBS records, tapes, videos**, Sony Corp.	11,681.4	13,939.0	(16.2)
108	72	**Newport cigarettes**, Loews Corp.	11,639.6	14,293.2	(18.6)
109	178	**Little Caesar's restaurants**, Little Caesar's Enterprises	11,589.4	4,795.0	141.7
110	129	**Discover credit card service**, Sears, Roebuck & Co.	11,522.9	8,766.4	31.4
111	157	**Home Box Office**, Time Warner	11,313.7	6,877.8	64.5
112	137	**Audi cars**, Volkswagen AG	11,310.4	8,353.2	35.4
113	166	**Nutri/System weight loss centers**, Nutri/System Inc.	11,039.0	6,159.6	79.2
114	193	**Theraflu hot medicine**, Sandoz Ltd.	10,975.3	2,383.6	360.5
115	76	**Trans World Airlines**, Trans World Airlines	10,911.6	13,764.1	(20.7)
116	141	**Century 21 real estate**, Metropolitan Life Insurance Co.	10,818.6	8,173.4	32.4
117	190	**Visa credit card services**, Visa International	10,806.9	3,249.1	232.6
118	98	**20th Century-Fox movies**, News Corp.	10,708.6	11,520.3	(7.0)
119	23	**Mercury cars**, Ford Motor Co.	10,648.4	28,661.2	(62.8)
120	131	**ABC TV & radio**, Capital Cities/ABC	10,608.7	8,623.4	23.0
121	184	**Frito snacks**, PepsiCo	10,565.4	4,060.9	160.2
122	119	**Lucky food stores**, American Stores Co.	10,545.2	9,731.2	8.4
123	103	**Crest toothpaste**, Procter & Gamble Co.	10,530.2	11,266.5	(6.5)
124	121	**Betty Crocker food products**, General Mills	10,476.1	9,511.3	10.1
125	158	**Virginia Slims cigarettes**, Philip Morris Cos.	10,381.1	6,877.5	50.9
126	198	**New York Life Insurance Co.**, New York Life Insurance Co.	10,163.1	172.8	5,781.4
127	115	**Oil of Olay creams & lotions**, Procter & Gamble Co.	10,150.3	10,099.8	0.5
128	175	**Pearle Vision Centers**, Grand Metropolitan	10,113.0	5,236.6	93.1
129	117	**Midas Muffler shops**, Whitman Corp.	10,084.4	9,988.6	1.0
130	83	**Merit cigarettes**, Philip Morris Cos.	10,011.8	12,902.2	(22.4)
131	138	**Lysol cleaners**, Eastman Kodak Co.	9,950.8	8,337.4	19.4
132	124	**Estee Lauder products**, Estee Lauder Inc.	9,917.3	9,317.3	6.4
133	170	**Robitussin cough products**, American Home Products Corp.	9,827.6	5,915.6	66.1
134	112	**NBC TV network**, General Electric Co.	9,799.3	10,607.5	(7.6)
135	147	**Clorox products**, Clorox Co.	9,723.8	7,713.8	26.1
136	90	**Total cereal**, General Mills	9,722.7	12,044.8	(19.3)
137	96	**Maybelline cosmetics**, Wasserstein Perrela & Partners	9,643.0	11,665.5	(17.3)
138	145	**Radio Shack electronics stores**, Tandy Corp.	9,607.9	8,035.4	19.6
139	168	**Amtrak**, U.S. Government	9,518.4	6,089.0	56.3
140	135	**H&R Block tax services**, H&R Block Inc.	9,456.1	8,436.3	12.1
141	127	**Hardee's restaurants**, Imasco Ltd.	9,432.4	8,802.7	7.2
142	100	**IBM computers, products**, IBM Corp.	9,364.1	11,488.1	(18.5)
143	54	**Purina pet foods**, Ralston Purina	9,341.9	17,486.0	(46.6)
144	192	**Dreyfus funds**, Dreyfus Corp.	9,285.0	2,849.5	225.8
145	128	**Jeep trucks & vans**, Chrysler Corp.	9,272.7	8,793.5	5.4
146	101	**Eagle cars**, Chrysler Corp.	9,225.8	11,400.1	(19.1)
147	45	**Nestle products**, Nestle	9,183.6	19,627.5	(53.2)
148	89	**7UP beverages**, Dr Pepper/Seven-Up	9,176.7	12,054.7	(23.9)
149	165	**Nexxus hair products**, Nexxus Products Co.	9,154.3	6,346.0	44.3
150	122	**GTE Telephone Co.**, GTE Telephone Co.	9,079.4	9,472.8	(4.2)
151	132	**General Foods International Coffee**, Philip Morris Cos.	9,044.2	8,539.0	5.9
152	161	**State Farm insurance**, State Farm Auto. Ins. Co.	9,044.1	6,616.4	36.7
153	143	**Keebler food products**, United Biscuits (Holdings) PLC	9,034.1	8,144.8	10.9
154	182	**Marriott hotels, real estate**, Marriott Corp.	9,009.0	4,295.0	109.8
155	109	**MGM/UA entertainment**, MGM/UA Communications Co.	8,981.3	10,993.3	(18.3)
156	179	**MasterCard credit card services**, MasterCard International	8,970.8	4,653.5	92.8
157	176	**Dr Pepper beverages**, Dr Pepper/Seven-Up	8,936.9	5,102.7	75.1
158	130	**Kroger food stores**, Kroger Co.	8,908.6	8,709.8	2.3
159	120	**Magnavox electronic products**, Philips NV	8,903.8	9,571.2	(7.0)
160	186	**Cheer products**, Procter & Gamble Co.	8,866.5	3,601.3	146.2
161	123	**True Value stores**, Cotter & Co.	8,852.2	9,423.6	(6.1)
162	172	**Apple computers**, Apple Computer	8,813.1	5,777.2	52.5
163	142	**L'eggs hosiery**, Sara Lee Corp.	8,766.8	8,154.6	7.5
164	156	**Camel cigarettes**, RJR Nabisco	8,745.0	6,934.5	26.1
165	144	**Walgreen drugstores**, Walgreen Co.	8,730.1	8,101.0	7.8
166	52	**Eastern Air Lines**, Continental Airlines Holdings	8,718.5	18,178.4	(52.0)
167	126	**Holiday Inns hotels**, Bass PLC	8,695.5	8,871.1	(2.0)
168	167	**Alpo pet food**, Grand Metropolitan	8,675.3	6,099.4	42.2
169	36	**Michelob beer**, Anheuser-Busch Cos.	8,660.1	22,473.3	(61.5)
170	195	**Infiniti cars**, Nissan Motor Co.	8,620.2	433.2	1,889.9
171	191	**Oscar Mayer foods**, Philip Morris Cos.	8,618.5	3,142.3	174.3
172	150	**Merrill Lynch**, Merrill Lynch & Co.	8,551.2	7,315.7	16.9
173	185	**Ragu sauces**, Unilever	8,519.0	3,793.1	124.6
174	177	**Ivory products**, Procter & Gamble Co.	8,511.2	5,065.7	68.0
175	136	**Safeway food stores**, Safeway Stores	8,465.0	8,367.5	1.2
176	180	**Close-Up toothpaste**, Unilever	8,426.1	4,548.4	85.3
177	151	**Lens Crafters opticians stores**, U.S. Shoe Corp.	8,393.1	7,247.4	15.8
178	188	**Reebok shoes & sportswear**, Reebok International	8,348.6	3,407.6	145.0
179		**Motrin IB pain reliever**, Upjohn Co.	8,347.0	0.0	
180	160	**Carnival Cruise Lines**, Carnival Cruise Lines	8,301.1	6,786.9	22.3
181	174	**Pillsbury foods**, Grand Metropolitan	8,229.2	5,249.7	56.8
182	173	**Hormel foods**, Geo. A. Hormel & Co.	8,160.5	5,391.5	51.4
183	194	**New Line Cinema entertainment**, New Line Cinema Corp.	8,148.0	615.9	1,222.9
184	88	**Hanes underclothing**, Sara Lee Corp.	8,135.7	12,275.7	(33.7)
185	134	**Vons food stores**, Vons Cos.	8,128.5	8,453.3	(3.8)
186	197	**Norelco shavers, business machines**, Philips NV	8,013.4	188.8	4,144.4
187	181	**Benadryl medicines & creams**, Warner-Lambert Co.	7,986.8	4,340.6	84.0
188	183	**Chef Boy-Ar-Dee foods**, American Home Products Corp.	7,955.2	4,165.8	91.0
189	149	**Giant food stores**, Ahold International	7,904.1	7,414.8	6.6
190	140	**Triaminic cold products**, Sandoz Ltd.	7,303.7	8,249.5	(4.2)
191	187	**USAir**, USAir Group	7,675.3	3,426.1	129.9
192	116	**Heinz food products**, H.J. Heinz Co.	7,857.1	10,081.9	(22.1)
193	65	**U.S. Postal Service**, U.S. Government	7,852.7	15,038.8	(47.8)
194	133	**Lipton foods**, Unilever	7,820.2	8,502.2	(8.0)
195	189	**U.S. Navy**, U.S. Government	7,777.6	3,382.8	129.9
196	163	**Excedrin pain relievers**, Bristol-Myers Squibb	7,776.8	6,477.3	20.1
197	171	**Levi's sportswear**, Levi Strauss & Co.	7,681.8	5,901.3	30.2
198	155	**BMG music & CD club**, Bertelsmann AG	7,675.0	6,968.6	10.1
199	154	**Canon**, Canon Inc.	7,652.1	7,089.6	8.2
200	148	**Tropicana juices**, Seagram Co.	7,608.9	7,594.6	0.2

Notes: Dollars are in thousands. Measured media spending includes magazine, Sunday magazine, newspaper, network, spot and syndicated TV, cable TV networks, and network radio. Source: LNA/Arbitron Multi-Media Service

Ad chart: Gwen Brown

British promo reign collapses

LONDON—With the failure this month of FKB Group and the takeover earlier this year of KLP Group by Paris-based RSCG Group, the British reign over several top U.S. promotion agencies is coming to an end almost as abruptly as it began.

FKB and KLP arrived on the scene in 1988, gobbling up promotion, direct marketing, graphics and research agencies.

The value of both companies' stock dipped in the wake of lackluster growth and the financial problems of other London-based marketing groups, such as Saatchi & Saatchi Co.

The stock decline made KLP an attractive takeover target, and it was bought by RSCG earlier this year for $54 million (AA, Feb. 5).

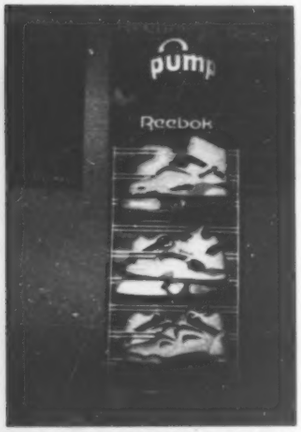
FKB was believed to be negotiating an outright acquisition by Carlson Marketing Group, Minneapolis, but industry observers say the deal fell through because Carlson didn't want to shoulder FKB's heavy debt load. Unable to find an interested investor, FKB went into receivership. Carlson then bought a few FKB agencies it wanted; other agencies were sold back to their management. □

Sun sets on Britons' U.S. promo empire

Of the top 100 U.S. sales promotion agencies, 10 were bought by British owners in the past five years. This year, six changed hands.

U.S. agency	'89 promo revenues*	Bought by	Year	1990 owner
Comart	$18.2	KLP Group	1988	RSCG Group
Einson Freeman	17.0**	WPP Group	1988	same
Sage Worldwide	16.0**	WPP Group	1989	same
Saugatuck	15.8	FKB Group	1988	Carlson Mktg. Group
American Consulting Corp.	13.9	FKB Group	1988	management (pending)
QLM Associates	8.8	FKB Group	1988	management
Promotional Campaigns	5.5	WPP Group	1989	same
Promotion Group	3.3	Doctus	1989	same
Focus Marketing	2.5**	FKB Group	1988	management
Louis London	2.2	FKB Group	1988	management

*Revenues are in millions. **Ad Age estimate. *Source:* Advertising Age



Reebok hopes in-store support will pump up sales.

Reebok displays Pump POP

By Gary Levin

Reebok International is playing harder with promotions.

In its largest in-store merchandising effort to date, Reebok hopes to leverage a major part of its new ad campaign with a "pump station" for the Pump shoe line (AA, July 30).

The inflatable shoe line has basketball, tennis, cross-training, aerobics and children's versions. Reebok is spending $1.5 million for in-store support for the TV and print campaign featuring tennis pro Michael Chang and basketball star Dominique Wilkins of the Atlanta Hawks.

Point-of-purchase displays feature a motorized, louvered poster that alternates among photos of Messrs. Chang and Wilkins and an unidentified cross-training weight lifter. A vertical display, fashioned as a gas pump, stocks the Pump lines. The displays will appear in Foot Locker, Lady Foot Locker and J.C. Penney Co. stores among others.

In-store promotions planned for the holiday season include possible sports personality appearances as well as banners and other collateral using the new theme "It's time to play."

Hill, Holliday, Connors, Cosmopulos, Boston, handles Reebok advertising. Christopher Vincent Inc., New York, handles in-store support. □

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Consumers shaken

(Continued from Page 1)

Houston, shows a cobra labeled "foreign oil" above the headline, "Dangerously unpredictable."

In Minneapolis, a new Metropolitan Transit Commission print ad pictures Iraqi President Saddam Hussein under the headline, "Stop pumping him up."

The ad, from Grant & Palombo, Minneapolis, urges people to use the bus or car pools. Copy, in part, says: "It's about time we showed this guy we don't need his oil."

An *Advertising Age* industry-by-industry survey indicates advertisers, agencies and the media think the current crisis will greatly affect marketing:

AUTOMOBILES

Political fallout is expected to hit automobile marketing as car sales plummet.

"The industry is in the tank—the whole industry," said Chrysler Corp. Chairman Lee Iacocca, who blamed fear of a recession brought on by the Middle East situation.

Sales of North American-built new cars and trucks during the first 10 days of August plummeted 18.5% compared to the same period in 1989, according to sales figures from manufacturers.

Mr. Iacocca and other top auto executives believe the new crisis will give political impetus to attempts in Congress to mandate higher fuel economy.

MIDDLE EAST CRISIS

Chrysler and another U.S. automaker, Ford Motor Co., support higher gasoline taxes as an alternative to stricter fuel economy regulations, because they say higher gas prices would provide an incentive for consumers to make fuel economy a higher priority in purchases.

Legislation is pending in both houses of Congress to mandate improved fuel efficiency.

In the short run, domestic companies may need to address consumer perceptions that they still predominantly build gas guzzlers, said Shirley Young, VP-consumer market development at General Motors Corp.

But "Cadillacs today get 24 mpg, which is what subcompacts used to get in the early 1980s," she said.

It's too soon to tell whether there will be a full-scale return to advertising featuring fuel economy ratings.

Chrysler has added a copy line to some of its corporate print ads via Bozell, New York, saying "Chrysler has the highest corporate average fuel economy of any American car company."

Chrysler is considering whether fuel economy should play a more central part in an ad campaign.

Nissan Motor Corp. USA may be the importer best prepared for a gas crunch. This fall, it plans to introduce an all-new Sentra, an entry-level vehicle with the best fuel economy in its fleet.

Toyota Motor Sales USA's new Lexus division has been promoting the fuel efficiency of its flagship LS400 model in print ads since the car was introduced last September. A number of ads from Team One, El Segundo, Calif., claim that "the LS400 is projected to be the only 250-horsepower luxury sedan able to avoid the stigma, as well as the cost, of the U.S. gas guzzler tax."

The U.S. Council for Energy Awareness takes advantage of the crisis to further its agenda. . . .

RESTAURANTS

In the $65 billion quick-service restaurant industry, where nearly half of sales for many top chains come at drive-through windows, an increase in gas prices poses a potentially severe threat.

"We haven't had to boost any prices yet as a result of the oil crisis," said a spokeswoman for Burger King Corp., "and we haven't had reports of traffic declines."

But Burger King and others are watching the numbers for signs of trouble.

"The oil crisis certainly isn't a positive, but right now it's not a major negative," said Ron Paul, president of Technomic Consultants, a restaurant research and consulting company.

"Eating out has become more of a 'nearby' occasion or an 'on the way to another destination' occasion, so there's likely to be less immediate impact," he said.

Rather than drive to restaurants, more consumers might switch to home delivery. But chains that rely on delivery sales, are already feeling the impact of higher gas prices.

"The situation has put some pressure on our costs, but so far it isn't anything that has forced us to take any pricing action," said Mike Raymond, VP-marketing for Domino's Pizza.

One Domino's has already suffered an unexpected side effect. Mr. Raymond said a Domino's franchisee in southern California lost 60 part-time drivers, all U.S. Marines picking up extra money who were shipped out to Saudi Arabia.

"The franchisee took out a classified ad saying, 'World events have forced us to hire more drivers,' " Mr. Raymond said.

RETAILING

Experts say the already-soft retail sales environment may get softer as a result of the crisis.

J.C. Penney Co. is worried after last week reporting a 15% decline in second-quarter earnings, which it attributed to slack consumer demand. Rising gas prices would mean reduced consumer spending power, which would further hurt retailers.

"Looking to the future, one cannot ignore the significant decline in the level of consumer confidence from a year ago," Penney's Chairman William Howell said in a statement. "Adding to the uncertainty of the outlook is the present Mideast crisis and the resulting rising energy prices, which could have a negative effect on consumer spending."

Kurt Barnard, president of *Retail Marketing Report*, said this couldn't have come at a worse time.

"Back-to-school got off to a sluggish start, and [the oil crisis] is only likely to make it worse," he said. "There's still a possibility that things will improve toward the end of the month, but it doesn't look promising right now."

TRAVEL & TOURISM

Despite higher jet-fuel costs, airlines have temporarily abandoned proposed 5.3% fare hikes to match aggressive discounting by Eastern Airlines and Trans World Airlines.

The skirmish aimed at fall leisure travelers set off an air-fare battle among virtually all major carriers.

Eastern is running ads headlined "Beat the fuel price increase. Lock in fall fares as low as $79." Ogilvy & Mather, New York, is the agency.

TWA is using the headline, "TWA puts a hold on inflation by putting this fall on sale," via Young & Rubicam.

"There will be increased competition for full-fare business travelers. . . . in an environment where corporate travel budgets may be cut back because of a recession," said James O'Donnell, marketing consultant and former Continental Airlines executive.

Surprisingly, cruise ship operators appear to be taking higher fuel prices in stride.

They may respond to higher oil prices by hitting customers with a fuel surcharge, such as the approximately $25 fee tacked on to cruise fares during the oil crisis of the early '70s, said William Kyle, a cruise industry consultant in Woodland Hills, Calif.

At that time, the cruise market didn't sink; it merely flattened out. But a fourfold increase in cruise capacity over the past decade, with more ships on the way, raises the stakes.

Auto travel—either by car, truck or recreational vehicle—accounts for the greatest number of trips 100 miles or more from home, according to the U.S. Travel Data Center, and that's been growing.

"We had seen a stronger auto market the last couple of years in terms of growth and passengers traveling," said Suzanne Cook, the center's executive director.

Although gas prices have jumped, as long as prices stay in a range consumers have seen in the past, their auto travel plans won't change, said Barbara Bauerle, public relations director for the American Automobile Association of Colorado.

"Our surveys show if people are going to travel, they will go ahead with their plans regardless of gas prices," she said. "Even though prices have gone up 12¢ [nationally] since Aug. 1, they're still at 1985 pre-Christmas levels."

But "discretionary purchases and travel are very susceptible to further weaknesses in consumer spending," warned Jim Cammisa, publisher of *Travel Industry Indicators*, a newsletter.

John Rutherford, director of public relations for the Orlando (Fla.) Convention & Visitor's Bureau, said that "some visitors at the lower end will not be able to make the trip now—they will not be able to afford the extra $50."

Bern Rotman, director of communications for the New York Department of Economic Development, said Middle East events may benefit some during the six-

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week fall foliage season. Ads will encourage residents to take foliage tours closer to home rather than in New England or neighboring states.

LODGING

Hotel industry officials said they could see few immediate changes coming, though some suggested rising prices could hit them soon.

"We are not frantic, not horrified; but we are concerned," said Ray Lewis, VP-worldwide marketing for Holiday Inns.

He said Holiday Inns will be closely watching gas prices for the next few months with an eye toward evaluating its present mix of business and leisure marketing.

"If there is a full-scale conflict, it would likely result in significantly higher fuel costs, and that could plunge the U.S. and the world into recession," Mr. Lewis said. "If Iraq decides against an invasion [of Saudi Arabia], there is a longer scenario. Gas prices would go higher but not by as much. What will happen depends on how fast they rise and for how long."

Mr. Lewis said a sharp rise would have an immediate effect on leisure travel but a lesser one on business travel.

If there's an economic downturn and gas shortages, Motel 6 expects to see a drop-off in discretionary/leisure travelers but a gain in commercial business travelers.

"The net impact would be even," said Hugh Thrasher, exec VP-marketing and development for Motel 6. "Unfortunately, we would lose some discretionary travelers who can't afford to go see grandmother, but that business would be replaced by the commercial traveler who has to travel but may have to watch expenses even more closely."

MOTION PICTURES

Rising oil prices and gas shortages could increase movie production costs incrementally, but since ticket prices are set by theaters, not the studios, it's unlikely these costs would be passed directly to consumers.

Traditionally, the movie industry has thrived during economic adversity by providing a temporary escape for audiences burdened with financial worries.

But ticket prices have risen in recent years and home video rentals could play a role this time, sources say.

The studios may benefit from people spending vacation time close to home instead of long-distance traveling if airline and gas prices rise significantly.

Variety analyst A.D. Murphy last month revised his summer box office estimate downward, to $1.85 billion for the 15-week summer period, down 9% from 1989's record $2.04 billion summer. But that total would still be the second biggest on record, 9% ahead of 1988.

PACKAGE GOODS

An oil crisis "will have an impact [on food pricing] that's noticeable but not devastating," said Ralph Parlette, agricultural economist with the Food & Drug Administration's economic research service.

Mr. Parlette said the combined costs of processing, delivering and manufacturing food products account for 4.5¢ to 5¢ of every consumer dollar. If oil costs doubled, the rate would rise to 9¢ or 10¢ per consumer dollar going to cover these costs, he said.

As for the major marketers, "We make the kinds of products consumers need through good times and bad," said Procter & Gamble Co. spokeswoman Sydney McHugh.

The nation's soap and detergent marketers appear to be holding the line on price increases, but industry consultant Colin Houston said prices may rise as much as 30% for heavy-duty laundry detergents, light-duty dishwashing liquids and bar soaps.

These products are petrochemical-based and require a high level of energy for production, packaging and transportation, Mr. Houston said.

"Everyone in the industry is uneasy," he said.

Nevertheless, "the overall impact is small," said Bob Murray, corporate communication director for Colgate-Palmolive Co.

Cigarette consumption rises during a recession, said John C. Maxwell Jr., analyst with Wheat, First Securities. But should cash become even tighter for consumers, they could change to low-price smokes. He said value-price cigarettes already account for 18% of the tobacco market, up from 11.4% only two years ago.

PERSONAL COMPUTERS

The advent of home computers,

(Continued on Page 64)

President Bush asked Amoco and other U.S. oil companies to do their fair share regarding gasoline prices as they are affected by the turmoil in the Persian Gulf. Throughout this critical period, Amoco is determined to act reasonably and responsibly.

We support President Bush's efforts to help resolve the Middle East conflict as soon as possible, because no commodity is of greater value to all of us than world peace.

AMOCO

Amoco Oil Company

. . . While Amoco adopts a responsible tone in defending itself against charges of price-gouging.

Driving

(Continued from Page 1)

down on driving.

Nearly one of five adults surveyed (19.4%) said they've already reduced their driving since the Middle East crisis began.

If gas prices stay at the levels they reached in the past two weeks, the determination to cut back on car travel will increase substantially, the survey shows.

GALLUP SURVEY

Amid indications consumers are increasingly pessimistic about the economy and the nation's ability to avoid a recession *(see story below)*, the survey shows how quickly economic reversals can trigger changes in behavior.

Already suffering is non-essential travel for discretionary-spending categories.

The motion picture industry is enjoying robust ticket sales but faces tougher times if gas prices don't decline.

While 12% of those surveyed said they've already cut travel for entertainment, such as going to movies, the theater or sporting events, 38.3% said they expect to cut back in this area over the next few months if gas prices stay high.

The sharpest reduction would come from the entertainment industry's core audience: 46.6% of those ages 18 to 34 said they expect they would cut travel to those destinations.

The $200 billion restaurant industry is at even greater risk.

In last week's poll, 11.3% said they've reduced travel for dining out since the gas price boost. And if prices don't return to their previous levels? Then 42.1% said they would cut travel for that purpose.

Again, expected cutbacks are highest among those ages 18 to 34 (48.3%), the age group on which the restaurant industry most strongly relies for business.

With the summer winding down, the travel and tourism industry enjoyed its heaviest period before the gas crisis hit, and only 8% of the sample said it's reduced vacation travel since the Iraqi invasion.

But if gas prices remain at current levels, the share of respondents expecting to cut back on vacation travel jumped to 39.4%, including at least one-third of all age groups.

Consumers are worried enough by the situation to rethink travel for social outings. Already, 12.4% said they've cut such travel. That more than triples to 42.3% those expecting to cut social travel unless gas prices improve.

Gallup's survey for *Ad Age* was conducted Aug. 15. A random, national selection of 515 persons ages 18 and older was interviewed by phone. The survey has a margin of error of plus or minus 4.4%. □

Awaiting recession

Consumer pessimism is deepening in the wake of the Iraqi invasion of Kuwait and the resulting oil and gas price increases.

Many consumers see a recession on the horizon, according to the Gallup Organization. Of 1,227 adults polled by phone Aug. 9 to 12, 25% said a recession within the next 12 months is very likely; 40% said it's fairly likely.

Similarly, in a telephone poll of 100 Chicagoans conducted by Leo Shapiro & Associates for *Crain's Chicago Business*, 81% of those surveyed said recent events, including the Iraqi invasion, the failure of major savings & loans and President Bush's willingness to consider tax increases, make the chances of a recession more likely.

In last week's Gallup poll, 40% of respondents said they're following news of the Middle East very closely and 43% fairly closely. Those numbers are up sharply from a Gallup poll taken Aug. 3 and 4, immediately after the Iraqi invasion, when 18% said they were very closely following the news and 39% fairly closely.

Between those two pollings the average price of a gallon of unleaded gasoline suddenly increased 17.5¢. And consumers said they're being gouged. Nine of 10 consumers (91%) surveyed by Gallup said they believe price increases are the result of oil companies taking advantage of the situation to increase their profits. Only 5% said the increases were the result of Iraq's invasion of Kuwait.

—*Scott Hume*

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Marketers on alert

(Continued from Page 63)

low-price fax machines and telephone call-forwarding equipment makes working at home now easier for officer employees than it was during the '70s fuel shortage.

But as desirable as "telecommuting" may sound, relatively few workers or companies are prepared to make that leap, cautioned Paul Saffo, a research fellow specializing in information technologies at Institute for the Future, a think tank.

"People aren't going to abandon their cars to their computers in the short term," Mr. Saffo said.

Computer sales could take a hit if businesses and consumers decide to postpone purchases. This could prove troublesome for IBM Corp. and Apple Computer, which are both introducing lower-price machines.

FINANCIAL SERVICES

Financial services companies will feel the pinch of higher fuel prices if corporate profitability suffers.

Cost cutting to meet bottom-line pressures customarily comes right out of the ad budgets of major brokerages and the corporate communications programs of insurance companies.

Bob Coen, senior VP-director of forecasting at McCann-Erickson Worldwide, New York, said that "higher energy costs can work in a lot of ways. While many financial services marketers will suffer from a crimp in corporate profits, you might see some of the companies coming up with new financial products in response to changing investment needs.

MIDDLE EAST CRISIS

"That might require an intensification of information on those new products, which could mean more advertising."

An executive with one of the nation's largest mutual funds companies said he didn't expect development of many new products.

"We've seen an emphasis in advertising switch to money market funds, and energy and gold funds in the past few days," he said.

"There are already enough products out there to suit investors' needs for a time like this," he said.

American Express Co.'s credit card and travel-related services businesses are sensitive to oil price increases and recessionary trends. But Maureen Bailey, the company's VP-public affairs, said "at this time, the situation has had no impact on our advertising plans."

But if tensions escalate, or the economy falls into a recession, "there will be an effect on our advertising, and we continue to evaluate that situation carefully," she said.

MEDIA

Magazine industry executives agreed on the possible effects of an oil crisis but disagreed how important these might be.

An oil squeeze would be likely to lead to higher ink costs, since ink is an oil byproduct. Such a squeeze also could result in increased distribution costs because of the oil-dependent trucks that deliver magazines to single-copy outlets.

Ink and transportation each represent 5% of publishers' overall manufacturing and distribution costs.

"We don't need any further increases in our costs of goods," said James Guthrie, exec VP-marketing development for the Magazine Publishers of America. "If there is an oil crisis, magazines would have to raise rates to cover these costs."

Mr. Guthrie pointed out that magazines are already facing the likelihood of average 23% increases in second-class postal rates in 1991.

But Reginald Brack, chairman-president-ceo of Time Inc. Magazine Co., said oil and transportation costs "are not gigantic cost centers."

And Thomas Ryder, president of American Express Publishing agreed.

That's "not earth-shattering," he said. "What's of much more concern is the impact on the general economy. If it reduces consumer confidence, it could affect spending, which ultimately has a lot to do with how people advertise."

The MPA's Mr. Guthrie, however, remained confident: "Our feeling at this point is, with multinational support and sanctions on Iraq, it would appear our oil supply can be maintained and none of these scenarios will be played out."

The consensus among network TV executives is it's "too early to tell" what the impacts of the events in the Mideast will be.

But most agency media buyers predict a very soft fourth-quarter "scatter" marketplace, in which advertisers buy remaining available time on a program-by-program basis.

In some years, fourth-quarter scatter sales start as early as mid-August; the current delay might be traced to Mideast concerns.

"You could drive a truck through fourth-quarter in almost every daypart," said one agency media buyer. "Especially hard hit are prime-time and sports, but the networks are negotiable in news, daytime and kids right now, too. You can practically name your price."

Alan Gottesman, media analyst with PaineWebber, noted inflation tends to have a positive effect on advertising. Since it's such a minuscule part of corporate budgets, cost escalations are relatively easily absorbed into the corporate economy.

AD AGENCIES

WPP Group, Saatchi & Saatchi Co. and other U.K. publicly quoted agency stocks continued a decline in value Friday.

WPP's share price fell 22.4% during the previous two weeks; Saatchi's price fell 20.5%; Lowe International, 18.6%; and Aegis Group, the holding company for the French media buying group Carat, 15.3%.

"People's confidence in the stock market has been tested severely by events in the Gulf," said Mark Shepperd, an analyst at London stockbroker UBS Phillips & Drew. "They are particularly worried about highly leveraged companies, and WPP is a very highly leveraged company."

WPP and Saatchi were the hardest hit because of their high level of debt and their big exposure in the U.S., where the dollar is weak and ad spending growth is slowing.

"I think it's a mixture of things —a couple of companies [FKB Group and Yellowhammer] going into receivership, the [sluggish] state of the U.K. advertising market, the depreciating U.S. dollar and concern over [Saatchi's and WPP's] bank debt," said Neil Blackley, an analyst at James Capel & Co.

Warburg Securities said it will today put out a buy recommendation on WPP stock, highlighting the low price and the high earnings-per-share growth of 17% in 1990 and 12% in 1991 that Warburg is forecasting.

"I think it's a fantastic buy right now," said Warburg analyst Lorna Tilbian.

WPP had no comment; Saatchi executives couldn't be reached. □

Written by Jennifer Lawrence from bureau reports.

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Iraq ad assault? Shops cry hoax

By Elena Bowes

LONDON—Ad agencies here passed a "taste test" last week and are probably breathing a sigh of relief that they did.

The agencies all refused to take on a big account, allegedly to promote the Iraqi government.

MIDDLE EAST CRISIS

■ Iraq's invasion of Kuwait raises concern about Christmas buying and fast-food promotions. See Page 38.

Allegedly is right. Several shops suspected—correctly—the "substantial" account, offered by phone and fax to new-business directors at numerous agencies, was a hoax.

After unexpected publicity about the agency search appeared in the *Financial Times* and the local ad trade press, U.K. humor magazine *Punch* confessed Aug. 23 to being behind the scheme.

Two free-lance journalists working for *Punch* approached about a dozen agencies, including Saatchi & Saatchi Advertising, Young & Rubicam, J. Walter Thompson Co. and Collett Dickenson Pearce, asking them to create ads for U.K. newspapers giving Iraq's point of view on the Persian Gulf crisis.

The men, calling themselves Stephen Pearce and John Voland, claimed to be British businessmen recently back from Baghdad, where they ran the so-called Pearce Voland media consultancy.

"It was all a hoax," *Punch* Editor David Thomas said. "We wanted to see how far the agencies would go. We were testing their greed vs. their principles. And I have to say, for whatever reasons, within 24 hours they did all pass the test." He refused to disclose the actual names of the journalists.

Hoaxing is not uncommon in the British press. Every April 1, for instance, newspapers invent news stories, and readers try to guess which are real and which are fake.

Mr. Thomas said *Punch* planned to prolong the hoax by sending the agencies faxes this week, asking for comment on several creative ideas and saying, "We know you can't take us on, but we'd really respect your views."

FINANCIAL TIMES THURSDAY AUGUST 23 1990

S aim

Plan for Iraqi advertising in Britain

By Alice Rawsthorn and John Thornhill

A NUMBER of leading London advertising agencies have been approached by a British businessman who says he is preparing an advertising campaign for the Iraqi government.

Mr Stephen Pearce, who claims to be acting as an "intermediary for the Iraqi government ministry in Baghdad",

After articles appeared in the trade press and the *Financial Times* listing what had been given as the address of the consultancy's London office, TV crews and tabloid newspapers besieged the office, owned by a "friend of a friend" of Mr. Thomas.

"The problem was

(Cont'd on Page 38)

Saturn people star in first campaign

By Raymond Serafin and Patricia Strnad

General Motors Corp.'s Saturn subsidiary is planning to break in mid-September a pre-launch campaign that will profile employees, dealers and others connected with Saturn's operation.

This is the first clear sign of how GM is going to advertise its long-awaited "import fighter," which promises to be the biggest new-product launch of the year.

GM is expected to spend $100 million through Saturn's rollout period to the end of 1991, via Hal Riney & Partners, San Francisco.

The outbreak of hostilities in the Middle East and subsequent concerns about oil supplies have also drawn attention to Saturn as a new fuel-efficient small car.

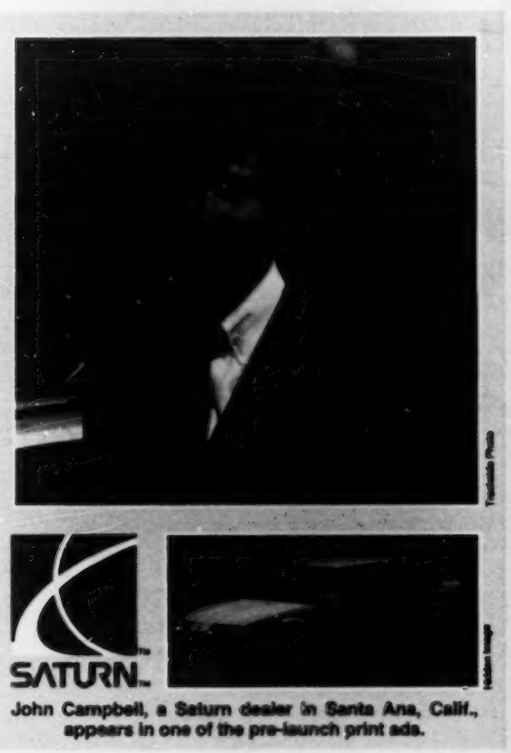
The testimonial-like advertising will run on TV and in print. Product-specific advertising will follow, say Saturn dealers familiar with aspects of ad launch plans.

Officials at GM's Saturn Corp. and Riney declined to discuss the campaign.

The TV effort is expected to include "character studies" of people who moved to Spring Hill, Tenn., to start up Saturn's manufacturing facility there, said one source who asked not to be identified. The stories are told not only from the employees' point of view but also that of their families and even a dog, the source said.

Saturn is expected to use the tagline, "A different kind of company. A different kind of

(Continued on Page 38)



John Campbell, a Saturn dealer in Santa Ana, Calif., appears in one of the pre-launch print ads.

P&G print buys to Saatchi

By Scott Donaton and Jon Lafayette

Procter & Gamble Co. consolidated its $110 million in magazine buying at Saatchi & Saatchi Advertising, New York, giving the package-goods giant added clout with publishers.

Saatchi, which already handled the bulk of magazine buying responsibilities for P&G, picked up an estimated $36 million in additional billings from Leo Burnett Co. and Tatham-Laird & Kudner, both Chicago.

Burnett was P&G's agency of record for teen, beauty and fashion magazines; Tatham-Laird had handled buying for men's magazines.

Before the switch, Saatchi had handled buying for general interest and women's service magazines, where P&G spends the biggest chunk of its money. Grey Advertising, New York, retains buying responsibilities for waiting-room media, such as Whittle Communications' *Special Reports*.

In a memo mailed to all its

(Continued on Page 37)

LAST MINUTE NEWS

Kellogg sues Iowa

DES MOINES, Iowa—Kellogg on Friday sued Iowa Attorney General Thomas J. Miller in a dispute over the power to regulate advertising. The U.S. District Court suit asked that Mr. Miller be restrained from acting against ads for Kellogg's Bran Flakes, Frosted Flakes and Special K cereals. Kellogg alleges any legal action by the attorney general would be unconstitutional and in violation of federal statutes governing interstate commerce, advertising and food labeling practices. Kellogg and eight attorneys general for two years have been discussing concerns about statements made in various ads for the cereals. "We have felt that their actions were groundless and politically motivated, and the result of a power struggle between the federal and state governments. We refuse to be the pawns in this," said Kellogg Senior VP-Corporate Affairs Joseph Stewart. Leo Burnett USA, Chicago, handles all three cereals. Mr. Miller's office said it will file a response within the next several weeks.

Rowntree goes with JWT

LONDON—Rowntree tapped J. Walter Thompson Co. for the confectioner's consolidated $63 million U.K. media planning and buying account. JWT gets planning now and takes over buying as of Jan. 1. JWT had shared the account with Ogilvy & Mather, SPCTD:Lintas and Roose & Partners.

Norelco sets $40M effort

STAMFORD, Conn.—Norelco today

(Continued on Page 2)

INSIDE

Non-traditional media are hard to measure but can be startlingly effective for ad pioneers; just ask Chris Whittle— Special Report starts after P. 24.

Lever Bros. talks green P. 3 • Du Pont signs Michael Chang P. 4 • Minnie Mouse's new line P. 36

NEWS SUMMARY

■ **Saturn Corp.** will start an image campaign featuring employees, dealers and others before the launch of its new car line in late October. 1

■ **Procter & Gamble** consolidated its magazine media buying account at Saatchi & Saatchi Advertising, pulling out of Leo Burnett Co. and Tatham-Laird & Kudner. 1

■ **British agencies** last week were asked to bid on an account to promote the Iraqi government. All refused, and the inquiries were later revealed to be a hoax perpetrated by the humor magazine *Punch*. 1

■ **McNeil Consumer Products Co.** will introduce three new Tylenol Cold remedies, and Warner-Lambert Co. will market Medi-flu flu relief medicine. 3

■ **Outdoor Advertising** Association of America members will relocate tobacco and alcohol ads, and place decals on boards near schools, places of worship and hospitals to indicate those are off limits to such ads. 3

■ **Magazine ad rates** may increase 6% to 9% year, publishing executives say, citing higher costs. 3

■ **J.C. Penney Co.** will start a $10 million ad campaign next month with the theme, "Fashion comes to life." 4

■ **Du Pont** has signed tennis star Michael Chang to a three-year deal as multibrand spokesman. 4

■ **Four large U.S. ad agencies** plan a consortium to buy media in Europe. 4

■ **Harley-Davidson** will open an apparel store in Kansas City, Mo., next month to sell MotorClothes biker-inspired fashions for men and women. 10

■ **Two Hispanic-language TV networks** will introduce children's programming blocks this fall. 25

■ **Magazine ad pages** were reported to be down 3.6% for the first seven months of the year. 26

■ **Procter & Gamble** is test-marketing Cinch, a combination glass and all-purpose spray cleaner. 34

■ **Coca-Cola's complaint** against Diet Pepsi ad claims was turned down by the National Advertising Division, one of 11 claims reviewed by the self-regulatory group. 34

■ **Pepsi-Cola** advertising took first place in the monthly adWatch consumer survey of best-recalled ads. 34

■ **Walt Disney Co.** and various licensees will spend an estimated $10 million to launch lines of Minnie 'n Me apparel, toys, accessories and other products. 36

■ **Network TV's** leading ad spender in the first half was Procter & Gamble with $273.7 million, up 39%, the Television Bureau of Advertising said. 36

■ **Yugo America** named Buckley/DeCerchio to handle its advertising, the first since the auto importer went into bankruptcy proceedings last year. 40

DEPARTMENTS

Ad Review	40	Index to Advertisers	40
James Brady	20	Letters	18
Brady's Bunch	29	MediaWorks	26
Joe Cappo	20	NewsWatch	10
Classifieds	31	People Moving	28
Con-Sid-erations	14	PeopleWorks	28
Corrections & Clarifications	18	Marketing to Hispanics	25
Editorials	14	Photo Review	30
For the Record	35	The Next Trend	20

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Hoult out at RJR

Search for new marketing exec begins

By Judann Dagnoli

R.J. Reynolds Tobacco Co.'s top marketing official resigned abruptly last week, and the company began an outside search for a successor.

Exec VP-Marketing Peter Hoult, 46, declined comment Friday, but he had differences with RJR Chairman-CEO James Johnston, an agency source said.

A company source said the post apparently will be expanded to include sales responsibilities. Senior VP-Marketing David Iauco, 39, will temporarily succeed Mr. Hoult but is considered too young to take the post permanently, sources say. Before taking his current job in August 1989, Mr. Iauco was senior VP at RJR Tobacco Development Co. and worked on the failed Premier "smokeless cigarette."

Mr. Hoult is said to have had close ties with ousted RJR Chairman-President-CEO Edward Horrigan. Mr. Hoult was in the international division for all but two of his 17 years with Reynolds; while in the international division, he reported to Mr. Horrigan.

Analysts and competitors say the rift between Messrs. Hoult and Johnston may have erupted over trade loading. After his appointment last year, Mr. Johnston halted the longtime practice of sending excess cigarette shipments to wholesalers, thereby artificially inflating market share.

As a result, RJR's 1989 share of cigarette volume was 28.6%, down from 31.8% in 1988, while rival Philip Morris USA's share increased to 41.9% from 39.3%, reported Wheat, First Securities analyst John C. Maxwell Jr.

But another agency source said Mr. Hoult was dissatisfied because a promised top corporate slot never materialized.

"When [Mr. Hoult] came from the North American division [in 1988], he had the clear understanding he would be running something within two to five years," the source said. "But he saw the handwriting on the wall and knew it would be a longer haul then he thought. Hoult is not interested in the No. 2 position."

Under Mr. Hoult, RJR developed a number of highly targeted and innovative but controversial cigarette products such as a cigarette for black consumers called Uptown. Other products included Dakota, initially said to be aimed at young women, and a Canadian cigarette called Tempo, described by a competitive source as "for punk rockers."

Uptown was pulled last February before reaching its Philadelphia test market after protests by health officials and religious leaders. At the time, Mr. Hoult said RJR's "intentions in test-marketing Uptown have been misconstrued and misrepresented by the anti-smoking lobby."

An unofficial marketing plan for Dakota, disavowed by RJR, said the cigarette would target "virile females." The brand is now testing in Nashville, Tenn., and Houston as a cigarette for men and women. In a statement last February, Mr. Hoult defended Dakota as "an effort to regain market share lost over the past several years to our competitors."

In December 1988, he oversaw the testing of Vantage Excel 100s, a cigarette that emits less smoke. At the time, he said the product "should relieve some of the uneasiness smokers feel in situations where some people might find cigarette smoke offensive." The product is still in test.

British-born Mr. Hoult joined RJR in 1972 as international market research manager in Geneva and by 1987 had worked his way up to president-ceo of RJR Macdonald, the company's Canadian tobacco subsidiary. He joined the domestic unit in 1988. □

Jon Lafayette and Gary Levin contributed to this story.

GM to roll credit card

By Raymond Serafin and Kate Fitzgerald

General Motors Corp. is expected to launch a major credit card before yearend, but its timing couldn't be worse, credit card industry executives said.

GM will need to unveil a truly innovative card because it will be entering an already crowded field, said Steve Szekely, VP-credit cards for Payment Systems, a credit card consultancy.

"The big credit card banks like Citicorp, Chase Manhattan and Bank of America aren't going to roll over and play dead here," Mr. Szekely said.

"GM's potential competitors are on alert, thanks to AT&T's credit card launch," he said, "and now they're working to provide the best card enhancements and marketing programs possible to keep a firm grip on their share of the business."

AT&T Co. introduced its Universal card in March.

The card companies already plan to step up the number of enhancements they offer on their cards and will increase the tempo of their advertising before yearend, Mr. Szekely said.

GM is expected to spend heavily to advertise the card and has consulted with its agencies for a new account that could reach $50 million, GM agency sources say.

Major GM shops are Leo Burnett USA, Chicago; D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.; Lintas:Campbell-Ewald, Warren; and McCann-Erickson Worldwide, Troy.

The automaker has been mulling a move into credit cards for at least several months (AA, April 2). The card is expected to be a revolving credit Visa and MasterCard offering special features and no initial fee, similar to AT&T's Universal.

"GM has listened to preliminary presentations from [its] four key agencies," said Joseph Frohlinger, editor of *Frohlinger's Marketing Strategist*.

GM agencies contacted last week denied making presentations, but some said they've prepared background information that could be used in a pitch.

The move by GM into credit cards still could be profitable, some credit industry experts say.

"It's a perfectly natural fit for GM, which is already one of the biggest consumer lending institutions in the U.S. through its auto financing operations," Mr. Szekely said.

Sources in the credit card industry say GM currently is looking for a credit card executive to head the operation.

Agency and other sources say Philip Guarascio, GM's executive director of marketing programs and advertising, is helping develop the credit card program. He wasn't available for comment. □

John McManus contributed to this story.

Yellow Pages may fight tax

By Steven W. Colford

The Yellow Pages Publishers Association is considering a legal challenge to a 7% sales tax imposed in New Jersey on advertising in telephone and other consumer and business directories.

The association believes the tax, part of a $2.8 billion revenue package that New Jersey Gov. James Florio maneuvered into place earlier this year, unfairly singles out one medium for discriminatory tax treatment.

"In my personal opinion, we have no choice but to file suit," said Ed Blackman, exec VP at the association. "But that will be for our board to say. But our attorney believes it is an unconstitutional tax ... that discriminates against directories and small advertisers."

Mr. Blackman said the board would meet "soon" to discuss a plan of action.

The ad industry fears any such narrow tax could presage a broader tax on other media or all advertising, and the New Jersey action is being viewed as a harbinger of things to come. Industry officials anticipate a flurry of ad tax initiatives in financially troubled states next year.

The New Jersey tax will force directory sales people to ask advertisers that may have bought space as

(Continued on Page 8)

Brooke Hummer

Some tobacco- or alcohol-related ads have already been replaced.

Outdoor ads coming down

By Alison Fahey

Outdoor board companies will relocate more than 2,000 tobacco- or alcohol-related ads by mid-September, in compliance with newly adopted industry guidelines.

The action results from the Outdoor Advertising Association of America's new policy, announced in June, to encourage members to voluntarily ban tobacco- or alcohol-related ads on boards located within 500 feet of primary and secondary schools, established places of worship and hospitals.

The group also has asked members to place decals on those boards to signal that they're "off limits" to tobacco- or alcohol-related ads (AA, Aug. 20).

The 5-by-5-inch decal features a symbol of a child and will be posted on the pole or board structure but won't obscure the ad. They're primarily for industry use but will be visible to passers-by.

The relocation process has taken several months because companies first had to identify off-limit boards, notify the advertisers and then fill the void with other advertisers.

Some companies have also been waiting for long-term contracts with tobacco marketers to expire rather than pulling those ads.

Three of the leading outdoor

(Continued on Page 35)

Who's replacing outdoor ads

Outdoor advertising company	Est. number of boards in U.S.	Number of boards to carry decal	Number of tobacco/-alcohol-related boards that will be relocated
Patrick Media Group	41,000	4,200	1,000-plus
Gannett Outdoor	532,000	3,000	1,000-plus
Lamar Advertising	25,000	2,000	50-100

Source: Outdoor advertising companies

Tylenol expands with cold remedies

By Patricia Winters

Tylenol, the longtime leading brand in the analgesics market, is greatly expanding its presence in the growing cold remedy market with a new line of products.

Johnson & Johnson's McNeil Consumer Products Co. is introducing three new cold products under the Tylenol Cold name, targeting Nyquil, Alka-Seltzer Plus and TheraFlu.

TheraFlu, from Sandoz Pharmaceutical Corp., has virtually created a flu segment since its launch last year.

Warner-Lambert Co. also is going after that brand next month by nationally introducing Medi-Flu, a multisymptom flu reliever in liquid and caplet form. Warner-Lambert is the nation's leading producer of the flu vaccine.

Sources say McNeil will spend about $15 million to support the Tylenol Cold line, but it's unclear whether the products will be advertised together or separately.

Saatchi & Saatchi Advertising, New York, is handling.

New Tylenol Cold Nighttime, a cherry-flavor liquid, takes on Procter & Gamble Co.'s Nyquil, the perennial No. 1 with its 12% share of the $815 million cold remedy market. The new product replaces the liquid Tylenol Cold that's been on the market for several years.

To challenge Miles Inc.'s Alka-Seltzer Plus, McNeil is rolling out Tylenol Cold in an effervescent tablet. Alka-Seltzer Plus, the No. 2 seller, holds a 9% share of the cold remedy market.

McNeil will tackle TheraFlu, a lemon-flavor powder, with Tylenol Cold & Flu, also a lemon-flavor powder to be mixed with hot water.

Going up against Tylenol will be Warner-Lambert's new Medi-Flu.

All the products are now being shipped to stores, a McNeil spokesman said.

McNeil is widening the Tylenol presence in the cold remedy

(Continued on Page 36)

Magazine rates to rise

Likely postal increase spurs hikes of 6% to 9%

By Scott Donaton

Magazine publishers, faced with shrinking ad budgets on one side and rising production and distribution costs on the other, say they will press for sizable ad rate increases for next year.

Media buyers and magazine executives say they expect ad rates to rise 6% to 9%. Some expect increases of as much as 10% or 12%.

Such increases are likely to further dampen the ad page outlook for many publications. But publishers say the higher rates are needed, and they're prepared to lose pages.

"I think our increases will be in double digits, around 10%," said Thomas Ryder, president of American Express Publishing Corp., whose titles include *Travel & Leisure*. "Publishers have to think in those terms. They have to say we're willing to give up some pages to get our prices right."

"The bottom line is [advertiser] budgets are not going to keep pace with what magazines are asking in increases."

D. Claeys Bahrenburg, president of Hearst Magazines, cited a probable postal rate increase and said his titles will likely boost rates an average 10% to 12%.

Petersen Publishing Co., publisher of *'Teen* and a variety of men's titles, will raise rates an average 6.5%, said Peter Clancey, senior VP-national advertising director. Mr. Clancey said advertisers are being asked to pick up only part of the tab and that cover price and subscription rate hikes are also planned.

"We realize it's going to be a tough year and nobody likes rate increases, but I think publishers are showing reasonable restraint in passing those costs along to advertisers," he said. "We have to price to protect our bottom line."

Time Warner is considering hikes of 5% to 9% for its magazines, company executives say. It's not known yet whether ad rates at *Time* specifically will go

(Continued on Page 40)

Lever's Webb seizes green issues

David F. Webb, president-ceo of Lever Bros., recently announced the company will use 10 million pounds of recycled plastic annually in packaging liquid laundry products such as Wisk, Surf and Snuggle. The company plans to ask consumers to help by recycling plastic bottles.

Advertising Age Senior Reporter Laurie Freeman interviewed Mr. Webb, 60, about Lever's environmental programs and advertising's role.

ONE ON ONE

Advertising Age: *What's Lever's overall green strategy?*

Mr. Webb: The environment is probably the No. 1 priority in that we have to find some real and fast solutions. Every piece of our business activity is now geared to play a part in that.

AA: *How does Wisk Power Scoop, now in test markets, fit into Lever's environmental strategy?*

Mr. Webb: It is part of the total strategy because it's a concentrated detergent. And concentration of product is one of the means by which you can achieve a source reduction in both some of the chemical materials and in the packaging materials. . . .

When we planned Wisk Power Scoop, because obviously that's been in the pipeline for some time, that product had to get its grade points on the environment just as it had to in terms of performance and profit-earning capability. . . .

It is more concentrated than any other detergent [in the U.S.]; at the moment, small is beautiful.

AA: *Is Lever importing environmental technologies from overseas?*

Mr. Webb: Our whole product planning, product strategy, is conceived on a global basis. . . . The world of science knows no boundaries, so you use that science and that technology.

AA: *Was this strategy in place before the*

(Continued on Page 35)

Doug Goodman

Lever Bros.' David F. Webb says environmental solutions must be found quickly.

NEWSWATCH

■ **A Texas district court** jury in Houston delivered a $974,000 judgment against the *Houston Chronicle* in a breach of contract suit filed by a former distributor. Edward Scott Troy contended that from 1979 to 1983, the *Chronicle* forced him to pay for more papers than there were subscribers so circulation numbers could be inflated. Mr. Troy said he was terminated after complaining about not being reimbursed for the extra papers. Judge George Kelton hasn't entered a final judgment yet in the case. Similar suits by other former distributors are pending. *Chronicle* officials plan to appeal if the judge upholds the verdict.

■ **The American Association of Advertising Agencies** last week urged California TV and radio stations not to grant free commercial time under the fairness doctrine to Alcohol Tax Initiative, a group backing a state ballot proposal to raise alcohol taxes (AA, Aug. 13).

■ **I. Magnin & Co.** will close one of its three Chicago-area stores in February and is seeking offers on the leases for its two remaining area stores including a downtown and a suburban location. The R.H. Macy & Co. subsidiary operates 29 department stores, mainly in California, with one store each in Phoenix, Ariz.; Seattle; and White Flint, Md.

NEW CAMPAIGNS

■ **MTV: Music Television** next month breaks a cable TV and print campaign for its clothing and accessories, via Weiss, Whitten Creative, New York.

■ **Seiko Corp.** in November will break a spot TV commercial for Lorus watches, the first for the brand in the U.S. in four years. The 30-second spot combines animation and live action and is themed, "Take control with Lorus." The commercial, featuring three watches, will air through December in 10 markets. AC&R, New York, is the agency.

I want to wear my MTV.

■ **Hyatt Hotels Corp.** next month will introduce a new logo in advertising. Landor & Associates, San Francisco, created the logo; Hill, Holliday, Connors, Cosmopoulos, Boston, handles Hyatt's advertising.

■ **Arby's** next month breaks a spot TV campaign for its 99¢ roast beef sandwich sale. A 30-second TV spot shows a piggy bank hiding in a closet as its owner hunts for it with a hammer. The promotion begins at participating Arby's coops nationwide Sept. 1. W.B. Doner & Co., Baltimore, handles.

■ **Hardee's Food Systems** is running a 30-second TV spot in Baltimore themed "Happy trails lead to Hardee's" to promote the conversion of the 66 Roy Rogers restaurants to Hardee's in that market. Ogilvy & Mather, New York, agency for Hardee's national account and the Baltimore area regional account, created the spot.

Separately, Hardee's last week pulled a 30-second TV spot for Roy Rogers, airing in other East Coast markets, after the American School Food Service Association complained. The spot, created by former Roy Rogers agency Earle Palmer Brown Cos., Bethesda, Md., pokes fun at school cafeteria food. It aired in 1988 and was criticized by the association then, causing then-owner Marriott Corp. to pull it.

■ **Giorgio Beverly Hills** is running a print ad for Red Extraordinary Body Treatment Complex in September issues of fashion and women's magazines. Eisaman, Johns & Laws, Los Angeles, handles Giorgio's estimated $6 million account.

■ **Wendy's International** has revived a famous phrase in a campaign running in selected Florida markets. The 30-second TV spot features Senior Chairman R. David Thomas describing the ingredients of the Old Fashioned Double hamburger in test there. He calls the sandwich "the answer to the question, 'Where's the beef?' " Backer Spielvogel Bates, New York, created the spot.

PRODUCT NEWS

■ **Johnson & Johnson** is airing a $3 million network TV campaign promoting new Act For Kids Yum bubblegum-flavored mouthwash. The effort features a videogame with an animated mouthwash bottle shooting down plaque monsters. Cadwell Davis Partners, New York, created.

■ **Pepsi-Cola Co.** has added Charlotte, N.C., as a test market for Mountain Dew Sport isotonic drink testing in Eau Claire, Wis.; Minneapolis; Philadelphia; and San Diego. TV, radio and print starring athlete Bo Jackson support in all test markets via BBDO Worldwide, New York.

■ **VMG Enterprises** this month introduced Baby's Choice gender-specific disposable diapers in 12 western states and Canada. The diapers, priced less than those from Procter & Gamble Co. and Kimberly-Clark Corp., are supported with spot TV, radio and free standing inserts. Kobasic, Harris & Savage, Portland, Ore., handles the estimated $1 million effort.

■ **SmithKline Beecham Consumer Products** is testing in New England Aqua-Fresh Flex toothbrushes, an extension of its toothpaste line and its first entry into the category. Grey Advertising, New York, handles the TV and print campaign.

■ **General Foods USA** is changing the name of its Impromptu shelf-stable entrees to Kraft Microwave Entrees. The line is available in 10% of the U.S.; expansion and ad support aren't set. Grey Advertising, New York, handles.

■ **Mail Marketing Systems**, Savage, Md., in 1991 will expand its shared direct-mail program Mail-Net USA to Delaware, North Carolina, Pennsylvania and West Virginia. Now in Maryland and Virginia, Mail-Net mailings distribute ads to small and mid-sized markets. Advertisers include Firestone Tire & Rubber Co., Kentucky Fried Chicken Corp. and Pizza Hut franchise groups.

Harley Davidson revs up for retail

By Kate Fitzgerald

Harley-Davidson will open its first free standing apparel outlet next month, riding the growing trend of biker-inspired fashions.

The pilot store in Kansas City, Mo., is the motorcycle marketer's first foray into a retail shopping mall, where it will offer its own branded apparel for men and women under the name MotorClothes.

If successful, Harley plans to franchise stores nationwide next year.

"Harley apparel has been on a roll for two years, and it's growing like crazy. This is more than a fad," said Karen Davidson, general merchandise coordinator.

The company first introduced the MotorClothes line of leather and denim jackets, pants and accessories in its dealerships in 1988, and last year sold 3 million items, Harley said.

Harley Davidson suits the clothes horses among road hogs.

Sales growth for the apparel is now outpacing that for motorcycles at some dealerships, according to Harley, which reports 3 million MotorClothes items were sold last year.

The revival of Harley's motorcycle business in the past few years coincided with increased interest in motorcycling by non-riders and women. That in turn fueled the growth in the accessories division, Ms. Davidson said.

"People are picking up on the made-in-America spirit Harley offers," she said. "The popularity of the Harley brand seems to be tied to a theme of independence and individuality people are attracted to."

A new TV and print campaign for the MotorClothes line breaks next month via Bellwether Communications, Racine, Wis. The campaign includes ads in major magazines and TV commercials in markets served by major Harley dealers.

Carmichael Lynch, Minneapolis, handles advertising for Harley motorcycles. □

ACCOUNT ACTION

First Wachovia Corp., Winston-Salem, N.C., and Atlanta, to **BBDO Worldwide**, Atlanta, from Long, Haymes & Carr, Winston-Salem, and Henderson Advertising, Greenville, S.C., for its combined $10 million to $12 million account following the merger of First Atlanta Bank and First Wachovia. . . . **Tri-State Acura Dealers Network**, New York, to **Cox & Landey** from Pollaro Media Advertising & Production, Denison, Texas, for its $4 million to $6 million account, pending a compensation agreement. . . . **Wisconsin Department of Tourism**, Madison, kept **Frankenberry, Laughlin & Constable**, Milwaukee, for its $5 million account after a review. . . . **California Egg Commission**, Upland, to **Davis, Ball & Colombatto**, Los Angeles, from Asher/-Gould for its $4.5 million account. . . . **Hofstra University**, Hempstead, N.Y., to **EBW Advertising**, New York, from Deutsch for its estimated $3 million account. . . . **Tahiti Tourist Board**, Los Angeles, to **Vogel Communications Group** from Davis, Ball & Colombatto for its $2.5 million account. . . . **Radisson Hotels International**, Minneapolis, to **Robinson, Yesawich & Pepperdine**, Orlando, Fla., from Campbell-Mithun-Esty, Minneapolis, for its Radisson Resorts division. That and Radisson's Colony Hotels & Resorts (also at Robinson) bill $2 million total.

The small ad agency with big success in new products.

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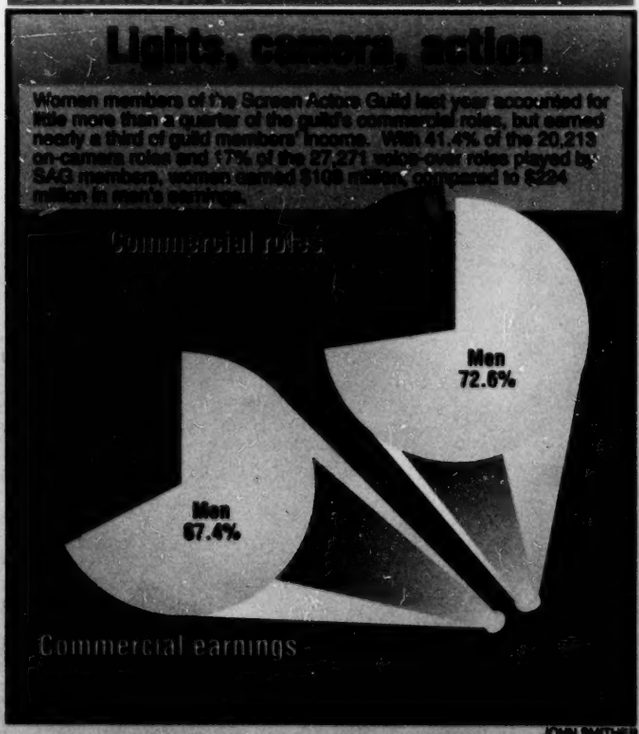
Of course, we also specialize in established brands. Give us a call and see for yourself why we're such a small agency with such big success in new products.

DATAWATCH

Lights, camera, action

Women members of the Screen Actors Guild last year accounted for little more than a quarter of the guild's commercial roles, but earned nearly a third of guild members' income. With 41.4% of the 20,213 on-camera roles and 17% of the 27,271 voice-over roles played by SAG members, women earned $108 million compared to $224 million in men's earnings.



JOHN SMITHER

SPECIAL REPORT

Non-Traditional Media

Edited by Julie Steenhuysen

Whittling away S-2
Non-traditional advertising pioneer Chris Whittle rips "out-of-step" agencies.

Numbers, please S-4
Despite hunger for data, it's often a guess.

What's next? S-10
Execs muse over boundless ad venues.

Bagged and snagged S-12
Selling Smartfood is part fun, part theater.

Ted Carl

Bounty in most unusual places

Unexpected media hard to measure, often startlingly effective

By Scott Hume

Shave the modern way
Fine for the skin
Druggists have it
Burma-Shave

In the fall of 1925, Allan Odell put up a series of four 36-inch-wide signs bearing that jingle along a road leading out of Minneapolis to promote his brushless shaving cream.

His son later recalled advertising professionals said Mr. Odell's idea wouldn't work. But it did.

It helped sell Burma-Shave first in Minneapolis and then nationwide, as the distinctive ad signs sprouted along highways nearly everywhere.

It also helped change advertising.

The assumption behind the Burma-Shave ads was that people puttering along in their Model T Fords would pay as much attention—maybe more—to the road signs as they did to ads in newspapers, magazines and on the radio.

Despite the tremendous growth of those media in the past 65 years—and TV—the assumption behind the Burma-Shave signs still is held by advertisers: Consumers will look at and remember messages conveyed in unexpected environments.

In the past decade, as traditional media have become increasingly cluttered and expensive, the number of alternative or non-traditional ad media has exploded.

In 1989, the 100 largest advertisers spent $19.2 billion on traditional, measured media advertising. Another $14.9 billion was spent on unmeasured advertising.

The unmeasured category includes such "mainstream" vehicles as sales promotion, direct marketing and point of purchase. But it also includes a growing number of unexpected ad environments. Among them:

- A California company offers ad space on Arm Guard, a sleeve drivers can wear to protect their left arm from sunburn.
- Boudreau/Darque will put your ad in the bottom of golf cups with its Ad-in-the-hole.
- Another company, J'atoo, will reproduce corporate logos or ad themes as removable, waterproof tattoos.
- Perhaps the ultimate in unexpected ad environments, public restrooms offer unused space on walls or stall doors.

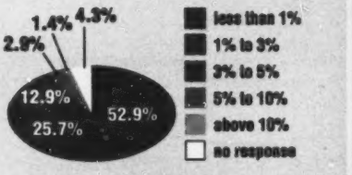
Not all the new ad opportunities are un-

(Continued on Page S-14)

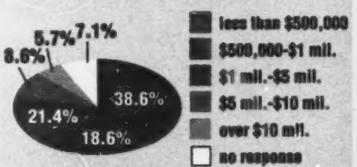
What the buyers say

Agency media buyers are often the final and hardest sell for non-traditional media vendors. *Advertising Age* polled 70 media executives at major U.S. agencies in July to find out their use of non-traditional media.

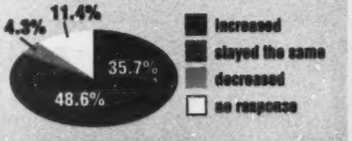
Non-traditional media placements accounted for what percentage of your agency's 1989 media placement total?



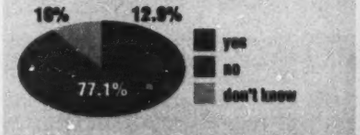
In 1989, approximately how much did your agency (office) place in non-traditional media?



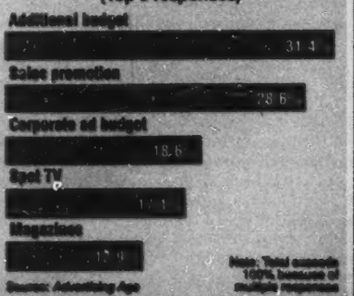
In the first six months of 1990, non-traditional media placements vs. the same period last year have:



Do any of your clients have a separate budget for non-traditional media?



Where does the budget for non-traditional media usually come from? (Top 5 responses)



Whittle rips 'out-of-step' shops

Non-traditional advertising pioneer looks beyond the home

Christopher Whittle is perhaps the man most responsible for the growing acceptance of non-traditional media.

ONE ON ONE

The 43-year-old chairman of Knoxville, Tenn.-based Whittle Communications rattled the publishing world in the mid-1980s by pioneering new forms of print media.

Now, with 40 various media properties and annual revenues of $230 million, Mr. Whittle is turning his attention to TV. His first foray into the medium was Channel One, the controversial TV network for high school classrooms launched in March. This fall, Whittle Communications will launch Special Reports Television, a TV-magazine project for doctors' waiting rooms that will replace the troubled Special Reports *magazines.*

In a recent interview with Advertising Age *reporter Scott Donaton, Mr. Whittle discusses the future of non-traditional media.*

Advertising Age: *Special Reports Television marks a shift in strategy for Whittle Communications from print to TV. Why the change?*

Mr. Whittle: Underneath everything we do is the concept of targeted, high-impact, proprietary media systems, and Special Reports Television is really just a move from a print execution of that to an electronic execution of that.

AA: *Why TV?*

Mr. Whittle: There is an audience preference toward it by a pretty significant measure. There's definitely an advertiser preference toward it. You look at spending and it's 6-1 electronic vs. print.

Does that mean print is dead? No.

We're still going to be in it and it'll grow, but it will be, as a percent of our company, less.

AA: Special Reports *magazines were criticized for, among other things, their audience-measurement techniques. How essential is audience measurement for attracting and keeping advertisers?*

Mr. Whittle: Any time you create really new media you have to create new measurement. You have to then try to find a consensus within the community as to the right measurement.

With *Special Reports* magazines, we never got that consensus. We are attempting on Special Reports Television to do that by basically going with the gold standard of the old system, which is Nielsen.

AA: *Your decision to bypass agency media directors and sell* Special Reports *directly to clients stirred a lot of controversy. Did that decision cost you any business during renewals?*

Mr. Whittle: It's been misreported frequently that that was a decision, so let me clarify that. We sell categories. We do not sell brands.

Agency assignments are made by brand, and it is very difficult for agencies to make category decisions because they don't, in many cases, control the whole category.

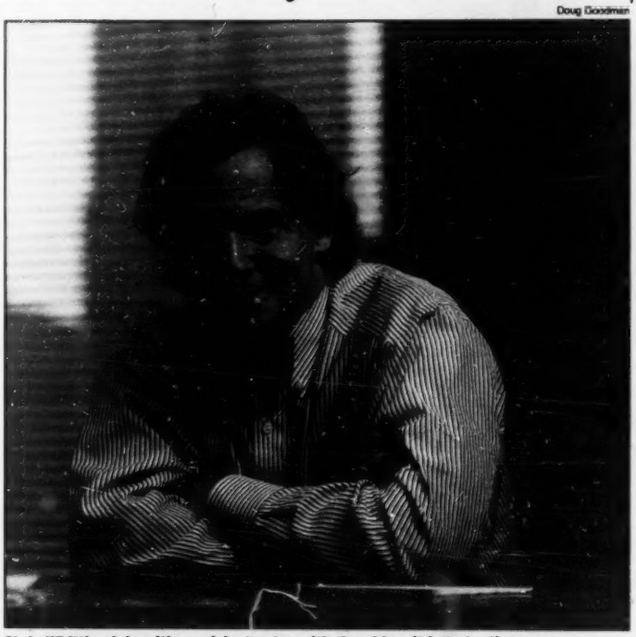
That means we have to have client interaction. We have tried to do a better job on Special Reports Television of engaging the agencies and I think we have.

AA: *Has the climate changed at ad agencies regarding new media?*

Mr. Whittle: I think there are big differences in agencies and I will group them into two broad categories.

There are agencies out there that have clearly recognized that the old conventional media systems are an aging fleet. . . . They are actively going out and seeking relationships with new media operations and trying to promote those to their clients.

Doug Goodman



Chris Whittle claims it's as risky to stay with the old as it is to try the new.

And there are agencies out there who still believe that alternative media is kind of marginal and that if there's any money left over, maybe they'll play around with it at 2% levels. I think they're out of step with the times and with many of their clients.

AA: *You're known for your ability to gain access to senior marketing executives at leading consumer product companies. What's your secret?*

Mr. Whittle: There's one reason that a lot of senior marketing executives won't see media people and that is, sometime long ago in their careers, they went, "I've already heard this story and I don't want to hear it again."

There's only one way to achieve access to senior executives and that's with new ideas.

AA: *Once you gain access, how do you convince people to take a chance on new media?*

Mr. Whittle: There used to be a feeling in American advertising that new was bad and that new meant untried, risky.

I think that is changing and that in fact people now think new is good.

What is the advertising you remember? It tends to be cutting edge. Similarly, why not put your advertising in cutting-edge activity? In fact, it's just as risky to stay with the old as it is to experiment with the new.

AA: *Has the debate over Channel One changed your approach?*

Mr. Whittle: No. We view criticism as a way to learn and we adapt on the basis of criticism. We're not going to get out of the business of pioneering because we occasionally stir up controversy.

AA: *Whittle Communications' focus is on place-based media vehicles. Why?*

Mr. Whittle: Home is not what home used to be. . . . Television in 1960 was unconventional media. It was much more advertiser-friendly.

Our view is home-based media has dramatically declined as an environment for sending advertising messages.

Place-based has other interesting advantages. [It] helps you target. If you walk into a gastroenterologist, I know something about you. I know that you have some kind of digestive problem. That's an important piece of data for some marketers.

AA: *A growing number of companies have jumped on the new-media bandwagon in recent years. Does that threaten to clutter what were once clutter-free environments?*

Mr. Whittle: If you wound up with tons of the same thing in one environment, yes. That's not going to happen. There's not going to be two sets hanging from the ceiling in a classroom. What it really means is that, in place-based media, it's a first-in-wins game.

AA: *How will new media fare in the '90s?*

Mr. Whittle: I'd say they will probably have triple to quadruple the growth rate of conventional systems.

I don't think there's any question that [TV] networks in the '90s will decline. You couldn't handcuff me into buying that stock.

AA: *What can other non-traditional media companies learn from your experience?*

Mr. Whittle: I can tell you some things I think new media companies traditionally do wrong. I think they underinvest in talent and that the level of personnel required to develop and execute these concepts is much higher than most people think.

I think our success is directly related to a rather significant investment in a large number of senior players. □

It's tough not to work by the numbers

Agencies grow frustrated by hard-to-quantify ad systems

By Gary Levin

While most ad agencies concede that non-traditional media are becoming more important, few are willing to devote full-time staff to them.

In an informal *Advertising Age* poll of 70 major U.S. agencies, 63% cite the growing importance of non-traditional media, but only 13% claim some form of "non-traditional media department," usually staffed by a handful of media professionals who spend part of their time on it.

Industry executives believe the reasons are twofold: Agency commissions on alternative media typically aren't big money makers, and many large non-traditional media companies, such as Whittle Communications, frequently deal with clients, not agencies.

As options expand and TV costs soar, however, agencies are being pressured to find more efficient and targeted approaches or risk having clients or media-service companies do it themselves.

Clients are "asking us to evaluate [new media options] and incorporate them into their plans," says Dawn Sibley, exec VP-media director at Ally & Gargano, New York. "But we're doing it, too, because basically we're trying to create a little more impact."

Some agencies have responded to increased client interest in new-media options by creating special departments to evaluate them. They believe such departments give them a competitive edge and help bolster new-business presentations.

Jordan, McGrath, Case & Taylor late last year created a media-department offshoot known as MediaSPARC (Media Strategic Planning Applications through Research & Creativity). The unit, staffed at least part-time by five employees, screens almost-daily calls from media companies with a new in-store program or wall medium or merchandising idea.

"Initially, we would work as a clearinghouse and [then] latch onto a planning group" for a particularly appropriate client, says Mickey Marks, associate media director, who heads MediaSPARC and supervises media planning for clients Welch's and Okidata.

Mr. Marks believes the unit's existence helps the agency quickly respond to available opportunities and says he can welcome a parade of salesmen who might get lost in other agencies' corridors.

"It's in our benefit to get a recommendation on our client's desk before our competitor gets a recommendation [for the same medium] on their client's desk," Mr. Marks says.

Saatchi & Saatchi Advertising late last year established a "television information and new media" department responsible for analyzing TV and alternative media.

"In an agency that's as large as this one, I think it's a helpful thing to have . . . a standardized place for evaluation," says Erica Gruen, VP-associate director of the department.

"That way, media planners feel someone is looking at the ideas all the time, that there's some comparison made and an estimate of the value of one [new-media vehi-

(Continued on Page S-4)

Gauging acceptance among agencies

How likely are you to recommend incorporating non-traditional media into a client's media mix?
no response 7.1%
very likely 16.8%
likely 55.7%
Please indicate your agency's most recent placement of non-traditional media:
no response 5.7%
within 36 mo. 4.3%
within 12 mo. 27.1%
Source: Advertising Age
Advertising Age graph: John Hall

Execs resort to 'gut feelings'

Despite hunger for data, ad recommendations often guesswork

By Alan Radding

Non-traditional media companies are scrambling to produce almost any numbers they can find —cash register receipts, ski lift tickets, rider counts—to prove audience exposure.

The result, at best, amounts to a good guess, says George Mahrlig, director of media services for Campbell Soup Co.

For some agencies, a good guess is all it takes. In an *Advertising Age* poll of 70 media directors, 37.1% say they're most likely to recommend a non-traditional media placement "if my gut feeling tells me it will work."

But most advertisers want more than a good guess—and that's where the trouble starts.

About 90% of the poll respondents say measurement and auditing of non-traditional media audiences are unsatisfactory. The same percentage of media directors surveyed also say the burden of improving audience measurement lies with media companies.

"Everybody wants data, but they can't expect the same data that they get from newspapers or magazines," says Robert Kinsey, a consultant at MAK Inc., sales rep for Tribune Co.'s Sports Plus Information Network, a videotex service displayed in 190 airport terminal bars in 25 markets.

MAK collects statistics on the number of patrons in these bars; Belden Associates conducts follow-up studies to determine message recall. Still, the real thrust of MAK's sales pitch is environment, not numbers.

"For beverage advertisers, at

(Continued on Page S-6)

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Agencies

(Continued from Page S-2)

cle] regarding another."

Saatchi has helped put a commercial for General Mills' Cheerios onto a videocassette movie and involved Toyota Motor Sales USA's Lexus division as a public TV sponsor.

DDB Needham Worldwide, Chicago, in January named Wes Dubin, director of national broadcast, to monitor new nonprint vehicles.

"A lot of [alternative media evaluation] is third priority for everybody, so you never get to them," says Michael White, exec VP-media director. "We need somebody who can make it a priority."

Mr. White says keeping up with an ever-growing list of alternative media isn't easy. "It's somewhat difficult but absolutely mandatory."

Nevertheless, many media executives say a separate evaluation department is unnecessary.

"I send [a proposal] over to someone [in a media planning group] who I think has a specific client interest," says Richard Kostyra, exec VP-media services at J. Walter Thompson USA, New York. "They work with the research department in putting together the pros and cons."

A pitch from a college-market medium, for instance, might go to

(Continued on Page S-6)

Guesswork

(Continued from Page S-4)

least they know we have drinkers," Mr. Kinsey says.

So far, Mr. Kinsey has convinced Seagram Co. and Schenley Industries to test the fledgling network, launched in June. He argues his case to advertisers in terms of point-of-purchase displays in the bar rather than mass-media exposure.

Estimates using whatever is at hand, however, can only take a medium so far.

"It is very difficult to sell a new medium without some kind of audience information," says Helen Giles, VP-out-of-home media at Lintas:Campbell-Ewald, Warren, Mich.

Ultimately, agencies and advertisers want more reliable, consistent information that can be independently verified.

"We feel more comfortable when [the Traffic Audit Bureau for Media Measurement] or someone else is there," Mr. Mahrlig says. "It assures us of a reasonable level of accountability."

Following its merger earlier this year with the Out of Home Measurement Bureau, TAB has become the catch-all for non-traditional media auditing, organizing a separate division for just that purpose.

Since then, TAB has received about a dozen inquiries concerning audits for non-traditional media, with four being actively pursued, TAB President Ken Sammon reports. They include in-store companies Actmedia and Adgraphics, vendor of the Shoppers Video network; Coast United, a bench ad company; and SkiView USA.

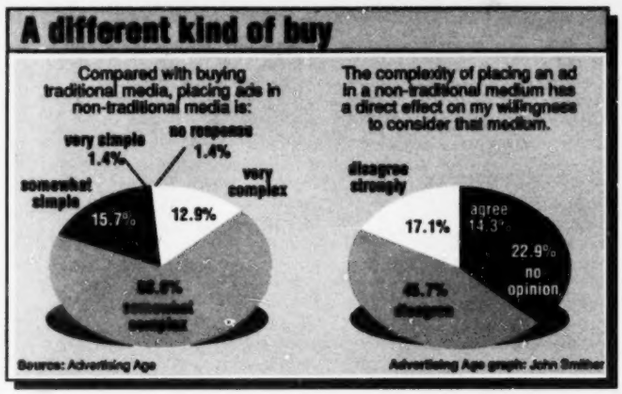
SkiView, which sells ads on ski lift towers at 190 ski resorts, gets recall numbers from Simmons Marketing Research Bureau. It decided to pursue a TAB audit at the urging of agencies and advertisers.

"I told them: 'Do yourself a favor; go to TAB and get a good third-party audit. That makes everybody feel that much more comfortable,' " recalls Robert Flood, senior VP-director of out-of-home media at D'Arcy Masius Benton & Bowles, St. Louis, and a member of TAB's Audit Development Council.

TAB is developing methodology to guide such audits. But arriving at methods acceptable to agencies and media alike is troublesome, says Helene Goldfine, senior VP-marketing at Transportation Displays Inc., which sells transit ads and several non-traditional media, such as ads on supermarket clocks.

Some media companies question the need for extensive research. "The advertiser knows where the product sells: He doesn't need demographics," Mr. Kinsey says. □

A different kind of buy


Compared with buying traditional media, placing ads in non-traditional media is:
very simple 1.4%
no response 1.4%
somewhat simple 15.7%
very complex 12.9%
The complexity of placing an ad in a non-traditional medium has a direct effect on my willingness to consider that medium.
disagree strongly 17.1%
agree 14.3%
22.9% no opinion
Source: Advertising Age
Advertising Age graph: John Smither

Agencies

(Continued from Page S-4)

the planning group for Nestle or Eastman Kodak Co. or Miller Brewing Co. With a proposal for a new grocery or drugstore medium, media planners for Kraft USA or Warner-Lambert Co. might get the call.

Mr. Kostyra believes agency economics—low commissions and general belt-tightening—make it difficult to justify a separate screening position.

Even if shops do have one, Mr. Kostyra says, "that person is really doing a very general analysis, and with so many [media], it's hard to get at them."

A separate department "doesn't make a great deal of practical sense," says Marcella Rosen, exec VP-managing director of media services at N W Ayer. "I wouldn't put people on staff in this day of trimmer agencies just to evaluate [non-traditional media options]."

Ms. Rosen and top media executives in each of Ayer's offices regularly evaluate and pass along new media ideas that seem most relevant to specific clients.

Instead of being a benefit, Ms. Rosen sees a separate unit as a potential harm because it "absolves everyone else of dealing with . . . new ideas. I don't want that to happen. Everybody is supposed to be alert." □

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For grocery stores, 'keep it simple'

High-tech systems still bombarding retailers

By Alison Fahey

Non-traditional media vendors' battle for a presence in the grocery store rivals food marketers' fight for shelf facings.

Getting in the retailer's door is "a hard sell," says Bob Polansky, president-ceo of In-Store Advertising, which places electronic signs over supermarket aisles. "It's a conservative industry and [retailers are] reluctant to try new things."

Not only was the process "like shoveling sand against the tide," says another media executive, but retailers demanded a lot before they would consider adding his medium to the mix. "Since we obviously couldn't move ahead without them, we ended up giving them a little more than we had originally intended to," he says.

Contracts between retailers and media companies generally run for three to five years and grant the media company category exclusivity, sparking a race among media companies to be the first in the door at grocery chains.

"The first guy there [with a specific media system] gets all the marbles," Mr. Polansky says.

But as more media companies enter the fray, retailers worry in-store media clutter will scare off loyal patrons.

"There is always a concern that you don't try to put too much advertising in the store," says Ann Maddox, a spokeswoman for Kroger Co. supermarkets. "Everything's taken into consideration, you weigh everything on the table."

Kroger features several different media in its stores in different regions, including Heritage Media Corp.'s POP Radio, In-Store Advertising's electronic signs and Catalina Marketing Corp.'s electronic couponing programs at checkout.

"As more new businesses come around, the retailers are starting to say when [enough] is enough," says Wayne LoCurto, president-ceo of Actmedia, the leading in-store marketing company.

"[Retailers] are definitely concerned about ad clutter," says George Off, exec VP and founder of Catalina.

> "The first guy into the grocery store with a specific media system gets all the marbles."

The simpler the program, he says, the better a vendor's shot at getting the retailer to participate. "If there's work in it for the retailer, they will take a hard look at it."

But retailers aren't without incentives. Typically they receive a guaranteed percentage—sometimes as much as 25%—of ad revenue generated by the medium, or a flat monthly fee, whichever is larger.

For large retail chains such as Kroger, which operates 1,234 supermarkets in 24 states, that could result in some $1 million in added revenues, industry executives say. This revenue-generating potential doesn't go unnoticed in an industry that operates on a tight profit margin.

"The money was definitely a consideration," says a spokesman for a medium-size supermarket chain. "It was tempting, but if we get complaints from consumers, we'd pull the plug on it," he says, referring to a video-based medium currently testing in some of its stores.

But once in-store programs succeed, retailers get hooked on the added revenue, media executives say.

"I know that ad revenue from our system is in [some of our retailers'] budgets for the next several years," says a media executive who asked not to be identified. "They're counting on [the money]."

Another draw is free space or time on in-store media for retailers to promote house brands, chainwide promotions or events. In-Store Advertising gives its retail partners as much as 20% of airtime on electronic signs each month.

Retailers also can have a voice in a medium's final application or form. For instance, In-Store Advertising redesigned its signs to conform to one retailer's specifications.

"We found that no matter how much money we offered the retailers, if the product didn't fit the store decor, they wouldn't take it," Mr. Polansky says.

New in-store media companies also must convince retailers they're in the business for the long haul.

"Retailers have seen so many media companies with innovative ideas end up in a graveyard because they couldn't execute the programs or didn't have enough [financial] backing," says one executive currently trying to sell retailers on his in-store medium. "They were nervous that we were a fly-by-night organization. It took quite some time to convince them otherwise."

But doing so is only the beginning, says one media executive.

"Convincing marketers and agencies [to buy ad space] is no piece of cake either." □

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MOORE RESPONSE MARKETING SERVICES

SPEAKING WITH AUTHORITY

What's next?

Execs muse over boundless ad possibilities

By Kathy Martin

With network TV audiences eroding and niche marketing all the rage, ad messages are popping up in the most unexpected places—from sidewalks and high-rise elevators to video screens at grocery checkouts and gas pumps. Not even urinals are exempt from advertising.

But are there any unexploited environments left? Advertising Age *asked agency media directors to pinpoint the next hot media prospects: Where can advertisers boldly go where no ads have gone before?*

Thinking expansively: The Gateway Arch in St. Louis, suggests Robert Flood, director of out-of-home media at D'Arcy Masius Benton & Bowles. It's a perfect spot for banner ads.

Casino slot machines in Las Vegas might also be an opportunity, he says.

"I suppose you could come up with three boxes of Tide or something."

He would also put ads on chairbacks of commuter trains, on stairway risers in transit stations and even on subway tokens.

"I guess advertising, as a rule of thumb, is probably legitimate or acceptable wherever there is commerce," Mr. Flood says.

"What better place to sell pet food than the vet's office or bodybuilding equipment than health clubs?

"It just makes sense."

Double duty: How about using government mailings to get the word out about new legislation and a special on McDonald's Big Macs at the same time, says Alan Johnson, director of media services at Mullen Advertising, Wenham, Mass.

"We spend millions giving our legislators the opportunity to mail stuff to us," he says. "Why shouldn't the government make a little of that money back for us and cut the budget deficit?"

He also suggests mini-ads on postage stamps, or maybe space shuttle sponsorships.

"The shuttle could be painted with the corporate logo, with the sponsor IDs on the astronauts' uniforms," he says.

Fore-get it: Some media directors believe non-traditional media have gone too far. "I guess I'm a

(Continued on Page S-12)

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PEOPLE TO WATCH

Former agency executive Clark Kokich was just looking for a more entrepreneurial job.

But the new VP-marketing and advertising for Sight & Sound Entertainment, Seattle, may have gotten more than he bargained for.

Sight & Sound this fall will launch an in-store video ad vehicle in 700 Sears, Roebuck & Co. stores, marking the first time Sears has ever carried paid advertising inside its outlets.

The venture is full of uncertainties and challenges, including the fact that ad sales so far are painfully slow, Mr. Kokich says.

"We'll go on the air with about one-third of our inventory sold, but we estimate by the end of the year, 60% of our available space will be sold," he says.

Most recently director of client services at Borders, Perrin & Norrander, Seattle, 38-year-old Mr. Kokich took the job at Sight & Sound in May after 12 years in the agency business, which included nine years in various account management and new-business posts at Cole & Weber.

"There are only limited opportunities to break ground at agencies, and I wanted to try something different, something that was highly creative and challenging," he says.

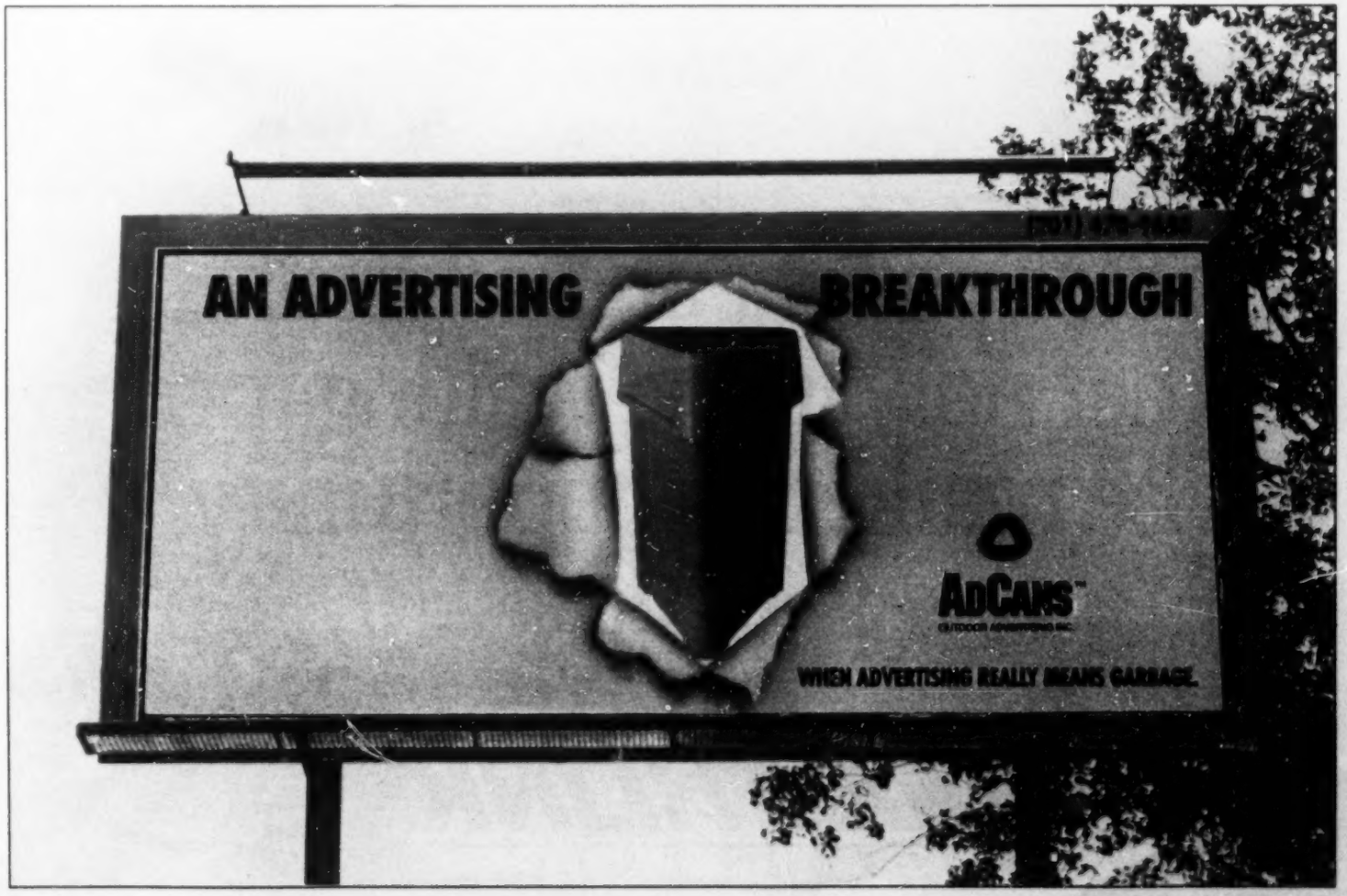
"You don't just make a phone call and explain the deal. It's a lot of back and forth and a lot of negotiation until the client feels sure of what they're doing. It takes patience," he says.

Clark Kokich

But that's something Mr. Kokich has in limited supply.

"I'm sure this program will take off, but I'm impatient to see it happen," he says. □

—Kate Fitzgerald



OUT OF LEFT FIELD

Tagged, bagged and snagged

Selling Smartfood is part fun, part theater

By William Spain

Guerrilla marketing? Seems more like Magilla Gorilla marketing, I sneered when first I heard of Smartfoods' theatrical approach to moving product.

Of course, I had seen their delightfully demented print and transit ads, but I thought costumes and street revues might be going a bit overboard for what is, after all, just popcorn.

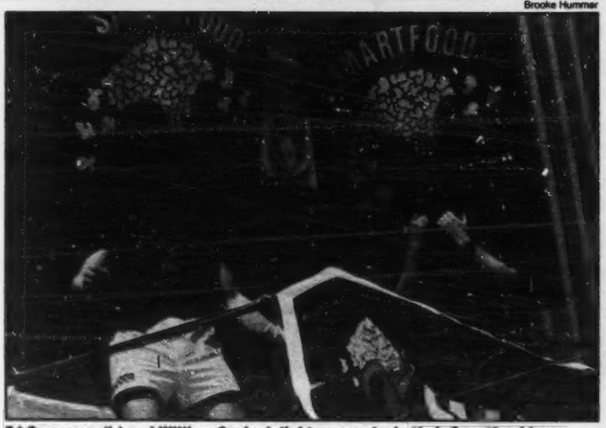
I mean, what kind of idiot would voluntarily don an oversize, black-and-yellow plastic popcorn bag and dance around on top of a truck in a late July inferno to help Frito-Lay hawk their newest snack acquisition?

My editors' kind of idiot.

Thus did I join a Smartfood Marketing Team (a.k a. SMUT) in a pre-noon assault on Chicago.

Ed Creamean, Chicago Smartfood field marketing manager and my temporary commander, boasted of the prowess of his squad, noting they had given away more cases of product—6,315 and counting—than any other. A somewhat bizarre measure of success, but for now that's the Smartfood way.

While we suited up in our bags outside Chicago's city hall, the two simple rules were explained:



Brooke Hummer

Ed Creamean (l.) and William Spain delight passersby in their Smartfood bags.

Each person gets only one bag, and don't stop traffic.

The latter is simple enough; the former is made more difficult by human nature. As one of the SMUTs explained, "It is a pretty messy snack. I have had people come up to me saying they hadn't had any, when the traces were still on their fingers and lips."

Indeed, many people "needed" extra bags for "my boss," or "my kids." One even wanted some for "my attorney."

At our next stop, Madison and LaSalle, in Chicago's financial district, I learned being a SMUT isn't all giving out free cheese popcorn. It also involves a lively public demonstration of one's devotion to the cause: the Smartfood dance. Mostly a free-form, up-and-down-and-side-to-side step, the Smartfood hop is guaranteed to attract attention.

I can't imagine it was an easy decision for Frito-Lay to let SMUTs loose on an unsuspecting public. The possibility for backfire, though relatively remote, does not jibe with a cautious corporate image.

But if the generally amused reaction of Chicagoans to their attention-grabbing antics is any gauge, Smartfoods' future here is in the bag. □

What's next?

(Continued from Page S-10)

little bit of a contrarian, but I think we need to give the consumer a break. Enough is enough," says Kim Kohler, director of media planning at Tracy-Locke, Dallas.

Mr. Kohler finds ads on golf tee markers particularly disturbing: "OK, you've got a captive environment there that's upscale where you can get your little billboards in, but give the guy a break. He's there to play golf."

A horse is a horse: Then there are those who say you can never have too much advertising.

"I don't think there's any saturation point in the selling environment," says Pete Riordan, out-of-home manager at BBDO Worldwide, New York. "It's one of the places where advertising is least resented, as long as the message is relevant."

Expanding on a Canadian venture in which cows were painted with product information and placed along highway fields, Mr. Riordan suggests targeting affluent consumers with a more upscale beast. "Why let your polo pony go to waste?" □

Kathy Martin is a free-lance writer based in Chicago.

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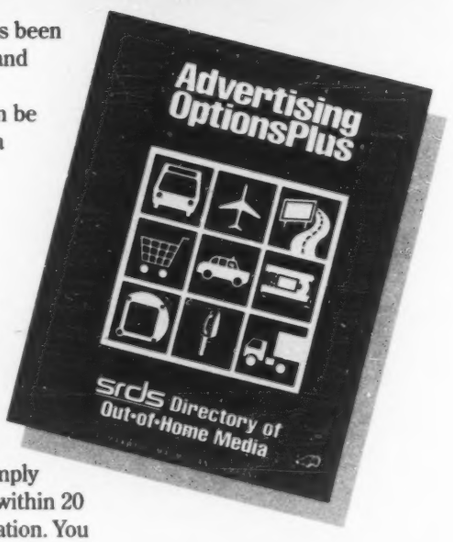

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FJAA-2

System grasps for advertiser fuel

By Julie Steenhuysen

Trivision—the company that's bringing TV monitors to Texaco gas pumps—has learned the hard way that it's easier to give away media than to sell it.

After a year of testing, Trivision has convinced only Nestle Foods Corp. and Universal Studios Florida to give the Messenger System a go.

But it was a long road getting there, says Exec VP Gio Tomasini.

Trivision's laser disc point-of-purchase system broadcasts standard 30-second TV commercials over two 20-inch color monitors mounted at each pump island. Audio is connected to a sensor that's triggered when a car enters the station.

Conceived in early 1989 by partners Mr. Tomasini, Exec VP Wesley Arnold and President Don Boyd and backed by an unnamed investor, Trivision's first hurdle was to convince Texaco's Star Enterprise subsidiary to go along for the ride.

A three-month test in Orlando, Fla., won over Texaco, which gets a percentage of ad revenues. But advertisers have been a bit slower in signing on.

Trivision solicited TV commercials from national advertisers selling products in the Texaco outlets. Advertisers including Frito-Lay's Doritos, Eastman Kodak Co.'s Kodacolor Gold film, Veryfine juices and Nestle's Butterfinger and Nestle Crunch candy bars gave Trivision spots to run on the system at no charge. Of those companies, only Nestle has bought ads on the system, which charges $60 a month per location.

Universal, which participated in another free test, signed a two-station, six-month contract in the Orlando market, says Matt Palmer, associate publicity representative.

Universal is "looking for a different ad vehicle for people who come here on vacation," he says. "It's an ideal way to target a captive audience."

Trivision, meanwhile, is continuing to conduct product movement tests and roll out the system. It expects to be in 400 Texaco locations by yearend.

So far, most people consider the system a novelty, Mr. Tomasini says.

But not all of Texaco's customers have appreciated being pitched while pumping gas, says Bob Walden, buyer/merchandiser for the Atlanta market.

Five of Mr. Walden's stations pulled out of the program.

"We wanted it down because of customer complaints," says Mr. Walden.

Mickey Marks, VP-associate media director at Nestle agency Jordan, McGrath, Case & Taylor, New York, says Trivision's system offers a natural synergy with products sold in the Texaco convenience stores. But Trivision may have some trouble expanding beyond those products.

"They're not really targeting anyone in particular," Mr. Marks says.

For Nestle, the buy makes sense because of Trivision's POP advantage, he says.

For Frito and Kodak, the verdict is out.

Frito-Lay ads have run for free on the system in Atlanta, Houston and Orlando, and the company is evaluating Trivision's numbers, it says. Kodak is "waiting for some feedback" from the test, says Mike Siegel, marketing communications coordinator-color film.

"I respect companies who are breaking a new medium and are taking the initiative to fund their own research," he says. □

Unexpected

(Continued from Page S-1)

expected. The non-traditional sector also includes the growing range of in-store media—such as overhead signage and the VideOcart screen on shopping carts—as well as advertising in movie theaters or high school gymnasiums.

But that explosion of opportunities also has created new problems for those companies selling non-traditional media and for agencies and advertisers evaluating the increasing options.

As with traditional media, the key words driving non-traditional media are environment, audience, cost and research.

"You do have to look for alternative ways to communicate a client's message. It's no secret that it's become more difficult to reach consumers," says Chris Vlahos, who has researched non-traditional media as media director at Lord, Sullivan & Yoder, Columbus, Ohio. "There certainly are a lot of new options. But you have to put yourself in the position of the consumer in evaluating them," he says.

"I think we've heard pitches for ads just about anywhere you can name," he says. "I think restroom ads are the ultimate in irritating. There should be *some* escape from advertising."

The alternative-media companies say they are aware of the potential for backlash against advertising perceived as intrusive. Many of the most successful new ad media have been developed in conjunction with new services.

Checagau Communications has created a vehicle it calls the GuidePoster. Targeted to upscale travelers and tourists, it is a detailed city map and a guide to high-end restaurants. The company has produced a GuidePoster for Chicago, sponsored by Sears, Roebuck & Co.'s Discover Card, is preparing a second, for San Francisco, and is contemplating creating similar city-specific products.

Because GuidePoster provides a service as well as ad space, "we've encountered very little hesitation by potential advertisers," says Checagau partner Robert Gifford.

Many top advertisers who have tested the waters in non-traditional media are impressed with formats available both here and overseas. Colgate-Palmolive Co. uses mobile cinema- trucks that go into villages and run short movies and commercial messages —with success internationally.

"That medium is very powerful," says Clay Timon, VP-worldwide advertising. "We're able to run four-minute, very educational commercials." Samples of Colgate products also are distributed through the trucks.

Many non-traditional media companies agree they must offer more than just additional ad space to avoid the "irritation factor" and to succeed.

"A key element is that our programs are perceived as beneficial," says David Rieff, director of marketing & operations at MarketSource, which offers ad-supported programs at colleges.

One is the Campus Source, a communications center that includes a monthly calendar of on-campus events, an LED message screen and a color, backlit ad.

"Campus Source is a communications medium that also is an ad medium," Mr. Rieff says.

The promise of communicating with an audience not easily reached through traditional media is the lure that has spurred the growth of non-traditional media. MarketSource estimates college students represent $33 billion in discretionary spending, yet have lower than average exposure to many traditional media. As a result, several companies offer ways to put ad messages in front of that audience.

To interest major advertisers, however, a non-traditional media company needs to have the right numbers. "You've got to have a sufficient number of locations to make it worthwhile," Mr. Rieff says, adding his program is on 1,600 campuses.

Liz Conn, associate media director at D'Arcy Masius Benton & Bowles, Chicago, contends it still takes audience numbers to attract her clients to a non-traditional medium.

"If there's no research at all to support an ad opportunity, it's at an immediate disadvantage," she says.

"But clients are open-minded about the opportunities. And for every bad idea out there, there's a good one." □

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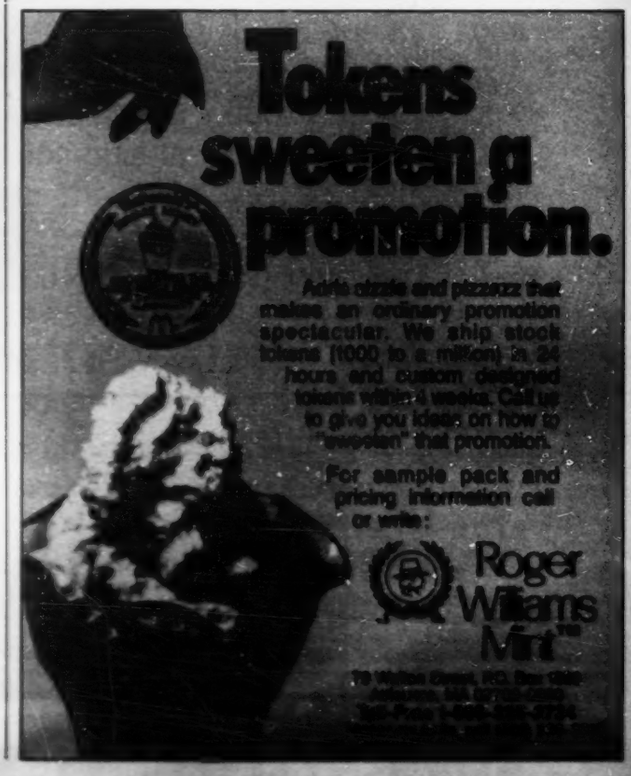

PERSPECTIVAS

Kids have their day

TV fare slated to fill Spanish-language void

By Christy Fisher

TV programming for Hispanic children, long-ignored by networks, is about to become more choice-driven.

With the exception of a few Spanish-language shows, these kids watch the same sort of English-language fare as other children. Their favorite cartoons are "Beetlejuice," "The Real Ghostbusters" and "Muppet Babies"; favorite prime-time viewing includes "Cosby" and "Full House."

In fact, only seven of the top 25 children's shows are on the Spanish-language networks, Strategy Research Corp. reports. Only "Univision Y Los Ninos"—blocks of second-run cartoons dubbed in Spanish—was created specifically for children.

But this fall, the Hispanic children's market will expand as both Univision Network and Telemundo Group plan to introduce children's programming blocks.

Univision, the leading Spanish-language network, has teamed up with DIC Enterprises, producer of "The Real Ghostbusters," to create "Pepe Plata" and "PlataVision," the first originally produced program for U.S. Hispanic children. Separately, Telemundo, the No. 2 Spanish-language network plans to introduce a weekend block of imported animated programming but has not yet revealed the specific shows.

Univision and DIC's effort is most ambitious. "PlataVision" is a 90-minute, seven-day-a-week programming block that consists of two half-hour animated shows, "COPS" and "Adventures in Plata Hills," and the half-hour live-action comedy/adventure show "Pepe Plata."

Hispanic-American TV actor Simon Maldonado stars as a fictional hit recording star and world's richest teen-ager, Pepe Plata. That character also serves as the host for the entire "PlataVision" block.

"We think this is a breakthrough series," said Andy Heyward, DIC Enterprises president. "No one else is producing programming for Hispanic kids."

Univision expects its network advertising time to be sold out by the show's debut, said Jose Del Cueto, commercial manager for Univision Productions. To date, the program is 80% sold-out, he said. DIC Merchandising handles licensing for "Pepe Plata."

Univision is hoping the children's block brings new advertisers to the market and invigorates spending from existing advertisers.

Charter advertisers include General Mills' cereals; Procter & Gamble Co. for its Crest, Hawaiian Punch, Pringle's and Sunny Delight brands; and Mattel Inc.

Hispanic advertising agencies applaud the new show.

"We're excited about it," said Eva May, management supervisor with Noble & Asociados, which handles the P&G brands. "It represents a new target—one that we were not able to reach with traditional media before."

"It's a good quality program with a lead character that should be a strong draw for Hispanic kids," said Laura Marella, media director for General Mills' agency Casanova Pendrill Publicidad. □

Top shows with Hispanic kids

Spring 1990

	Program	Children Number (000)	Children Rating %
UNI	"Carrusel"	678	14
UNI	"Sabado Gigante"	638	13
ABC	"Beetlejuice"	482	10
ABC	"Real Ghostbusters"	476	10
CBS	"Muppet Babies"	465	10
ABC	"Bugs Bunny"	445	9
NBC	"Captain N"	431	9
NBC	"Smurfs"	428	9
CBS	"Pee Wee's Playhouse"	388	8
NBC	"Karate Kid"	375	8

Source: Strategy Research Corp.

Nielsen L.A. test finds viewers

By Christy Fisher

Preliminary results look promising from Nielsen Media Research's people-meter test measuring TV viewership among Hispanics in Los Angeles.

Hispanics on average watch more TV than non-Hispanics, said Ceril T. Shagrin, senior VP of Nielsen Media Research. Also, the Los Angeles pilot is recording a higher viewership of Spanish-language TV than was being recorded by existing methodology—a Hispanic breakout of the people meter totals for the market.

The data bode well for Spanish-language TV and Hispanic ad agencies, which have been struggling to build their share of advertising dollars.

The latest survey period from June 14 to July 11, which is the first to measure the entire 200 household sample, showed that Hispanics had a higher TV viewership than the market average in all dayparts. In prime time (Monday through Sunday from 8 p.m. to 11 p.m.), 61% of the TVs in Hispanic households were on, compared with a total market average of 54%.

Spanish-language TV stations also were netting higher TV viewership in the test than was being recorded with existing methodology. In prime time, 27.8% of all households were tuned into Hispanic stations, according to the people-meter test, compared with 22% found in the breakout sample for the total market.

When measuring all Hispanics watching TV, Spanish-language TV stations garnered a 51% market share from 9 p.m. to 11 p.m. in the test. This is much higher than the 40% recorded by the breakout sample.

If the test is successful, the Nielsen National Hispanic Television Service could be rolled out nationally in late 1991 or early 1992. □

Univision bounces back

NEW YORK—Univision Network, the No. 1 Spanish-language network, has regained ground lost to rival Telemundo Group.

Telemundo, which scored big in the November and February ratings sweeps, lost 2 share points to Univision in the recently released May ratings period, according to Strategy Research Corp.

Telemundo's 33% share of households viewing Spanish-language TV from Monday through Sunday, 9 a.m. to midnight, also fell a substantial 5 share points from the November 1989 sweep, but was still 1 share point higher than its February 1989 share.

"Telemundo's upward trend has flattened," said Laura Marella, media director for Casanova, Pendrill Publicidad.

Univision has nine of the top 10 shows and 19 of the top 25 shows, SRC reports. Univision's "Sabado Gigante" continues as the top-ranked show against all demographics except children, which rank the show second.

Telemundo, which has a shorter programming schedule than Univision, claims a 38% household share for the times it is on the air. This is flat from the February and November reporting periods but up several points from the reporting period a year ago, the network said.

The ratings numbers, in general, were positive for Spanish TV, Ms. Marella said, particularly when compared with the concurrent audience drop experienced by general-market TV. Spanish-language TV viewing rose from 13% to 48% in all dayparts. □

Five shops bond together

CHICAGO—Hispanic ad agencies are teaming up and branching out.

Five Hispanic shops have affiliated to form Agencias USA, a full service advertising partnership. The five shops—La Creative Boutique, Tarzana, Calif.; Hispanic Advertising & Marketing Services, New York; Montemayor y Asociados, San Antonio; Pantin Partnership, Miami; and Unimar, Chicago—each bring to the partnership a particular area of expertise. They include: promotions, direct mail, special events and creative, plus knowledge of their regional markets.

"We're not merging. We are just working together," said Unimar President Marta Miyares, who is coordinating the effort. Each shop remains independent; the consortium plans to tap each other's expertise for projects and work together as a team to pitch national accounts.

Hispanic shops, such as Publicidad Siboney and Font & Vaamonde, are looking at beefing up their regional capabilities to better serve national clients and to attract more regional business in this fragmented market. □

PRODUCT & ACCOUNT ACTIVITY

Boarding the bus: Greyhound Lines, Dallas, has named Martinez/Siboney as its national Hispanic creative ad agency. Bozell, Irving, Texas, continues to do general market advertising and all media buying.

Bank on a review: Bank One, Texas, is conducting an account review for a Hispanic agency, sources say. Finalists are: Hispano Southwest and Montemayor y Asociados, both San Antonio, Texas, and Martinez/Siboney, Dallas.

Campaigns breaking: Procter & Gamble's Hawaiian Punch is introducing "Punchy" to the U.S. Hispanic market via a 30-second TV spot. Noble & Asociados, Irvine, Calif., is the agency. . . . Domino's Pizza is starting humorous TV, radio and print advertising in California, Florida and the Southwest themed "It's time for Domino's Pizza" via GSD&M, Austin, Texas.

Big picture: Telemundo Group has signed a licensing pact with ITC Domestic Television to broadcast 84 motion pictures dubbed in Spanish, including such hits as "On Golden Pond."

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MEDIAWORKS

JULY AD RESULTS

Second half looks bad

By Scott Donaton

Any lingering hope of a second-half turnaround has been dashed by magazines' July performance.

Publishers Information Bureau reported that July ad pages for the nation's top consumer magazines fell 5.7% to 10,176.25 from last year, the second worst monthly drop in 1990. That, combined with a 3.3% drop in the first half, left ad pages down 3.6% to 95,623.12 pages for the first seven months of the year.

Among PIB-tracked magazines, 74 of the top 100 magazines, including seven of the top 10, recorded ad page declines for the first seven months.

Ad revenues rose 1.8% to $412.6 million, in July, led by a 38.9% increase to $76.2 million in automotive spending, the top category. But auto spending for the first seven months was off 7.3% to $491.4 million.

Cigarettes/tobacco continues to fall, seeing the biggest decline among all categories, with July revenues down 22.8% to $23.9 million. For the year, spending was down 26.6% to $178.6 million.

Magazines' July performance has publishers admitting there are too many titles and too few ad pages. They say they're bracing for a major shakeout and a slump that could last as long as two years.

McGraw-Hill's *Business Week* remained the ad page leader among PIB titles despite an 8.8% drop to 2,313.08 pages for the first seven months. Rival *Forbes* continued to close the gap with 2,083.87 ad pages, an 8.6% increase. *Forbes* remained one of only a handful of major magazines showing strong gains this year. *Fortune*, with 1,894.37 ad pages, was off 6.6%.

However, a number of secondary business titles posted impressive results. *Entrepreneur* carried 1,172.54 ad pages, up 8.4%. *Financial World* was up 36.9% to 603.65.

Hardest hit by the slump are major weeklies. Time Warner's *People*, *Time* and *Sports Illustrated* posted declines of 9.3%, 6% and 15.4%, respectively.

TV Guide's ad pages fell 11.5% to 1,596.72. *Newsweek* carried 1,196.09 ad pages, a 9.5% drop, while *U.S. News & World Report* was off 1.8% with 1,039.58 ad pages. *New York Magazine's* pages dropped 14.4% to 1,388.76.

The New Yorker, which had been strong since June 1989, saw pages fall 4.8% in July to 112.21. Ad pages for the first seven months totaled 1,155.2, a 3.5% gain.

Good Housekeeping was the only women's service magazine to report a cumulative increase for the first seven months. The Hearst Corp. title carried 942.64 pages, up 7%. *Family Circle*, last year's ad page leader among the Seven Sisters, saw pages fall 15% to 933.57.

Ladies' Home Journal was off 3.5% with 845.26 ad pages; *Woman's Day* fell 15.4% to 834.32; *Better Homes & Gardens'* pages totaled 724.63, down 12.4%; *Redbook* had 641.9 ad pages, down 1.9%; and *McCall's* carried 560.33 ad pages, a 12.9% drop.

Titles with strong performances for the first seven months included: *Texas Monthly* (768.35 ad pages, up 10.4%); *Popular Photography* (705.28 pages, up 24%); *Gourmet* (696 pages, up 6%); *Vanity Fair* (688.24 pages, up 1.1%); *Harper's Bazaar* (682.54 pages, up 1.5%); and *Conde Nast Traveler* (576.22 pages, up 16.1%).

Golf may be growing in popularity as a sport, but that hasn't helped the top golf magazines. *Golf Digest's* ad pages were off 2.6% to 848.18 pages, while *Golf Magazine's* pages sank 8.6% to 767.14. However, *Golf Illustrated's* pages rose 10.9% to 365.97.

Among Sunday magazines (tracked separately by PIB), *USA Weekend* closed in on category leader *Parade*, with 378.2 ad pages, a 7.4% jump. *Parade* was off 3.1% through July with 398.44 ad pages. □

Wayne Walley coordinates MediaWorks.

Magazine ad page leaders

Publishers Information Bureau figures January through July 1990.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	2,313.08	(8.8)	129,056,935	(7.0)
2	Forbes	2,083.87	8.6	90,506,111	14.7
3	People	1,924.83	(9.3)	181,771,160	0.1
4	Fortune	1,894.37	(6.6)	90,652,261	(1.2)
5	Bride's	1,770.94	2.6	31,490,263	10.2
6	TV Guide	1,596.72	(11.5)	172,760,683	(3.5)
7	The Economist	1,535.19	16.6	13,318,051	32.5
8	Vogue	1,449.73	(10.0)	53,881,935	11.8
9	Time	1,419.25	(6.0)	195,109,788	(4.2)
10	Sports Illustrated	1,408.55	(15.4)	177,401,941	(4.9)
11	New York Magazine	1,388.76	(14.4)	22,288,120	(9.2)
12	Modern Bride	1,351.63	2.1	22,307,911	7.0
13	Cosmopolitan	1,212.20	(9.5)	72,847,046	1.3
14	Newsweek	1,196.09	(9.5)	133,067,197	(0.7)
15	Entrepreneur	1,172.54	8.4	11,219,626	35.6
16	The New Yorker	1,155.20	3.5	29,786,486	15.4
17	Elle	1,103.96	(0.2)	32,674,683	6.5
18	U.S. News & World Report	1,039.58	(1.8)	83,424,307	6.5
19	Rolling Stone	1,009.81	(5.6)	37,137,343	0.3
20	Glamour	1,004.93	(8.6)	51,170,969	(0.2)
21	American Way	989.70	(3.0)	13,342,845	19.2
22	Architectural Digest	976.53	(3.3)	26,045,331	3.5
23	Yachting	957.83	(1.1)	5,946,323	1.2
24	GQ	956.64	(12.0)	23,841,143	(2.8)
25	Good Housekeeping	942.64	7.0	88,991,523	15.9
26	Family Circle	933.57	(15.0)	76,252,887	(5.8)
27	Sunset	886.50	(5.4)	27,735,710	3.0
28	Skin Diver	869.53	3.7	8,193,522	10.1
29	Golf Digest	848.18	(2.6)	42,953,355	2.1
30	Ladies' Home Journal	845.26	(3.5)	60,462,888	6.9
31	Woman's Day	834.32	(15.4)	60,345,729	(15.4)
32	Mademoiselle	814.37	(11.0)	26,892,946	(0.7)
33	Town & Country	801.22	(1.1)	19,251,180	13.5
34	Parents	798.55	(4.8)	32,558,674	(1.2)
35	Travel & Leisure	790.16	(5.7)	32,404,616	12.8
36	Texas Monthly	768.35	10.4	8,637,011	11.8
37	Golf Magazine	767.14	(8.6)	25,235,673	10.6
38	Salt Water Sportsman	763.18	(20.6)	4,918,242	(14.6)
39	Southern Living	755.67	(6.0)	37,829,744	1.5
40	Muscle & Fitness	736.27	(21.0)	12,620,216	(8.7)
41	Better Homes & Gardens	724.63	(12.4)	80,897,986	(6.7)
42	Bicycling	721.11	(9.0)	10,087,644	7.1
43	Car & Driver	721.10	(6.8)	27,490,731	(11.8)
44	Self	712.80	(4.5)	27,495,498	19.3
45	W	708.81	(6.4)	16,331,358	6.2
46	Money	707.93	(0.4)	43,641,264	0.9
47	Popular Photography	705.28	24.0	16,995,382	38.9
48	Gourmet	696.00	6.0	18,624,484	16.8
49	Vanity Fair	688.24	1.1	24,391,843	23.7
50	Seventeen	687.37	(4.0)	20,798,168	(4.2)
51	Harper's Bazaar	682.54	1.5	18,476,559	10.3
52	Esquire	658.13	0.1	20,631,137	8.8
53	Redbook	641.90	(1.9)	40,084,156	(1.3)
54	Road & Track	639.18	(13.4)	18,886,412	(19.3)
55	San Francisco Focus	638.09	(7.1)	4,330,243	5.1
56	Metropolitan Home	633.98	(7.1)	20,090,703	2.9
57	Ebony	627.99	(9.6)	22,131,142	1.5
58	Country Living	618.03	(3.5)	24,899,933	(0.8)
59	Reader's Digest	615.66	(0.5)	65,161,865	3.8
60	Financial World	603.65	36.9	14,201,210	66.6
61	Jet	597.21	(11.0)	10,108,947	(2.6)
62	Inc.	592.75	(10.0)	24,390,269	(1.7)
63	Bon Appetit	586.41	2.9	17,727,437	5.5
64	Conde Nast Traveler	576.22	16.1	16,156,647	39.0
65	Four Wheeler	572.09	(2.2)	4,528,550	7.4
66	House & Garden	569.28	13.9	14,118,876	18.5
67	McCall's	560.33	(12.9)	40,889,698	(4.6)
68	Black Enterprise	550.75	(3.8)	7,355,291	5.8
69	Smithsonian	546.22	(2.9)	23,336,836	0.6
70	Mirabella	540.35	167.6	8,497,189	286.3
71	Working Woman	533.02	(11.9)	16,473,902	(4.5)
72	New Woman	521.59	(13.3)	12,795,501	(8.2)
73	Essence	506.74	(1.1)	12,679,103	12.7
74	Motor Trend	494.93	(19.6)	18,226,678	(8.7)
75	Delta Sky	493.58	(4.8)	12,181,125	(1.6)
76	Bass Master	490.42	(16.7)	9,713,815	(3.6)
77	Hot Rod	482.39	(27.0)	11,532,360	(21.3)
78	Field & Stream	480.53	(13.6)	19,877,507	(15.4)
79	Art & Antiques	476.23	10.3	2,740,064	20.3
80	Outdoor Life	466.58	(19.9)	13,986,918	(13.9)
81	Popular Mechanics	454.87	(20.9)	14,620,034	(19.7)
82	Popular Science	449.66	(29.0)	12,663,850	(26.9)
83	Entertainment Weekly	446.97	1,000.0	9,374,148	100.0
84	Southern Accents	438.59	9.9	4,384,570	19.0
85	Sports Afield	438.16	(5.5)	8,502,331	4.0
86	Premiere	437.48	6.8	7,785,112	30.2
87	Tennis	437.26	(7.0)	14,274,347	41.7
88	California	430.07	7.5	6,002,428	15.9
89	Yankee	424.01	2.4	5,008,694	8.9
90	House Beautiful	411.66	(8.8)	14,938,092	0.3
91	1,001 Home Ideas	411.31	0.4	11,617,002	11.8
92	Working Mother	408.97	(14.3)	9,460,007	0.8
93	US	407.00	(2.9)	11,897,324	(4.5)
94	Playboy	401.01	(9.7)	27,093,915	0.4
95	M	399.58	(7.5)	5,086,031	6.6
96	National Journal	398.83	(8.1)	2,701,280	(0.9)
97	Connoisseur	396.77	(20.3)	6,983,311	(10.4)
98	Life	396.43	(11.4)	27,480,538	(12.4)
99	Food & Wine	390.72	(5.7)	9,201,725	(1.4)
100	Home	385.20	(5.4)	10,779,204	0.3

Percent change compares January-July in 1990 with 1989. Source: Publishers Information Bureau

GIANT-STYLE "STRESS MANAGEMENT" WORKS for our million-plus prof'l./mgr'l. readers.

RODALE ACTIVE NETWORK

Backpacker. Bicycling. Men's Health. Runner's World.

Contact George Hirsch, Group Publisher (212) 573-0334.

Source: MRI Spring 1990. MEN'S HEALTH will be measured as part of the Network in Spring 1991.

CONSUMER MAGAZINE AD LINAGE

	July 1990	July 1989	Year-to-date 1990	Year-to-date 1989
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	168.2	174.4	1,061.3	1,122.1
Automobile Magazine	69.5	53.3	449.7	417.1
Car & Driver C.	101.8	95.0	721.1	773.5
Car Collector & Car Classics	11.7	14.8	107.0	116.6
Car Craft	73.2	80.8	494.3	549.7
Circle Track	68.8	78.8	591.1	616.1
Cycle	34.8	41.1	302.1	335.8
Cycle World	38.3	38.2	339.9	306.7
Dirt Rider	47.5	33.5	299.3	237.8
Dune Buggies & Hot VWs	77.7	70.3	492.9	479.6
Family Motor Coaching	165.0	166.5	1,169.1	1,287.4
4 Wheel & Off-Road	82.7	95.9	565.0	581.4
Four Wheeler C.	94.9	94.4	572.1	584.8
Hot Rod C.	65.6	88.4	482.4	660.7
Motorcyclist	46.0	39.8	319.6	322.4
Motor Trend C.	59.7	68.6	494.9	615.2
Motorhome	94.7	96.9	671.3	674.9
Rider	28.4	32.2	250.0	261.0
Road & Track C.	99.4	102.7	639.2	738.1
Trailblazer	38.0	51.0	309.0	401.0
Trailer Life	94.5	81.0	641.3	662.3
Total Group	**1,560.4**	**1,597.5**	**10,972.5**	**11,744.1**
% change	**-2.3%**		**-6.6%**	
■ Boating & yachting				
Boating	85.4	108.9	933.0	1,104.4
Chesapeake Bay	43.1	53.3	312.6	376.8
Cruising World	81.8	85.3	754.4	785.3
Lakeland Boating (11X)	60.5	66.5	581.0	658.6
Motor Boating & Sailing	85.7	111.9	902.3	1,098.7
Sail	81.3	80.1	776.3	793.3
Trailer Boats (11X)	39.6	50.5	481.6	547.7
Western Boatman	37.1	37.7	195.5	189.8
Yachting C.	103.4	117.0	957.8	968.4
Total Group	**617.9**	**711.1**	**5,894.6**	**6,523.0**
% change	**-13.1%**		**-9.6%**	
■ Civic/fraternal				
Elk (10X)	—	—	93.3	90.0
Kiwanis	—	—	101.5	96.7
Lion (10X)	9.5	6.2	33.7	35.1
Rotarian	11.4	8.0	109.2	82.6
V.F.W. (11X)	—	—	164.8	167.1
Total Group	**20.9**	**14.2**	**502.5**	**471.5**
% change	**47.2%**		**6.6%**	
■ General				
American Health (10X) C.	28.4	74.5	298.2	467.0
American Heritage (8X) C.	36.2	46.2	198.7	221.0
American Legion	29.7	22.8	196.8	221.8
American West (5X)	—	—	69.5	104.6
Art & Antiques (10X) C.	—	—	476.2	431.7
ARTnews (10X)	—	—	721.2	682.8
The Atlantic A. C.	41.4	28.0	366.8	342.7
Bon Appetit A. C.	71.3	79.2	586.4	569.7
Cable Guide C.	21.1	30.2	187.0	243.1
Caribbean Travel & Life (6X)	32.8	29.2	162.1	130.6
Changing Times C.	36.3	31.9	372.5	350.3
Conde Nast Traveler C.	39.2	35.0	576.2	496.4
Connoisseur C.	31.1	26.9	396.8	497.7
Consumers Digest (5X) C.	16.3	14.8	98.5	92.2
Cooking Light C.	52.9	46.3	237.3	199.9
Ebony C.	70.4	79.1	628.0	694.8
European Travel & Life (10X) C.	—	40.4	274.2	282.4
Food & Wine C.	41.3	42.0	390.7	414.5
Games (6X) C.	—	11.6	34.1	62.2
Golden Years (6X)	24.7	33.9	132.9	196.7
Gourmet C.	63.8	62.4	696.0	656.4
Harper's Magazine A. C.	35.0	27.2	218.3	213.5
Harrowsmith (6X)	42.4	43.8	196.6	218.0
Islands (6X)	56.5	50.8	243.0	247.7
Let's Live	44.0	40.0	342.0	315.0
Life C.	44.2	38.0	396.4	447.3
Longevity C.	40.0	21.7	241.2	124.8
Mature Outlook (6X) C.	27.5	33.0	140.6	143.3
Modern Maturity (6X) C.	—	—	109.7	114.1
Money C.	77.6	75.3	707.9	710.6
Mother Earth News (6X) C.	41.4	63.4	243.9	305.4
National Geographic C.	16.2	18.4	154.2	145.5
National Geographic Traveler (6X) C.	26.6	12.6	184.2	116.0
Natural History C.	27.2	24.2	289.1	287.6
New Choices C.	16.1	26.2	193.7	247.8
Prevention C.	26.9	39.9	334.7	367.2
Reader's Digest A. C.	54.6	69.1	615.7	618.8
Saturday Evening Post (9X) C.	36.6	38.6	183.5	217.1
Smithsonian C.	59.4	42.7	546.2	562.7
Town & Country C.	50.0	60.6	801.2	810.0
Travel-Holiday C.	21.3	22.0	263.7	261.0
Travel & Leisure C.	70.5	67.5	790.2	837.8
Travelhost	1,484.3	1,381.0	9,087.3	8,937.0
Vanity Fair C.	43.5	52.5	688.2	680.5
Yankee C.	46.5	40.1	424.0	414.2
Total Group	**3,025.2**	**3,022.7**	**24,495.7**	**24,701.3**
% change	**0.1%**		**-0.8%**	
■ Home				
Architectural Digest A. C.	99.5	101.8	976.5	1,009.7
Better Homes & Gardens C.	81.8	91.7	724.6	826.9
Colonial Homes (6X) C.	—	—	161.4	182.7
Columbus Monthly-Homes (4X)	31.7	35.6	88.9	96.5
Country Home (6X) C.	—	—	187.7	225.1
Country Living C.	65.3	65.5	618.0	640.7
Family Handyman (10X) A. C.	34.0	38.6	242.0	333.6
Florida Home & Garden	39.7	66.0	464.5	622.7
Flower & Garden (6X) C.	20.4	21.7	154.8	166.3
Home C.	43.4	49.7	385.2	407.1
Home Mechanix C.	40.0	36.9	339.5	342.4
Homeowner (10X) C.	22.8	—	165.9	186.7
Horticulture	35.2	27.2	323.2	287.6
House Beautiful C.	39.2	44.1	411.7	451.4
House & Garden C.	37.5	55.0	569.3	499.9
Metropolis	49.0	64.7	358.7	426.5
Metropolitan Home C.	49.7	66.1	634.0	682.2
Midwest Living C.	—	—	214.8	207.7
1,001 Home Ideas C.	54.7	62.3	411.3	409.6
Organic Gardening (9X) C.	35.5	35.0	265.8	302.6
Phoenix Home/Garden	40.5	54.7	445.2	481.1
Practical Home-owner (9X) C.	—	—	203.6	131.3
San Diego Home/Garden	55.7	58.4	504.3	514.1
Southern Accents (6X) C.	53.7	68.4	438.6	399.0
Southern Living C.	73.8	91.1	755.7	803.8
Sunset Magazine A. C.	111.2	93.7	886.5	936.8
Workbench (6X)	31.3	29.6	142.7	166.2
Total Group	**1,145.6**	**1,257.4**	**11,074.1**	**11,740.1**
% change	**-8.9%**		**-5.7%**	
■ In-flight & other passenger				
Aboard Group (6X)	45.6	43.7	168.3	152.0
Air Group One:				
Delta Sky C.	55.2	59.9	493.6	518.5
TWA Ambassador B.	29.2	—	265.7	—
Alaska Airlines	68.0	59.8	514.9	428.9
America West Airlines	91.6	69.3	557.8	462.3
American Way (24X) C.	110.8	115.3	989.7	1,020.7
East/West Network:				
Continental Profiles	42.5	45.8	357.6	419.4
Eastern Review	29.7	55.3	221.1	380.5
Pan Am Clipper	34.8	62.3	322.6	352.3
Southwest Spirit	55.3	56.3	369.5	458.9
United Vis 'A Vis	58.8	77.1	476.5	597.1
Pace Communications:				
US Air Magazine	59.6	57.6	426.8	389.2
Spirit of Aloha	36.5	22.6	238.9	165.8
Total Group	**688.4**	**724.9**	**5,137.3**	**5,345.6**
% change	**-5.0%**		**-3.9%**	
■ Men's				
Esquire A. C.	57.6	55.7	658.1	657.8
Firehouse Magazine	58.9	33.3	271.0	252.9
Gentlemen's Quarterly A. C.	75.1	81.4	956.6	1,086.6
M Magazine C.	45.0	45.0	399.6	431.8
Men's Health (6X)	24.2	—	76.4	—
Muscle & Fitness C.	102.5	127.0	736.3	932.1
Penthouse A. C.	57.2	49.4	370.1	345.9
Playboy A. C.	51.3	68.3	401.0	444.2
Salute (10X)	52.0	28.5	289.3	213.5
Total Group	**523.8**	**488.6**	**4,158.4**	**4,364.8**
% change	**7.2%**		**-4.7%**	
■ Metropolitan				
Aloha (6X)	36.4	43.2	179.6	152.0
Atlanta	57.7	62.2	478.0	432.4
Baltimore	54.3	65.7	409.8	468.0
Boston	91.7	124.6	697.8	915.0
California C.	32.0	42.7	430.1	400.1
Chicago	62.2	66.1	606.9	733.9
Chicago's North Shore	83.4	89.6	621.4	691.5
Cincinnati	34.4	34.4	301.1	364.7
Cleveland	48.4	45.8	318.3	367.8
Columbus Monthly	78.6	82.3	428.5	474.9
Connecticut	65.7	69.1	595.7	690.5
D/Magazine	52.1	60.6	387.6	484.3
Detroit Monthly	32.4	33.5	375.4	380.8
Grand Rapids	52.7	55.7	235.8	279.2
Honolulu	36.6	40.7	343.8	337.3
Houston Metro. Mag.	75.3	45.9	440.3	418.8
Inside Chicago (8X)	23.2	23.2	110.8	146.0
Los Angeles	114.5	109.8	937.5	994.0
Louisiana Life (6X)	32.5	36.0	122.5	103.4
Madison	32.0	32.0	277.0	284.0
Memphis	45.0	44.0	356.2	424.0
Mid Atlantic Country	41.4	32.6	317.7	271.4
Milwaukee	41.5	38.0	379.8	345.8
Minneapolis/St. Paul	75.9	92.4	698.7	735.7
Minnesota Monthly Mag.	42.8	47.3	442.0	325.4
Nashville	15.4	10.5	94.1	162.7
New England Monthly	23.9	32.6	273.3	336.1
New Jersey Monthly	50.1	71.8	467.3	618.9
New Mexico	39.8	42.0	289.6	300.4
Ohio	38.0	31.0	368.5	350.7
Orlando	96.7	96.7	664.0	665.4
Pacific Northwest	47.8	42.2	338.9	328.8
Palm Beach Life	21.0	29.3	445.3	499.7
Palm Springs Life	55.5	64.9	805.0	815.5
Philadelphia	118.4	120.1	851.0	910.6
Phoenix	29.1	30.0	247.1	324.3
Pittsburgh	45.7	43.5	452.1	463.0
Rhode Island Monthly	75.0	54.9	409.5	389.9
Sacramento Magazine	65.6	71.6	407.7	377.4
St. Louis	44.6	51.7	367.5	373.3
San Diego	116.3	128.2	886.7	917.3
San Francisco Focus C.	65.0	73.5	638.1	686.7
Sarasota	68.0	66.0	592.0	600.0
South Florida Magazine	54.9	93.1	611.8	768.2
Texas Monthly C.	94.6	81.4	768.4	695.8
Ultra	105.0	34.0	408.2	285.2
Washington (10X)	36.2	58.0	211.2	291.0
Washington Dossier	22.3	27.8	264.4	239.1
The Washingtonian	99.4	115.7	886.0	1,098.4
Total Group	**2,771.0**	**2,867.7**	**22,250.0**	**23,718.7**
% change	**-4.0%**		**-6.2%**	
■ Music/entertainment				
Audio	63.2	74.4	577.1	636.4
Dance Magazine	36.0	39.6	395.3	367.2
Playbill	36.3	36.3	315.5	331.3
Video Magazine	63.0	60.5	452.5	394.8
Total Group	**200.5**	**210.8**	**1,740.4**	**1,748.7**
% change	**-4.9%**		**-0.5%**	
■ Outdoor & sport				
Alaska	31.1	30.4	282.1	279.0
The American Handgunner (6X)	56.0	52.0	228.0	207.0
American Hunter	21.7	16.7	122.8	118.3
American Rifleman	23.2	21.0	155.9	146.2
Backpacker (7X) C.	—	—	138.6	123.9
Bass Master (10X) A. C.	50.5	57.7	490.4	588.5
Bicycling (9X) C.	98.4	120.8	721.1	792.5
Cross Country Skier (5X)	—	—	73.6	70.5
Ducks Unlimited (6X)	25.9	32.3	103.1	106.0
Field & Stream C.	50.0	40.8	480.5	556.0
Fishing World (6X)	17.2	14.5	179.1	161.6
Florida Sportsman	98.1	106.6	925.3	952.8
Golf Digest C.	103.1	120.4	848.2	871.1
Golf Illustrated C.	66.2	46.6	366.0	329.9
Golf Magazine C.	74.4	65.6	767.1	839.6
Guns	37.0	39.0	277.0	251.0
Guns & Ammo	42.3	39.5	315.1	290.9
In-Fisherman (7X)	—	—	403.5	483.5
Outdoor Life C.	62.9	56.2	466.6	582.2
Outside Magazine	44.7	58.3	444.6	451.6
Petersen's Hunting	47.2	33.2	262.1	272.4
Runner's World (12X) C.	43.3	37.9	253.7	275.7
Salt Water Sportsman C.	104.4	115.1	763.2	961.0
Shooting Times	24.0	34.2	204.1	217.1
Sierra (6X)	35.7	32.9	131.8	177.1
Ski (8X) A. C.	—	—	292.8	336.4
Skiing (7X) A. C.	—	—	230.0	216.4
Skin Diver C.	142.7	133.0	869.5	838.3
Southern Outdoors (9X)	37.0	35.9	267.1	332.3
Sport Magazine C.	20.5	24.4	203.7	258.5
Sports Afield C.	54.2	42.7	438.2	463.7
Surfing	97.0	122.2	506.2	670.2
Tennis C.	69.9	73.3	437.3	470.2
Waterski (9X)	60.5	61.6	450.9	492.9
Western Outdoors (9X)	—	—	196.2	243.3
WindRider (8X)	64.7	53.8	381.4	271.8
World Tennis C.	46.1	48.6	261.5	344.6
Total Group	**1,749.7**	**1,766.9**	**13,938.1**	**15,044.0**
% change	**-1.0%**		**-7.4%**	
■ Photography				
American Photo (6X) C.	50.0	25.0	193.8	218.8
Petersen's Photographic	30.0	18.5	175.1	188.6
Popular Photography C.	106.9	83.7	705.3	568.7
Total Group	**186.9**	**127.2**	**1,074.2**	**976.0**
% change	**47.0%**		**10.1%**	
■ Science/electronic/mech				
Discover C.	23.1	42.5	238.0	284.4
Home Office Computing C.	39.2	29.2	324.8	315.9
Omni C.	34.7	41.3	343.8	401.4
Popular Mechanics C.	51.4	53.8	454.9	575.3
Popular Science C.	50.8	55.8	449.7	633.1
Scientific American C.	33.6	32.0	268.7	279.5
Spectrum C.	41.5	36.1	359.0	389.7
Total Group	**274.2**	**290.7**	**2,438.8**	**2,879.3**
% change	**-5.7%**		**-15.3%**	
■ Woman/fashion/service				
Bride's Magazine (6X) A. C.	—	—	1,770.9	1,726.1
Cosmopolitan A. C.	115.7	150.3	1,212.2	1,340.0
Elle C.	84.5	68.3	1,104.0	1,106.4
Essence C.	54.9	55.6	506.7	512.4
Family Circle (17X) A. C.	91.9	105.9	933.6	1,098.3
Glamour C.	87.9	88.3	1,004.9	1,100.0
Good Housekeeping A. C.	112.0	103.1	942.6	881.3
Harper's Bazaar C.	35.1	39.3	682.5	672.7
Health C.	40.5	30.6	253.1	229.0
Imagen	78.4	69.1	670.3	607.1
Ladies' Home Journal C.	82.6	96.2	845.3	876.3
Lear's C.	33.2	41.0	357.0	359.6
Mademoiselle C.	64.3	96.3	814.4	915.5
McCall's C.	72.2	81.7	560.3	643.0
Military Lifestyle (10X)	133.9	55.4	614.2	351.1
Mirabella	29.2	80.3	540.4	201.9
Modern Bride (6X) C.	—	—	1,351.6	1,324.0
New Woman C.	67.7	67.1	521.6	601.3
Parents Magazine A. C.	78.0	108.6	798.6	838.8
Redbook C.	69.5	94.9	641.9	654.5
Savvy C.	29.8	28.8	229.3	318.0
Self C.	68.7	83.8	712.8	746.1
Seventeen C.	63.6	48.8	687.4	716.0
Shape C.	45.3	57.2	373.9	453.6
Soap Opera Digest (26X) C.	23.0	31.0	230.0	265.4
Soap Opera Update	15.5	5.0	79.5	66.8
Teen Magazine	37.2	30.5	313.5	294.1
True Story A. C.	49.8	55.2	373.5	367.2
Vogue C.	95.1	101.3	1,449.7	1,611.4
W Magazine (26X) C.	69.3	75.4	708.8	757.5
Weight Watchers C.	26.5	30.7	240.2	230.7
Woman (10X) C.	16.7	21.3	164.3	197.0
Woman's Day (15X) A. C.	84.9	106.4	834.3	985.7
Workbasket	—	—	134.1	145.2
Working Mother C.	46.6	49.9	409.0	477.0
Working Woman C.	60.3	67.5	533.0	605.2
Total Group	**2,063.9**	**2,224.7**	**23,999.5**	**24,276.0**
% change	**-7.2%**		**-2.8%**	
■ Youth				
Boys' Life C.	9.0	12.7	112.6	124.6
Campus Life (10X)	27.9	25.7	232.4	239.7
Total Group	**36.8**	**38.4**	**345.0**	**364.3**
% change	**-4.2%**		**-5.3%**	
■ Business/national				
Barron's	118.5	128.7	999.8	1,034.4
Black Enterprise C.	37.0	27.4	550.8	572.4
Business Month C.	28.7	26.3	244.3	225.7
Business Week (52X) A. C.	271.3	305.6	2,313.1	2,535.3
Entrepreneur C.	166.8	178.4	1,172.5	1,082.2
Financial World (26X) C.	67.0	40.1	803.7	440.8
Forbes (26X) C.	291.5	248.4	2,083.9	1,918.9
Fortune (26X) C.	347.3	388.8	1,894.4	2,028.6
Frequent Flyer	30.2	31.0	270.7	282.0
Futures	36.2	40.0	286.4	305.2
Inc. Magazine C.	72.5	81.0	592.8	658.5
Income Opportunities	72.2	86.4	456.7	502.6
Industry Week (23X) A.	99.2	98.6	631.1	645.1
Nation's Business (12X) A. C.	15.5	24.6	173.8	252.8
Total Group	**1,643.7**	**1,705.3**	**12,273.7**	**12,484.6**
% change	**-3.6%**		**-1.7%**	
■ Business/regional				
Advantage-Nashville's Bus. Monthly	27.1	29.5	161.8	230.3
Arizona Business Gazette	44.0	43.0	315.0	410.0
Bus. First of Buffalo	74.6	92.6	507.7	549.1
Bus. Jrnl.-Milwaukee	122.5	139.8	1,010.0	1,027.0
Bus. Jrnl.-Sacramento	108.1	104.8	615.7	579.2
Bus. North Carolina	31.8	38.0	282.2	306.5
Capital Dist. Bus. Review (52X)	67.4	51.0	484.0	492.8
Caribbean Business	83.8	108.7	807.4	860.2
Corporate Report Minnesota	44.4	58.0	317.0	395.3
Crain's Chicago Bus. (52X)	128.2	134.7	968.7	961.4
Crain's Cleveland Bus. (52X)	89.6	85.8	540.2	544.6
Crain's Detroit Bus. (52X)	84.8	92.0	615.4	546.5
Crain's New York Bus. (52X)	45.0	54.0	457.0	380.0
Florida Trend (13X)	41.9	38.6	331.0	405.4
Georgia Trend	40.2	55.0	307.1	328.6
Grand Rapids Bus. Jrnl.	51.6	47.5	381.7	312.3
Hawaii Business	37.8	38.8	332.5	300.8
Houston Bus. Jrnl. (52X)	86.2	79.0	461.7	510.0
Indianapolis Business Journal (52X)	198.7	199.3	1,055.4	1,096.0
Manhattan Inc. C.	26.2	26.7	279.4	309.8
New England Bus. (12X) A.	19.0	25.3	216.2	278.7
New Orleans City Bus.	97.4	57.1	391.9	299.0
Pacific Bus. News (52X)	114.4	95.8	725.8	703.7
Philadelphia Business Journal	91.4	138.6	820.1	1,005.4
Pittsburgh Business Times (52X)	93.6	88.5	658.4	789.9
Providence Business News	75.6	84.5	502.0	636.9
Regardie's/Washington	128.0	166.0	938.0	1,103.0
St. Louis Bus. Jrnl. (52X)	98.0	91.9	736.7	721.4
Warfield's Monthly Baltimore	51.5	37.0	413.3	418.7
Total Group	**2,202.8**	**2,301.5**	**15,633.4**	**16,502.5**
% change	**-4.3%**		**-5.3%**	
■ National Sunday mags				
Parade (52X) C.	58.5	54.6	398.4	411.3
USA Weekend (52X) C.	56.8	48.6	378.2	352.3
Vista Magazine (52X)	22.2	16.3	130.9	136.5
Total Group	**137.5**	**119.5**	**907.6**	**900.1**
% change	**15.1%**		**0.8%**	
■ Newspaper Sunday magazine				
Boston Globe	119.5	169.1	1,126.3	1,373.8
Chicago Tribune	93.1	77.1	837.4	735.8
Cleveland Plain Dealer	41.8	44.3	391.4	443.4
The Dallas Morning News	43.0	55.3	339.2	457.2
Detroit Free Press	48.0	32.0	357.0	304.0
L.A. Times C.	41.6	66.2	533.1	699.1
Louisville Courier-Jrnl.	24.0	24.0	170.0	203.0
New York Times Mag. C.	115.0	161.3	1,986.6	2,072.2
Philadelphia Inquirer	68.4	61.3	630.0	599.8
Seattle Times	75.0	54.0	536.0	445.0
St. Louis Post Dispatch	61.8	56.6	518.7	539.0
Toledo Blade Magazine	45.7	29.8	246.6	220.4
Washington Post	76.3	85.3	726.2	899.9
Total Group	**853.2**	**916.3**	**8,398.5**	**8,992.6**
% change	**-6.9%**		**-6.6%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	139.4	130.0	932.3	1,020.1
Army Times Military Group:				
Air Force Times (52X)	153.0	153.8	1,047.4	1,099.5
Army Times (52X)	156.4	155.5	1,045.6	1,061.4
Navy Times (52X)	163.3	178.3	1,101.0	1,213.3
Capper's (26X)	30.9	17.9	210.7	216.8
Commonweal (22X)	2.5	2.3	62.5	50.8
Golf World (40X)	88.9	104.2	985.8	856.1
Grit (52X) A.	36.0	32.3	262.4	241.0
National Journal (50X) C.	44.0	53.3	398.8	434.0
National Review (25X)	19.3	17.9	180.7	176.5
New Republic (48X)	34.5	31.5	272.2	290.6
New York Mag. (50X) C.	170.1	210.0	1,388.8	1,622.5
New Yorker C.	112.2	117.9	1,155.2	1,116.1
Newsweek (52X) A. C.	125.0	146.3	1,196.1	1,322.2
People (51X) C.	227.9	242.3	1,924.8	2,122.0
Rolling Stone (25X) C.	86.2	110.4	1,009.8	1,069.4
Sporting News (52X) C.	40.5	57.6	295.9	351.5
Sports Illustrated (52X) A. C.	165.8	175.6	1,408.6	1,664.5
Time (52X) A. C.	170.5	160.2	1,419.3	1,509.9
TV Guide (52X) A. C.	156.6	197.1	1,596.7	1,803.6
US Magazine (26X) C.	41.9	43.9	407.0	418.9
U.S. News & World Report (50X) A. C.	148.4	133.7	1,039.6	1,058.6
Total Group	**2,313.2**	**2,471.9**	**19,341.2**	**20,719.1**
% change	**-6.4%**		**-6.7%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. Ad Age makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Welsh.

Pepsi sips recall win

By Kate Fitzgerald

Pepsi-Cola was the choice of a new generation last month.

And, after months of close competition between the top two cola brands for first place, Coca-Cola dropped to third in *Advertising Age's* monthly adWatch survey of best-recalled advertising.

It was the first time since January that Coca-Cola's advertising wasn't in the first or second slot in the survey.

As in past monthly surveys, Pepsi's popularity among women was apparent, while Coca-Cola was slightly more popular among men. For instance, of people for whom Pepsi came to mind first, 57% were women and 43% were men. Of those who mentioned Coca-Cola first, 53% were men and 47% were women.

GALLUP SURVEY

Chevrolet placed second, up from fourth in June, and Ford slipped to fourth after finishing third for five straight months.

Nike jumped five notches to a fifth-place tie, proving Bo Jackson knows how to make people think of the brand. The athletic footwear marketer tied with McDonald's Corp.

Anheuser-Busch's Budweiser held steady in eighth place, placing behind grocery store ads in general.

General awareness of automobile advertising was high in last month's survey, even before the outbreak of tensions in the Persian Gulf and the resulting fears about oil supplies and prices.

As a category, car ads ranked ninth in consumer awareness, and Toyota scored 10th.

In aided awareness for the **soft-drink** category, gender differences in perception of various brands continued the pattern set in the overall adWatch numbers.

Pepsi was on top with 40% of aided awareness. Of people for whom Pepsi came to mind first, 52% were women and 48% were men. Coca-Cola was in second place with 35% awareness; 52% of people for whom Coca-Cola first came to mind were men, and 48% were women.

Diet Coke was third, followed by Diet Pepsi and 7UP.

In the **pet-food** category, Alpo Petfoods' Alpo was first, followed by Ralston Purina Co.'s Purina, Carnation Co.'s Friskies and Quaker Oats Co.'s Kibbles 'n Bits. Purina Puppy Chow was fifth, finishing that high for the first time in several months.

AdWatch is a joint project of *Ad Age* and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is plus or minus 3.1%. □

AdWatch survey of advertising awareness Top 10 for July

In July, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind? Source: Gallup Organization

Rank 7/90	Rank 6/90	Advertiser	Agency
1	2	Pepsi-Cola	BBDO Worldwide
2	4*	Chevrolet	Lintas:Campbell-Ewald
3	1	Coca-Cola	McCann-Erickson Worldwide
4	3	Ford	J. Walter Thompson USA
5*	4*	McDonald's	Leo Burnett USA
5*	10*	Nike	Wieden & Kennedy
7	7*	Grocery stores (gen)	Various
8	7*	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles
9	—	Automobiles (gen)	Various
10	—	Toyota	Saatchi & Saatchi DFS/Pacific

*Indicates tie.

P&G tests entry in spray cleaners

By Laurie Freeman

Procter & Gamble Co., the household cleaners leader, hopes to broaden its position with a new combination glass/all-purpose cleaner called Cinch.

Cinch was introduced into Arizona test markets this month. The product is billed as being "from the makers of Spic & Span."

TV spots breaking next month via Jordan, McGrath, Case & Taylor, New York, are themed "Don't clean it twice. Cinch it once."

This isn't P&G's first entry in the spray segment of the $693 million all-purpose cleaner category. Cinch was the name of an all-purpose spray test-marketed in the late 1960s, and in 1988 P&G tested spray versions of Mr. Clean, Spic & Span and Top Job.

This time, P&G is also aiming at the $202 million window cleaner category. Company spokeswoman Jennifer Bailey said Cinch delivers the "filming and streaking control of a glass cleaner" and the "grease-cutting efficiency of an all-purpose spray."

Grocery industry sources say P&G has nearly a 20% share in all-purpose cleaners with Mr. Clean, Spic & Span and Top Job. But Clorox Co.'s Pine-Sol is the top brand with a 10.8% share.

This is P&G's first venture into window cleaners, paced by Drackett Co.'s Windex, the leader with a 40.6% share, and Dow-Brands' Glass Plus, second with a 14.4% share.

Separately, P&G is testing Cascade Gel, a new version of Cascade automatic dishwashing liquid. The product is in Minnesota, North and South Dakota, Iowa, Nebraska, Kansas, Missouri, Oklahoma and Arizona. TV spots support, via Saatchi & Saatchi Advertising, New York.

The gel formula offers "the same benefits as a liquid but avoids the [ingredient] separation problems" liquid dishwashing detergents sometimes have, Ms. Bailey said.

P&G is already the leader in the $500 million automatic dishwashing detergent category, with a 55% share for Cascade in powder and liquid formulations. □

Pepsi rebuffs Coke at NAD

By Janice Kelly

NEW YORK—Diet Pepsi has notched a victory over Diet Coke in a postscript to one of the cola wars' major ad battles of the year.

Coca-Cola Co. complained to the Council of Better Business Bureaus' National Advertising Division that the "Billy Crystal" and "Ray Charles" TV spots for Diet Pepsi continued to use unsubstantiated taste preference claims.

The complaint came after Pepsi modified the spots last spring following a February complaint to NAD by Coca-Cola. BBDO Worldwide created the spots.

This time around, Coca-Cola argued statements that "Diet Pepsi is better-tasting than Diet Coke" and "Diet Pepsi beats Diet Coke" amounted to a revival of the disputed taste test claims.

When NAD first reviewed Coca-Cola's challenge in April, Pepsi elected not to submit substantiation because it said the claim, "Diet Pepsi—the taste that beats Diet Coke," had been discontinued.

After reviewing Coca-Cola's taste test data and consumer perception studies related to the original and modified ads, NAD ruled the modified spots "contained no unsubstantiated implied claim."

NAD, the self-regulatory unit of the ad industry, reviewed 11 cases in June/July. Seven were closed when claims were modified or discontinued; four were settled when the claims were substantiated.

Claims modified or dropped:

Lewis Galoob Inc. (Micro Machines Highway Warriors, City Scenes toy cars; Towne, Silverstein, Rotter): NAD's Children's Advertising Review Unit questioned TV spots showing the toys moving unaided. CARU felt the visuals "overglamorized the play value" of the toys and inadequately depicted "hands-on" play.

Galoob said the Highway Warriors spot has been discontinued and the City Scenes commercial has been revised according to CARU guidelines.

Nestle Enterprises/Stouffer Foods Corp. (frozen pizza; Della Femina, McNamee, Pittsburgh): McCain Foods challenged Nestle TV spots claiming, "National taste tests prove that Stouffer's makes the best-tasting frozen pizza."

Stouffer submitted taste test results and said that in six geographically dispersed locations, Stouffer's frozen pizzas were preferred. Stouffer's Deluxe varieties and square pizzas weren't included.

NAD ruled the superiority claim was stated in universal terms but the testing was limited. Stouffer agreed to modify the ads.

General Mills (Apple Cinnamon Cheerios; Saatchi & Saatchi Advertising): Responding to a complaint by the Department of Telecommunications at Indiana University, CARU hit a TV spot that aired during kids' programming hours. The commercial didn't include a complete breakfast diet disclosure.

General Mills said the spot, since discontinued, was adult-directed and had inadvertently aired during children's viewing time.

Kop-Coat Inc. (Wolman RainCoat water repellent; in-house): Sterling Drug, on behalf of its Thompson & Formby subsidiary, challenged Kop-Coat's claim, "America's favorite . . . outperforms all-purpose sealers on decks. . . . The only way to be sure that your deck will have a beautiful life."

After examining Kop-Coat's test data, NAD ruled the claims couldn't be substantiated. Kop-Coat agreed to modify the three claims.

Goodyear Tire & Rubber Co. (tires; J. Walter Thompson USA, Detroit): Michelin Tire Corp. challenged four Goodyear TV spots showing drivers executing accident-avoidance maneuvers in wet weather, with the claims: "One day it could all come down to a few inches. . . . It's good to know you have Goodyear. . . . That's why we say, the best tires in the world have Goodyear written all over them." In addition, the Better Business Bureau of Winston-Salem, N.C., brought to NAD's attention a newspaper ad headlined "The best tires in the world have Goodyear written all over them."

NAD agreed that "best in the world" TV claims weren't substantiated and recommended modification. But NAD ruled the print ad was substantiated because it was presented without reference to specific performance characteristics. Goodyear agreed to modify the commercials.

Sugar Foods Corp. (Sweet 'N Low; The Food Group): NutraSweet Co. challenged a foodservice magazine ad claiming, "30 million people prefer Sweet 'N Low. That's 40% more than Equal. . . . And that's why 86% of all foodservice operators choose [Sweet 'N Low] as their primary sugar substitute." NutraSweet said Sugar Foods based a taste preference claim solely on market share data. NAD concluded that market share data weren't directly relevant and recommended the claim be modified or discontinued. Sugar Foods said the campaign had run its course.

Carnation Co. (Follow-Up formula; Ogilvy & Mather, McCann Direct): Bristol-Myers Squibb Co. challenged magazine and direct mail ads claiming, "If your 6- or 12-month-old baby is still drinking formula, try Carnation Follow-up formula. It means extra nutritional assurance for your baby." Bristol-Myers questioned Carnation's nutritional superiority claim, and Carnation agreed to avoid these claims in the future.

Claims substantiated:

American Cyanamid Co./Lederle Laboratories Division (Centrum Multivitamin/Multimineral Formula; Carrafiello-Diehl & Associates, Irvington, N.Y.): The company substantiated TV and newspaper ads claiming, "More complete than any leading brand."

H.J. Heinz Co./Weight Watchers International (frozen entrees; DDB Needham Worldwide): After examining a challenge by ConAgra Frozen Foods, NAD held that Weight Watchers' claim, "You'll never find butter, tropical oils, chicken fat or added cream in any of our frozen entrees," was substantiated.

Chrysler Corp. (Chrysler New Yorker Fifth Avenue Lease; Bozell, Birmingham, Mich.): Challenged by the Nashville, Tenn., Better Business Bureau for advertising a price of "$339* a month for the luxury car lease without the luxury car price," where the asterisk referred to a monthly payment following a $4,594.60 down payment, Chrysler was able to substantiate the asterisked price. □

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Outdoor ads move

(Continued from Page 3)
advertising companies—Gannett Outdoor, Patrick Media Group and Lamar Advertising—said they will move some 2,000-plus tobacco- or alcohol-related ads *(see chart on Page 3)* and put decals on some 9,200 structures.

Together, the three companies represent nearly 20% of the nation's 500,000 boards.

"Every board that has tobacco or liquor ads within the 500-foot rule will be moved by Sept. 1," said John Hope, senior VP-public affairs at Gannett Outdoor.

Gannett, which has 30,000 boards in 14 major markets, said it has identified "close to 3,000 [boards] that will require the decal." More than 1,000 of those feature tobacco or liquor ads that have been or will be moved, he said.

Gannett will also move some 800 tobacco or alcohol ads on bus shelters in New York.

Patrick, which operates 41,000 boards, said by mid-September it plans to have relocated more than 1,000 tobacco- or alcohol-related ads. More than 4,000 of its boards will feature the decal.

Lamar said about 2,000 of its boards will soon feature the decal, but Tommy Teepell, VP-marketing, said the company has pinpointed only 50 to 100 tobacco- or alcohol-related ads that need to be moved.

Lamar, with 25,000 boards in more than 30 markets, operates largely in more rural areas.

Whiteco Outdoor and Penn Advertising also said they're abiding by the industry policy but Whiteco won't use the decals. Whiteco's boards are primarily on highways, and it will instead identify boards within the 500-feet range by computer.

The industry has been bracing for financial losses due to the new restrictions. But outdoor companies said they haven't been hurt yet financially by the relocation, and they're quickly replacing vacancies.

Mr. Hope said Gannett hasn't lost any tobacco or liquor business as a result of the relocation process.

"Those locations the tobacco people are willingly giving up are excellent advertising locations," said Lamar's Mr. Teepell. "The tobacco [marketers] are giving other advertisers the front row."

Patrick, which has added playgrounds to the list of off-limits areas, said it's been fielding phone calls from marketers that are looking to snap up the vacancies.

"We're getting calls from toy and cereal [marketers] and those types of companies that advertise on Saturday morning cartoon shows that are interested in those locations," said Mary Ellen Coleman, director of public relations.

Some outdoor companies believe the new policy will give the industry a needed image boost.

"The whole landscape of outdoor advertising will change," said one outdoor executive who asked not to be named. "Once a tobacco or liquor ad comes down today, they will never go up on those [particular] boards again. I don't see that changing . . . ever." □

Lever's Webb

(Continued from Page 3)
environment became such a priority?

Mr. Webb: Yes. We're using the environmental advantages we can lay our hands on.

AA: *What is Lever parent Unilever's environmental advantage? Is Unilever a step ahead of other companies in this area?*

Mr. Webb: That's very difficult for me to say because I don't know what the other companies are thinking and doing precisely. On environmental issues, there's a lot of collaboration within the industry. . . .

I don't think within the detergent industry you're getting claims of superiority—"I'm greener than the next chap"—because I don't think in the long run that's in the interests of the consumer.

The consumer is not in a position to judge whether one product is more environmental than another. They can judge whether their clothes are washed better or whether their clothes are softer. . . .

We're talking about an area where the responsibility is very much on the market leaders—ourselves, Procter & Gamble, Colgate-Palmolive. I think the leaders have the means to make changes that really have impact, like using recycled plastic to make new bottles.

AA: *How much do consumers understand about environmental issues? How much responsibility do companies have to educate them?*

Mr. Webb: First of all, you have a high level of concern. If you use classic market research techniques, you get back very high levels of [consumer concern]. But there is also considerable confusion. . . .

If you take a narrow view of a particular material and say that is biodegradable or can be recycled, you ignore how much energy is consumed in actually manufacturing that product compared with other materials. Paper, wood and that sort of thing, you're cutting down rain forests.

It would be arrogant of anybody to assume they have total answers to these problems. But what you can see are solvable bits of these problems.

AA: *Is that why there's hesitation on the part of Lever and other companies to come out with ad campaigns that say these products are environmentally friendly?*

Mr. Webb: I can't talk about other companies, I can only guess. My view is the reason is deeper than that. I believe people should be free to choose a product or a container because it does the job they want it to do and because they like the way in which it's presented. . . .

I am not primarily concerned in driving them toward trying to choose a product because it's more environmentally friendly than another product. . . . I want to stay with selling my products for what they do—like cleaning clothes, like providing softness.

"Society is saying, 'No, no, no. You chaps have got to score a bit better [on the environment].' "

When it comes to environmental issues, that's part of the things we have to do which have to match up to society's requirements. . . . Society is saying, "No, no, no. You chaps have got to score a bit better [on the environment]."

That's different from rushing out there saying, "Our Wisk is better for what it does for the environment."

What I am ready to say is yes, you can rest assured that Wisk and Snuggle and all the other brands are doing their bit to help. A consumer shouldn't feel guilty about enjoying, liking a product. I expect that our competitors are aiming to achieve the same benchmark. . . . But that's different from saying, "Please buy this because it is environmentally friendly."

AA: *Where do your ad agencies fit into this?*

Mr. Webb: We use our advertising agencies to play an important role, like our trade advertising on the environment. If we come to give that same environmental message to consumers, we'll need our agencies to get that message across.

I expect from my agencies an awareness of what is going on so they can begin to suggest things that would help the environment and convince the consumer.

The environment will come up in the setting they will choose in slice-of-life advertising situations. I want them to think in terms of a consumer who's environmentally conscious.

AA: *How are you working with retailers to get the word out on Lever's environmental initiatives?*

Mr. Webb: The trade is very conscious that the consumer is asking questions about [the environment]. We're making sure our information is available to them.

AA: *Is providing information through a "green" seal of approval the best way for retailers to pass along information to consumers?*

Mr. Webb: The proliferation of . . . things where you get a brownie point, like the Green Seal—the trouble with that is you're in danger of setting up another authority in a semigovernmental role, which actually isn't answerable to anybody. One begins to have anxiety about how [seal programs] can get all the knowledge and information. It's difficult enough for us in our own industry to find the answers.

AA: *Do you expect the U.S. government at some point to step in and regulate environmental claims?*

Mr. Webb: I think the federal authorities are being sensibly cautious about this. It's fine to say, "Yes, regulate"; I just don't think you can easily regulate.

My own hope is that self-regulation by responsible industry will set the pattern. If Connecticut passes one rule, New Jersey passes another, New York yet another—how on earth can a plant located in Minneapolis begin to serve economically?

I do expect there to be some more legislation. . . . What I am encouraged by is a cautious approach from the [Environmental Protection Agency]. . . . I think the sort of things that [the Coalition of Northeast Governors], with governors and states working together to come to some sort of coherent framework, is a model that can be followed. □

FOR THE RECORD

ROYAL CARIBBEAN Cruise Lines, Miami, named finalists in its $35 million to $37 million account review. They are incumbent Chiat/Day/Mojo; Geer, DuBois; and Rosenfeld, Sirowitz, Humphrey & Strauss, all New York, and the Martin Agency, Richmond, Va. Royal denied rumors that McKinney & Silver, Raleigh, N.C., the cruise line's former agency, is also being considered.

SQUARE D CO., Palatine, Ill., tapped **Creswell, Munsell, Fultz & Zirbel**, Cedar Rapids, Iowa, for the building materials and electronics marketer's consolidated $30 million worldwide account, some parts of which will be handled by other units of Creswell's parent, Young & Rubicam, New York. Advertising had been at Creswell Munsell and eight other shops.

U.S. DEPARTMENT of Justice will drop its antitrust suit against Procter & Gamble Co. and Rhone-Poulenc Rorer after the companies decided not to jointly develop and market prescription and over-the-counter pharmaceutical products. The department's suit filed in U.S. District Court in Philadelphia challenged the arrangement by which P&G would market and distribute Rorer's Maalox OTC stomach remedy and other products.

SEAGRAM BEVERAGE CO., New York, named **DDB Needham Worldwide** to handle its Soho Natural Soda account, recently inactive. Chiat/Day/Mojo previously handled. As a result, **Pepsi-Cola Co.**, Somers, N.Y., moved its H2Oh! flavored sparkling water account to **BBDO Worldwide**, New York, Pepsi's flagship shop, from sister Omnicom Group agency DDB Needham.

KOREY, KAY & PARTNERS, New York, formed an executive board following the recent death of co-founder Lois Korey. Board members include Steven R. Fajen, 35, exec VP-director of media and marketing services; Milda Misevicius, 35, exec VP-director of business development; Neil R. Leinwohl, 44, senior VP-creative director; Joe Palladino, 51, senior VP-account director; Michael F. Glavin, 34, senior VP-account director; and David S. Harris, 32, senior VP-director of finance. Mr. Leinwohl was promoted from VP-associate creative director, Mr. Glavin was promoted from VP-account director and Mr. Harris was promoted from VP-director of finance. All are new posts.

CHEMICAL MANUFACTURERS Association, Washington, named **Chiat/Day/Mojo**, New York, to succeed R.T. Blass, Old Chatham, N.Y. The association is expected to spend $50 million on advertising in the next five years. Separately, Merry Cutler, VP and co-director of account planning, left Chiat after a recent round of layoffs.

SPORTS ILLUSTRATED, New York, next year will launch a spinoff titled *Sports Illustrated Classic*, with issues in March, June and October. The sports nostalgia title will be distributed to *SI's* 3.2 million subscribers and on newsstands nationwide. A b&w page is $84,245, and a color page is $130,205. *SI* is guaranteeing newsstand sales of at least 150,000 copies per issue.

OUTDOOR BOARDS on moving trucks are subject to regulation by the Massachusetts Outdoor Advertising Board, a Suffolk County Superior Court judge in Boston found. Moving Advertising Promotions, Stamford, Conn., was ordered to stop driving its truck-mounted boards in view of public highways. Moving Advertising had contended its truck required no special licensing and was unavailable for comment on the ruling.

MINNESOTA DEPARTMENT of Revenue withdrew proposed sales tax guidelines expanding the state's 6% sales tax to agency collateral services. Industry sources warn the guidelines may be resurrected after Minnesota's Sept. 11 primary, and say the threat of a 1991 effort to tax all agency services remains.

NEW CAMPAIGNS: U.S. Shoe Corp. next month starts a multimillion-dollar print campaign for its Easy Spirit Shockblockers aerobic shoe line. Advertising to Women, New York, is the agency. . . . **Public Broadcasting Service** next month breaks a $2 million network and cable TV campaign, PBS' first national advertising effort to promote its fall program lineup. Young & Rubicam, New York, handles.

ACCOUNT ACTION: New Line Cinema, Beverly Hills, Calif., indefinitely postponed the review for its estimated $25 million media buying account, now at Independent Media Service, New York. . . . **Marion Merrell Dow**, Kansas City, Mo., to **Lewis & Gace**, Fort Lee, N.J., first agency for Nicoderm smoking-cessation nicotine patch, still in clinical trials.

WORTH NOTING: Nabisco Brands has begun rolling out Mini Chips Ahoy with a $3 million TV campaign featuring Atlanta Hawks basketball player Spud Webb. FCB/Leber Katz Partners, New York, handles. . . . **SportsSouth**, a regional cable TV network, is set to launch Aug. 29 with 1.2 million subscribers and "a handful of advertisers," including Long John Silver's, said VP-General Manager Blair Schmidt-Fellner. . . . **DDB Needham Worldwide**, New York, is buying an 80% stake in Opus, Budapest, and will rename the shop DDB Needham Hungary. . . . The number of **U.S. TV households** is estimated at 93.1 million, up 1.1% from a year ago, Nielsen Media Research reported. . . . **McCann-Erickson Worldwide**, New York, bought **Rosenberg & Co.**, Stockholm, for an estimated $17.5 million to $25.5 million.

NEWSPAPER

Advertising Age

September 3, 1990

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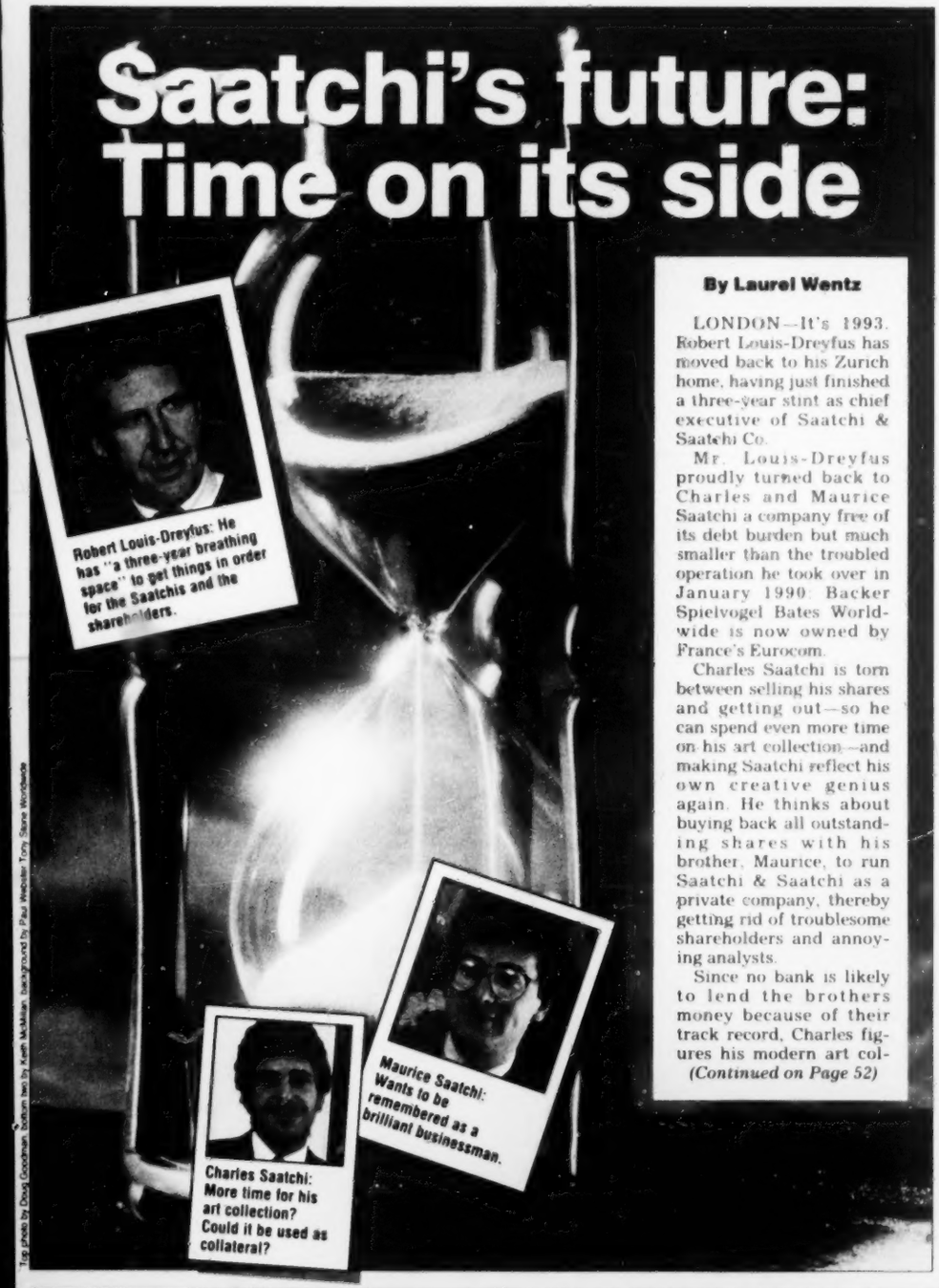
Saatchi's future: Time on its side



Robert Louis-Dreyfus: He has "a three-year breathing space" to get things in order for the Saatchis and the shareholders.

Maurice Saatchi: Wants to be remembered as a brilliant businessman.

Charles Saatchi: More time for his art collection? Could it be used as collateral?

Top photo by Doug Goodman. Bottom two by Keith McMillan. Background by Paul Webster Tony Stone Worldwide

By Laurel Wentz

LONDON—It's 1993. Robert Louis-Dreyfus has moved back to his Zurich home, having just finished a three-year stint as chief executive of Saatchi & Saatchi Co.

Mr. Louis-Dreyfus proudly turned back to Charles and Maurice Saatchi a company free of its debt burden but much smaller than the troubled operation he took over in January 1990. Backer Spielvogel Bates Worldwide is now owned by France's Eurocom.

Charles Saatchi is torn between selling his shares and getting out—so he can spend even more time on his art collection—and making Saatchi reflect his own creative genius again. He thinks about buying back all outstanding shares with his brother, Maurice, to run Saatchi & Saatchi as a private company, thereby getting rid of troublesome shareholders and annoying analysts.

Since no bank is likely to lend the brothers money because of their track record, Charles figures his modern art col-

(Continued on Page 52)

Qantas' $40M account set for review

By Geoffrey Lee Martin

SYDNEY—Qantas Airways Australia's international airline, plans to call for bids worldwide on its estimated $40 million ad account once Chiat/Day/Mojo's contract expires next May.

The available agency field would be a narrow one. Qantas requires a multinational shop with offices in at least 25 specific cities in the U.S., Europe, Asia and the Pacific as well as Australia—and, of course, no conflicting airline account.

A short list is yet to be chosen, said Ken Boys, media relations manager for Qantas, but Chiat "will definitely" be included in a "normal review."

Qantas is wholly owned by the Australian government but is run by an independent board. Although government units often put new contracts out for bid, it isn't required by law in this case and this agency review isn't considered routine, said one Chiat source in the U.S.

"We've been officially aware of Qantas' intention to put the account into review in the summer of 1991 for several months now," said a Chiat spokesman in New York.

"Qantas is one of our oldest and

(Continued on Page 53)

McD's sizzles with new ideas

By Scott Hume

McDonald's Corp. is pursuing an aggressive, two-pronged strategy to regain sales momentum.

The No. 1 restaurant chain is opening itself to previously unimaginable changes with what one analyst called "an increased sense of urgency" about its competitive position.

With real per-store sales flat or down for eight straight quarters, according to stock analysts, McDonald's is in the unaccustomed position of looking for ways to grow.

One indication the fast-food giant will consider almost anything in its search for answers: the testing of Golden Arch Cafe, a '50s-style diner that doesn't carry the McDonald's name, opened last month in Hartsville, Tenn.

So too is the near-frantic pace at which it's testing new menu items at McDonald's outlets.

"I think there's a new attitude at McDonald's. They've opened the floodgates to experimentation and [are] determined to be less bureaucratic, less prone to wait five years on new products," said Ron Paul, president of restaurant consultancy Technomic.

"Still, why they want to try a noisy diner concept, I don't know," he said. "It's very strange. It's something you'd have bet they

(Continued on Page 53)

LAST MINUTE NEWS

CNN, WTBS get shops

ATLANTA—Turner Broadcasting System assigned Cable News Network to Levine, Huntley, Schmidt & Beaver, New York, and WTBS-TV to Tracy-Locke, Dallas, both from in-house. CNN spending is estimated at $10 million; WTBS gets $5 million to $6 million.

Will 'Memories' live on?

NEW YORK—The end could be near for Diamandis Communications Inc.'s *Memories*. Mortimer Zuckerman, chairman of *U.S. News & World Report* and *The Atlantic*, decided late last week not to buy the news/nostalgia title. A DCI source said parent Hachette had threatened to fold *Memories* if the deal died; Hachette officials couldn't be reached. Separately, Mr. Zuckerman is developing a monthly family-oriented magazine with the working title of *Family Fun*, a source familiar with the plans said.

Kellogg sues Texas

DALLAS—Kellogg is suing the Texas attorney general's office, six days after filing suit against Iowa's attorney general. The latest suit, filed in U.S. District Court here, asked that Attorney General Jim Mattox and the Texas health commissioner be restrained from acting against the labeling or distribution of the company's Heartwise cereal. Texas earlier complained that several facets of the original Heartwise package constitute a health claim. The Kellogg suit said the two parties reached agreement on the specifics, but disagreed on whether Kellogg should admit it vio-

(Continued on Page 8)

INSIDE

Japanese credit card eyes U.S. market — Page 12

Small agencies fall on hard times P. 3 • Maxwell's 'European' off to a slow start P. 25

NEWS SUMMARY

■ **Qantas** will call for bids on its $40 million-plus ad account next May, when Chiat/Day/Mojo's contract ends. **1**

■ **McDonald's** is testing a new diner concept and a rash of new menu items to spur further growth. **1**

■ **The weak U.S. dollar** is hurting many U.S. publications operating in Europe. **3**

■ **CBS is asking** a 5% premium for stand-alone 15-second commercials in prime time and daytime. **3**

■ **Pontiac's new campaign** will tell aging baby-boomers where they can still find excitement. **4**

■ **JCB Co.,** Japan's largest credit card issuer, is negotiating to enter the U.S. market. **12**

■ **Pet food sales** increased 4.8% to $6.21 billion last year, John C. Maxwell Jr. reported. **21**

■ **Pizza Inn** starts a new spot TV campaign today and says it will spend $15 million on advertising. **22**

■ **Newspaper ad rates** may rise 5% to 8% next year, with more package deals being offered. **24**

■ **Environmental concerns** have changed buying decisions for 82% of consumers, a survey says. **27**

■ **Brand equity** is becoming more important, N W Ayer says in a report on consumer aspirations. **28**

■ **Low-price cigarettes** are gaining market share, forcing full-price brands to increase promotional activity. **33**

■ **American Express Co.** is tying in with 15 retailers in a fourth-quarter promotion. **48**

■ **Time Warner** named Richard Heinemann to coordinate all group sales of Time Inc. Magazine Co. **49**

■ **Pillsbury's** promotion for the 25th anniversary of its Doughboy character will include a tie-in with Sears. **50**

■ **Green Cross** Certification Co., established with the help of four supermarket chains, has begun giving its environmental seal of approval to consumer products. **54**

■ **Creativity:** Minneapolis creative boutique Rice & Rice is profiled, as is New York's outspoken Ted Chin and London's wildman animator Oscar Grillo. (Creativity is an *Ad Age* supplement available on request. Contact Dave Kelley, *Advertising Age* Circulation, 965 E. Jefferson St., Detroit, 48207. 1-800-992-9970.) Starts after Page **32**

DEPARTMENTS

Ad Review	54	International News	37
James Brady	32	Letters	31
Brady's Bunch	41	MediaWorks	39
Classifieds	45	NewsWatch	10
Con-Sid-erations	29	People Moving	41
Corrections & Clarifications	31	PeopleWorks	40
Editorials	29	Photo Review	44
For the Record	49	Sales Promotion News	33
Forum	30	The Next Trend	32
Global Gallery	36	Joe Winski	32
Index to Advertisers	54		

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ABP MPA ABC VAC

Mitsubishi's image is upwardly mobile

By Cleveland Horton

Mitsubishi Motor Sales of America's bid for the big time starts this week with a $120 million brand-building ad campaign designed to promote "the word."

The 1991 model year campaign from the Japanese automobile importer is designed to build awareness of the corporate name while touting individual models.

"People knew about specific Mitsubishi products—they knew about the Eclipse, and they knew about the Galant. But we were always grasping for some overall theme that pulled all of the Mitsubishi products together," said Mike Nash, VP-marketing services.

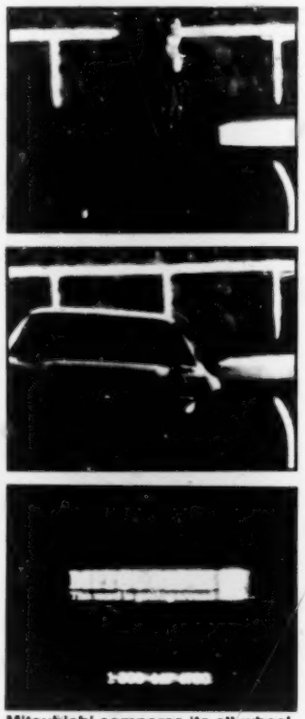
Ads introduce a new tagline, "Mitsubishi—the word is getting around." The approach is an effort to capitalize on the "surge" of accolades various Mitsubishi models have received in the press over the past two years, said Frances Oda, director of advertising.

Mitsubishi cars have appeared on various 10-best lists and won other recognition, such as the Galant earning *Motor Trend's* Import Car of the Year award in 1989.

Almost all the ads in the new campaign liberally use third-party endorsements—particularly from the automotive buff books. Grey Advertising, New York and Cypress, Calif., handles.

Mitsubishi used "Suddenly the obvious choice" as an umbrella theme in the 1989 model year but stopped using a tagline last year.

The new 3000 GT sports car will be the flagship in Mitsubishi's '91 ad lineup. A 30-second TV spot for the sleek two-seater opens with a shot of a jockey on a galloping racehorse rounding a turn on a turf track. The voice-over says: "Millions of years ago, nature created a vehicle that accelerates, steers and stops with all fours."



Mitsubishi compares its all-wheel-drive 3000 GT to a horse in a new spot from Grey Advertising.

Next, a 3000 GT comes barreling around the same turn. The voice-over continues: "That ingenious concept has now been engineered into a car. Introducing the Mitsubishi 3000 GT with all-wheel drive, all-wheel steering, all-wheel anti-lock brakes and 300 horsepower instead of just one."

Gatefold magazine ads promoting the 3000 GT are already appearing in auto buff books.

The 3000 GT spot will run in rotation with three other :30s separately featuring the Galant sedan, the U.S.-built Eclipse sporty car and the Montero sport utility vehicle.

In an unusual twist, several print ads for those models feature heavily footnoted headlines. But instead of the usual disclaimers, the footnotes appear as part of the regular text and expand on the key word in the head, usually with third-party endorsements.

As Mitsubishi broadens its full line of models, it's appealing to a new type of customer, Mr. Nash said. For example, the average income of a 3000 GT customer is $80,000 or more, while the top-of-the-line Galant model, the VR4, is expected to pull customers from the $75,000 average income bracket.

That's a far cry from the first Mitsubishi models introduced in late 1981, which were mostly low-price, fuel-efficient econo-boxes.

As a whole, the new campaign will present Mitsubishi as an up-and-coming car company, hoping to separate it from the second generation of Japanese imports such as Isuzu, Subaru and Suzuki and vault it into the top tier with Toyota, Honda, Nissan and Mazda.

The ad budget is a 20% hike over 1990's estimated $100 million, and that's part of the strategy to push Mitsubishi past Mazda Motors of America, the No. 4 Japanese importer.

Mitsubishi has narrowed the gap already this year. For the first seven months of 1990, it sold 101,388 cars compared with Mazda's 139,442. In the same period last year, Mitsubishi sold 55,847 cars, compared to Mazda's 134,320.

With the change in Mitsubishi's target customer, media buys for the model '91 effort are designed to reach affluent males. □

Sears trims direct mail

By Kate Fitzgerald

Sears, Roebuck & Co. is cutting its direct marketing budget, a move that's led to layoffs at one agency and is making other agencies nervous.

Rapp Collins Marcoa, Chicago, recently dismissed three or four of its 90 staffers due to Sears' cutbacks, said agency President David L. King.

"The volume of direct marketing programs we work on for Sears has been reduced substantially, and we've had to let people go," he said. "We understand it's affecting several other agencies working on related business as well."

He wouldn't name the agencies.

Rapp Collins handles direct mail campaigns and advertising stuffers in monthly billing statements for Sears.

A source at another agency said Sears had curtailed much of the shop's direct marketing project work for the retailer, but there were no layoffs.

Craig Thomas, president of Stone & Adler, said his agency has experienced no changes in its business with Sears. The shop handles direct marketing for the Shop at Home service and does occasional catalog and stuffer work.

"Direct marketing can be a very uncertain business, so I can't say we don't anticipate any changes, but at this point we've had none," Mr. Thomas said.

Ogilvy & Mather Direct, Sears' largest direct marketing agency, wouldn't comment.

A Sears spokeswoman denied the company's direct marketing programs have been curtailed.

"We have no plans to change our direct marketing budgets for the remainder of the year, although we are always looking at ways to increase our profitability through direct mail and billing statement stuffers," said Kathy Gucfa, public relations spokeswoman for the Sears Merchandise Group.

Sears is considering substituting its monthly billings statement stuffers with a less costly monthly newsletter, but a final decision hasn't been made, she said.

Changes in Sears' ad budget may not be limited to direct marketing.

Even though Ogilvy & Mather, Chicago, is Sears' agency of record, Tom Morris, VP-marketing at the merchandise group, has recently held exploratory discussions with other shops. The agencies initiated the discussions.

Mr. Morris met last month with Ketchum Advertising/USA President Robert Kroyer about what Mr. Kroyer called "possible new-business opportunities." Mr. Kroyer said he made the visit on behalf of the agency's Chicago office, Ketchum/Mandabach & Simms. Two other agencies also have been allowed to talk to Sears.

Sears said no review of its main ad agency is in progress.

Retail industry experts say it won't be long before Sears starts to cut its ad budget.

The company as a whole increased measured media spending by 34% to $525 million in 1989 to support its huge "everyday low price" promotion, along with the introduction of national brand names in all departments. Spending was expected to be about the same this year.

The merchandise group's sales have been flat this year. □

Pet food sales

Dollar amounts are in millions. 1989 figures are estimates.

Canned cat food	Marketer	1988	1989
9 Lives	Heinz	$253.3	$270.0
Friskies Buffet	Carnation	210.0	255.0
Whiskas	Kal Kan (Mars)	262.0	250.0
Fancy Feast	Carnation	152.3	168.0
Amore	Heinz	100.0	100.0
Purina Premium	Ralston Purina	88.5	91.3
Sheba	Kal Kan (Mars)	28.0	45.0
Kozy Kitten	Heinz	25.0	40.0
Puss 'n Boots	Quaker Oats	22.0	24.9
Alpo Premium	Alpo (Grand Met USA)	—	17.7
Fresh Catch	Carnation	—	8.6
Unique	Ralston Purina	5.0	8.3
Bright Eyes	Carnation	12.0	7.8
9 Lives Kitten Dinners	Heinz	—	4.5
Twin Pet	Allied	—	3.0
Catviar	Ralston Purina	10.5	5.0
Kitty	Allied	—	3.0
Naturally Twin	Allied	—	2.5
Tabby	Alpo (Grand Met USA)	1.0	0.3
All others		91.4	46.1
Total		**$1,261.0**	**$1,351.0**

Dry cat food			
Cat Chow	Ralston Purina	152.0	149.5
Friskies	Carnation	96.0	116.0
Meow Mix	Ralston Purina	86.5	86.0
Whiskas	Kal Kan (Mars)	65.0	80.0
9 Lives	Heinz	55.0	55.4
Kozy Kitten	Heinz	40.0	55.0

Dry cat food (cont'd)	Marketer	1988	1989
Alley Cat	Ralston Purina	$51.4	$54.5
Kitten Chow	Ralston Purina	40.6	43.5
Chef's Blend	Carnation	39.5	38.5
Special Dinners	Ralston Purina	41.0	36.9
Thrive	Ralston Purina	35.8	24.2
Smart Cat	Ralston Purina	25.5	21.3
Friskies Kitten Formula	Carnation	—	10.0
Kitten Chow Dairy Formula	Ralston Purina	—	9.9
Alpo Gourmet Dinner	Alpo (Grand Met USA)	—	7.4
Purina Select	Ralston Purina	—	3.4
Cat Chow Plus	Ralston Purina	—	0.3
All others		63.7	68.2
Total		**$792.0**	**$860.0**

Moist cat food			
Tender Vittles	Ralston Purina	111.5	103.2
Happy Cat	Ralston Purina	48.4	38.1
9 Lives Tender Meal	Heinz	27.0	25.0
Moist Meals	Quaker Oats	4.5	3.0
Moist & Tender	Ralston Purina	1.0	0.5
All others		24.6	30.2
Total		**$217.0**	**$200.0**

Cat treats			
Pounce	Quaker Oats	14.0	10.5
Bonkers	Beatrice	6.0	7.0
9 Lives Finicky Bits	Heinz	—	3.5
Whisker Lickins	Ralston Purina	—	3.0
Others		—	2.0
Total		**$20.0**	**$26.0**

Dry dog food	Marketer	1988	1989
Dog Chow	Ralston Purina	$255.0	$260.8
Puppy Chow	Ralston Purina	155.0	150.0
Alpo Beef Flavored Dinner	Alpo (Grand Met USA)	113.5	117.3
Gravy Train	Quaker Oats	95.6	91.2
Come N Get It	Carnation	87.0	90.2
Hi-Pro Dog Meal	Ralston Purina	70.0	69.2
Mealtime	Kal Kan (Mars)	55.0	66.4
Kibbles & Chunks	Ralston Purina	72.0	63.3
Field Trial [1]	American Pet	—	50.7
Cycle	Quaker Oats	48.8	49.1
Chuck Wagon	Ralston Purina	51.0	47.5
O.N.E	Ralston Purina	50.0	47.2
Grrravy	Ralston Purina	43.0	47.0
Mainstay	Ralston Purina	46.0	41.2
Hearty Chunks	Quaker Oats	35.0	37.0
Fit & Trim	Ralston Purina	34.0	36.0
Lucky Dog	Ralston Purina	40.0	30.0
Pro Plan	Ralston Purina	—	28.0
Purina Blends	Ralston Purina	30.0	24.3
Dad's [1]	Dad's Products	—	23.6
Sunshine [1]	American Pet	—	21.4
Trail Blazer [1]	Martha White	—	20.2
Jim Dandy Classic Dinner	Jim Dandy (Grand Met USA)	11.5	15.6
Atta Boy [1]	American Nutrition	—	13.2
Hunters Choice	Jim Dandy (Grand Met USA)	13.0	12.8
Prime	Ralston Purina	—	12.5
Puppy Chow Chewy Morsels	Ralston Purina	15.0	12.5
Friskies Dinner & Cubes	Carnation	10.5	12.1
Alpo Puppy	Alpo (Grand Met USA)	9.0	11.4
Field Master	Ralston Purina	4.0	7.0
Bench and Field [1]	Martin Field Mills	--	5.1
Beef Complete	Ralston Purina	—	4.8
Tuffy	Heinz	4.5	4.5
Blue Mountain	Associated Products	1.0	4.4
Kasco	Piasa	5.5	4.3
Ken-L Ration Biskit	Quaker Oats	6.0	3.7
Bow Wow	Piasa	5.5	2.8
Field & Farm	Ralston Purina	2.0	2.7
Thrive	Ralston Purina	6.0	2.5
Sturdy	Heinz	2.7	2.4
Cadillac	Cadillac	3.0	2.2
Gravy Train Puppy	Quaker Oats	4.0	2.0
Strongheart	Strongheart	1.0	1.6
Meaty Meal	Heinz	1.5	1.5
Vets Nuggets	Heinz	1.0	1.1
Savor	Ralston Purina	2.0	0.5
Gaines Meal	Quaker Oats	0.6	0.3
All others		408.8	320.9
Total		**$1,799.0**	**$1,876.0**

Canned dog food			
Alpo	Alpo (Grand Met USA)	262.0	273.5
Kal Kan Pedigree	Kal Kan (Mars)	220.0	260.0
Mighty Dog	Carnation	92.4	89.4
Grand Gourmet	Carnation	52.5	68.8
Cycle	Quaker Oats	65.0	60.5
Skippy Premium	Heinz	45.5	52.5
King Kuts	Quaker Oats	43.0	38.7
Ken-L Ration	Quaker Oats	45.0	35.8
Pedigree Select Dinners	Kal Kan (Mars)	—	36.0
Recipe	Heinz	23.5	24.0

Canned dog food (cont'd)	Marketer	1988	1989
Vets	Heinz	$15.0	$15.3
Cadillac	Cadillac	13.0	14.0
Twin Pet	Allied Foods	11.0	13.5
Pedigree Choice Cuts	Kal Kan (Mars)	—	11.5
Alpo Puppy	Alpo (Grand Met USA)	6.8	8.7
Gravy Train	Quaker Oats	9.0	7.5
Blue Mountain	Alpo (Grand Met USA)	7.5	7.0
Strongheart	Strongheart	7.5	5.0
Skippy	Heinz	6.8	4.1
Reward	Heinz	—	3.0
Laddie Boy	Laddie Pet Food	4.5	2.8
Bone Appetite	Ralston Purina	2.0	1.5
MPS	Kal Kan (Mars)	0.5	0.7
All others		57.0	26.2
Total		**$990.0**	**$1,060.0**

Soft-dry dog food			
Kibbles 'n Bits 'n Bits 'n Bits	Quaker Oats	151.0	140.0
Tender Chops	Quaker Oats	56.1	50.5
Moist & Chunky	Ralston Purina	17.8	12.7
Puppy Kibbles 'n Bits 'n Bits 'n Bits	Quaker Oats	10.5	8.6
Dinner Rounds	Heinz	4.8	5.0
Jim Dandy Tender Moist Chunks	Jim Dandy (Grand Met USA)	1.8	3.2
Total		**$242.0**	**$220.0**

Dog treats			
Milk-Bone	RJR Nabisco	163.7	167.7
Jerky Treats	Heinz	41.0	46.0
Chew-eez, Wagtime, etc. [2]	Superior	43.0	41.3
Meaty Bones	Heinz	35.5	37.0
Bonz	Ralston Purina	19.0	21.5
Pup-peroni	Quaker Oats	12.5	14.0
Hearty Chews	Ralston Purina	15.0	13.0
Alpo Jerky	Alpo (Grand Met USA)	13.0	12.5
Alpo Snaps	Alpo (Grand Met USA)	11.0	12.2
Purina Biscuits	Ralston Purina	—	12.0
Beef Bites	Alpo (Grand Met USA)	7.8	10.7
Snausages	Quaker Oats	9.3	10.0
Ribz	Ralston Purina	—	9.0
Beggin' Strips	Ralston Purina	—	7.0
100% Natural Treat	Quaker Oats	7.0	4.5
Stew Biscuits	Alpo (Grand Met USA)	—	4.2
Cheesedawgs	Ralston Purina	5.4	3.5
Marrow Bone	Kal Kan (Mars)	1.0	2.0
Say Cheese & Others [3]	Pet-Life	0.8	1.2
Recipe	Heinz	1.2	0.8
All others		23.8	19.9
Total		**$410.0**	**$450.0**

Moist dog food			
Moist & Meaty	Ralston Purina	32.5	37.0
Gaines-Burgers	Quaker Oats	38.5	29.5
Ken-L Ration Special Cuts	Quaker Oats	17.4	14.5
Ken-L Ration Burgers	Quaker Oats	16.4	13.9
Smorgasburger	Quaker Oats	13.0	13.0
Moist & Beefy	Quaker Oats	9.5	8.0
Top Choice	Quaker Oats	13.8	7.6
Prime/Puppy Choice	Quaker Oats	1.2	0.8
All others		49.7	40.7
Total		**$192.0**	**$165.0**

[1] Products introduced before 1989, but data not available. [2] Superior products include Chew-eez, Wagtime Biscuits, Lickety Sticks, Glad-Wag and others. [3] Pet-Life products include Say Cheese, People Crackers, Loli Pups and Doggie Donuts. *Source:* Wheat, First Securities

Pet food market stays flat

By John C. Maxwell Jr.

Retail dollar sales of pet food increased 4.8% to $6.21 billion i 1989, aided by an upscaling o the product mix.

Unit sales remained relativel flat, with a volume increase in ca food offsetting a volume declin in dog food.

An additional $1 billion in re tail sales is estimated to have bee made through specialty pet shop and veterinary practices, whic would boost total dollar sales t $7.2 billion. The $6.21 billion fig ure and adjusted 1988 figures at tempt to encompass sales throug mass merchandise and discount warehouse store channels, in ad dition to food stores.

Dollar sales increases should continue to outpace volum growth by a significant margi for the foreseeable future as pe food companies are aggressivel "trending up" with higher-pric product lines.

Cat food dollar sales growt outpaced dog food sales gain again, increasing 6.4% to $2.4 billion. Dog food dollar sales wer up 3.8% to $3.63 billion.

In the dog food category, sale in the dry, canned and treat seg ments all grew, while sales in th moist and soft-dry segments fell.

Dog treats gained 9.8% in sale to $450 million, on an estimate sales volume gain of 2% to 3% Much of this growth stemme from new products—Ralsto Purina Co.'s Purina Biscuits an Beggin' Strips did particularl well in their introductory year RJR Nabisco's Milk-Bone lin continues to dominate the seg ment.

Canned dog food had a 7.1% sales gain to $1.06 billion for th year on flat to marginally dow volume. Alpo Petfoods' Alp maintained its No. 1 position, bu Kal Kan Foods is first in overal corporate share with Pedigree an its new Pedigree Select Dinner and Pedigree Choice Cuts.

Dry dog food, up 4.3% to $1.8 billion in sales (on a 1% to 3% vol ume decline), is seeing an increas ing amount of sales though alter native channels such as discoun and feed stores.

Cat food sales volume increase only 1% to 2% last year, but sale gains should continue based o the growing number of cat owned as pets. Dry sales led th category with an increase of 8.6% to $860 million; volume moved u 3% to 4%. Canned cat food gaine 7.1% in sales to $1.35 billion a volume declined modestly.

Purina maintained its lead i the pet food industry with an esti mated 27.1% market share as th company's sales growth kept pac with the industry.

Carnation Co., in the No. 2 po sition, experienced a significan upward move to a 13.9% share i 1989 from 12.7% in 1988. Kal Ka and H.J. Heinz Co. are tied fo third with 12.1% each. Quake Oats Co. saw a sales decline o 10%, with market share droppin to 11% from 12.6%. [ ]

Mr. Maxwell is with Wheat First Securities, Richmond, Va.

LETTERS

Measuring event sponsorship

I'm always glad to see articles that point out the need for determining value in event marketing programs ("Sports sponsorship value measured," AA, Aug. 6), but unfortunately few have focused on a crucial point. The value of event programs cannot be measured by the same standards or methods applied to other media (i.e., 16 minutes, 36 seconds during the Indy 500 broadcast equals $5.83 million in media value) because events offer different types of marketing value.

Use of inappropriate measurement standards will only perpetuate the problem of companies using event marketing ineffectively. Too many companies treat the sponsorship buy as a passive media investment, rather than what it really is: the admission ticket to a defined target market and an opportunity to run an active, relevant campaign. Widespread use of a media-type valuation system will only prolong this costly misuse of event marketing.

What we've learned is that marketers who sponsor events successfully determine their own value standards. They take a long- and short-term look at their entire marketing plan and see how individual events could help them reach their goals. They measure value by determining how effective an event affiliation can be in contributing to their overall success.

In using event marketing effectively, related promotions, thematic ties, hospitality, sampling, new-business development and distribution drives all can be combined to form a value-added strategy, so that the actual event serves as the focal point for a much more complete marketing effort.

Robert J. Mazzucchelli
Exec. VP, Pinnacle Promotions
Alexandria, Va.

Turf battles no solution

I find Keith Green's advice to creative people to get account people fired ("Account execs alerted," AA, Aug. 13) negative, inappropriate and unprofessional. His notion of supporting departmental "turf battles" in the interest of agency staffing efficiency is patently absurd.

The team spirit of cooperation across departments to reach the right solution in the interest of building both client and agency business should be maintained by all almost without exception. Petty individual and department ax-grinding is unacceptable.

Mr. Green is a perfect candidate for Ketchum's "Outward Bound" program, intended to "marry" account management and creative into a single team.

Finally, I am not "bashing" creative. I offer the same advice to any account person with this point of view about creatives.

Janet V. Falvo
VP-business affairs
Chapman Direct Advertising
New York

As an account exec, I have always believed that if anyone, of any capacity, is not contributing they should be sent packing. I have seen people with the title of creative director or copywriter contribute nothing, much in the same way Mr. Green sees account execs.

In many instances I have rewritten copy and adjusted layouts to accomplish agreed-upon objectives and meet client goals that have probably saved accounts. All account execs have talked their way around sub-par creative.

The name of the game is teamwork. If Mr. Green believes all his headaches lie within his account executives, he is either naive or void of top-notch account people.

David S. Ruslin
Account exec, Tracy-Locke
Princeton, N.J.

Ain't right

Considering the well-publicized problems in educating our young people, shouldn't M&M/Mars be ashamed of the headline in this ad?

Morden Swift
Chicago

Bargain spots

Thanks for your report on my *Advertising Age* Creative Workshop presentation on regional/local production of TV commercials (AA, Aug. 13). However, your reference to the Honda-on-the-wall commercial was my *expensive* example of separating from competition. My *inexpensive* example was the baby-plus-unmounted-Michelin-tire campaign.

Both commercials were shot by Henry Sandbank—but they are many thousands of dollars apart in production cost. The local/regional challenge is to look like the big boys on a bargain-basement production budget.

Hooper White
Hooper White Co.
Barrington, Ill.

More advice for GM

Here is my "back-seat driver" advice to help Robert Stempel steer General Motors in the right direction (Automotive Marketing Report, AA, July 23).

Using a big felt marker, write (don't type) your new GM marketing commandment on a 8½- by 11-inch sheet of paper: "From this day on, we will not satisfy consumer expectations. We will surpass them." Don't forget to sign it.

Make 800,000 copies and distribute them to every member of the GM team. Also, give them purse/wallet/poster-size ones. Pins, pens, pencils would be good, too. Tag every free and paid media activity with it.

One last thing: Make sure you stand by your new marketing commandment.

Michael Huet
Director of marketing
Greiche & Scaff

Carrie Nation mentality

After reading Fran Du Melle's recent tirade (Letters, AA, Aug. 6) against *Advertising Age's* editorial commendation of the Outdoor Advertising Association of America's new code, one has to wonder if singer Janet Jackson's vision of a "rhythm nation" has regressed to "Carrie Nation." Within Du Melle's "moral" arguments against free speech, she reveals an ill-advised political agenda fraught with censorship, intolerance and a degree of paternalism historically confined to an antebellum plantation overseer.

It only follows that professional communicators must now ask Du Melle: Exactly what is it about adult African-Americans, Hispanics and Asians that requires them to be protectively shielded from seeing commercial messages for tobacco products? What is it about adult women that requires society to protectively shield an entire gender from colors, logos, adult models and typeset taglines? And what is so "special" about adult Caucasian males that they—and they alone—are exempt from the anti-smoking brigade's protective custody? The only correct answer is "nothing at all."

It's obvious from Du Melle's letter that voluntary industry actions, such as the OAAA's new code, will always be met with immediate, knee-jerk derision by society's self-appointed "guardians." The last thing anti-smokers want are sound, reasonable industry solutions to the very concerns they themselves raised.

The bottom line, literally, in Du Melle's letter is a call for government censorship of any commercial communication. But even that draconian measure is but a mere pit stop on the anti-smokers' long march toward prohibition. Cooperative industry actions only get in their way.

Thomas Lauria
Assistant to the president
The Tobacco Institute
New York

An outdoor principle

A number of years ago, John Connelly, the president of Donnelly Outdoor Advertising in Boston, told me his firm's guiding principle: "We always follow business, we never precede it." In other words, they sought new billboard locations only in areas that were already commercially developed.

If outdoor companies universally embraced and publicized such a principle, I am certain they would find significantly less public opposition to this much maligned medium.

Edward S. Van Winkle
Darien, Conn.

FREEZE FRAME

"I'm trying to break my dependence on government support for the arts."

CORRECTIONS & CLARIFICATIONS

- Gannett Outdoor operates about 32,000 outdoor boards in the U.S., not 532,000 as a chart stated (AA, Aug. 27, P. 3).
- Nielsen Marketing Research's ScanTrack service was introduced on a local basis in 1979, not 1987 as reported (AA, Aug. 6, P. 1).
- Castor Advertising Corp., New York, is the Hispanic agency for Anheuser-Busch's Budweiser brand (AA, Aug. 6, P. 20). Sosa & Associates is Hispanic agency for Bud Light and Bud Dry brands.
- Commercial Uniform Co.'s Boss Sportswear has a merchandise tie-in with Tri-Star Pictures' "Air America," not Hugo Boss Fashions as reported (AA, May 28, P. 58). □

When our viewers get back from whale watching and trout fishing, exercising and relaxing, wine tasting and pub crawling, yachting and canoeing, flying and gliding, hiking and walking, mountain climbing and cave exploring, speed boating and tubing, country clubbing and night clubbing, we'll deliver them to your door.

Every day of the week, our viewers tune to us for help in determining where in the world they'll be going next, what they'll be taking with them when they go, and what they'll be returning to when they come home. Once home, they tune to us and it all begins again.

From cars to condos, from sunglasses to sunscreen. The Travel Channel's viewers can afford to buy ... and *do* buy. If you want to direct your advertising budget to buyers, TTC is the perfect place to put those dollars because, like our viewers, they'll go far.

The Travel Channel. We'll take you there.

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Advertising Age

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LAST MINUTE NEWS

Saatchi stock falls

LONDON—Saatchi & Saatchi Co.'s share price fell to a new low of 51 pence on Friday when the company announced it wouldn't make the first half of a $12 million dividend payment due Oct. 6 to holders of a $190 million convertible preference share issue. The move wasn't unexpected because Saatchi stopped paying dividends to ordinary shareholders as of the financial year ended Sept. 30, 1989. "The bad news is it alienates shareholders and there was a further fall in the share price from 62 pence," said Mark Shepperd, an analyst at U.K. stockbroker Phillips & Drew. "The good news is that [Saatchi] has saved some money."

Kellogg, Texas battle

DALLAS—A U.S. District judge on Friday denied Kellogg Co.'s request for a temporary restraining order forcing the Texas Department of Health to lift its detention of Heartwise cereal. The judge did agree to hear Kellogg's case against the Texas

(Continued on Page 8)

Dentsu eyes Ayer

World's largest shop wants minority stake

By Gary Levin and David Kilburn

Dentsu is negotiating to buy a substantial minority stake in N W Ayer, said sources close to the talks.

If a deal is struck, it would instantly make Dentsu a major player in the U.S. agency business while providing Ayer with a big cash infusion.

The two agencies already work together on at least two major accounts. Ayer's Chairman-CEO Jerry Siano has previously said he'd be interested in pooling interests or in a minority sale, provided Ayer management remains in place and the agency remains privately held.

Mr. Siano couldn't be reached at press time.

Sources close to Dentsu confirmed the talks, indicating the Tokyo-based agency giant would pay cash to buy more than 40% of Ayer.

Advertising Age estimates the value of such a deal at $75 million to $100 million, based on industry formulas.

Top Ayer executives deny there's an imminent plan for Dentsu to buy a minority stake; Dentsu declined comment.

"Something like that, in the future, could very well happen, but there's nothing concrete, there are no [acquisition] overtures, there's no letter of intent or anything meaningful right now," said Thomas Maxey, Ayer vice chairman.

If both Collett Dickenson Pearce and Ayer could be added to the Dentsu fold, the communications company would have a broad scope of worldwide holdings.

Dentsu has "made various overtures" about jointly handling more client business, Mr. Maxey said.

"They've talked to us about sharing offices in New Zealand, Australia and Hong Kong" as part of a joint venture, he said.

Ayer has small offices in the region but has focused its international expansion efforts on acquisitions in Canada and Europe.

A source close to Ayer, however, said he didn't believe Ayer has ruled out a much broader financial deal with Dentsu.

"If there was any [interest], I think it's still alive," the source said.

For cash-rich Dentsu, the deal would mean the realization of a global ambition. The agency conglomerate is by far the world's largest with billings of more than $10 billion. But Dentsu is relatively weak in the U.S. and Europe, where its main presence is through its 33% stake in HDM Worldwide.

Dentsu is negotiating with Collett Dickenson Pearce, London, about a European buyout (AA, July 23), and if Ayer also could be added to the Dentsu fold, the communications company would have a broad scope of worldwide agency holdings.

Besides a one-third interest in HDM, Dentsu owns DCA Advertising, a New York agency with billings of $100 million.

Ayer, with 1989 billings of $1.4 billion, generated 61% of its income in the U.S. last

(Continued on Page 86)

Shugrue on course

Why he thinks the airline will survive

Martin R. Shugrue, 50, the trustee appointed by federal bankruptcy court to run Eastern Airlines, is about to embark on a make-or-break repositioning program to win higher-paying business travelers (see story at right). The carrier's new direction was preceded by an earlier "100 Days" ad campaign, via Ogilvy & Mather, New York, in which Mr. Shugrue appeared as corporate spokesman.

ONE ON ONE

Advertising Age's Southwestern Bureau Chief Jennifer Lawrence talked to Mr. Shugrue in Houston about Eastern advertising and the new plan, which will be officially unveiled at a news conference Sept. 11.

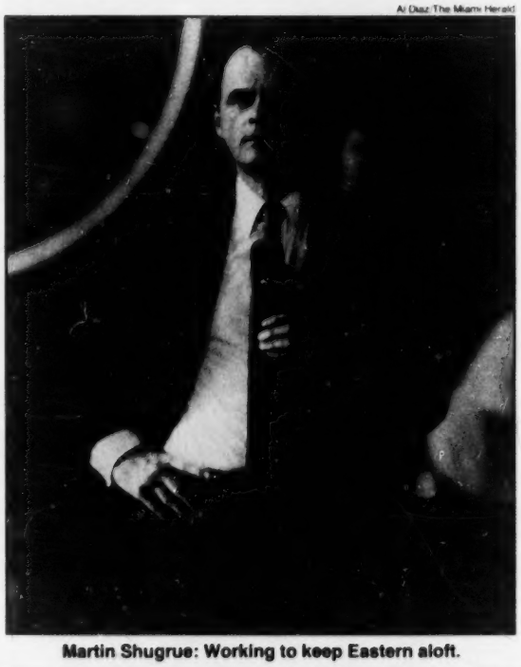
Advertising Age: *Why do you think your plan to lure business travelers this fall will work?*

Mr. Shugrue: We're going to introduce some new concepts for business fliers, who have told us that in no uncertain terms they are very, very unhappy with the quality of the nation's airline product for them. They're paying four times what everyone else pays and they sit in the center seat in the middle of an economy row.

We're going to add capacity to our airplanes in our first-class cabin to accommodate the people who are paying the business flier fares. We're going to say candidly and directly—fly on Eastern when you pay that kind of fare and you fly first class. When you fly

(Continued on Page 86)

Al Diaz/The Miami Herald



Martin Shugrue: Working to keep Eastern aloft.

Eastern sets last-ditch upgrade plan

By Jennifer Lawrence

Eastern Airlines this week unveils a repositioning that could help determine whether the carrier survives.

Under federal bankruptcy protection since March 1989, Eastern will double first-class seating capacity on all planes and offer those seats at unrestricted coach fare prices, said Martin Shugrue, the court appointed trustee who has run the airline since April. Eastern has already priced its coach fares at least 15% lower than competitors.

The move will be accompanied by an overhaul of fleet interiors and an upgrade of in-flight service, at a cost of $8 million to $10 million annually. On average, first-class seats per plane will increase to 24 from 12.

To promote the value-added first-class service, Eastern next week will begin an estimated $20 million TV and print campaign featuring Mr. Shugrue.

"This is Shugrue's acid test," said one airline-industry analyst. "If this doesn't work, Eastern fails."

Eastern's strategy to attract business travelers comes at the end of Mr. Shugrue's self-proclaimed "100 Days," the campaign in which he told consumers Eastern was working on its problems. That advertising, launched in mid-June, set the stage for this critical push to attract the higher-paying business traveler.

This new effort could mark the end of Mr. Shugrue's role as corporate pitchman, as future advertising focuses more on the product.

If successful, the upgrade program will guide the carrier

(Continued on Page 86)

Special report on radio after P. 54

What's next for World Brands P. 57

NEWS SUMMARY

■ **Dentsu** is reportedly negotiating to buy a minority stake in N W Ayer. Neither agency would confirm the report. 1

■ **Eastern Airlines** will begin an ad campaign Sept. 17 promoting value-added service that will include increased first-class seating at coach prices. 1

■ **RJR Nabisco** is said to be negotiating the sale of its 20% stake in ESPN to Hearst Corp. 3

■ **Burger King Corp.** says it will keep its "Sometimes you've gotta break the rules" theme despite criticism. 3

■ **General Motors** will emphasize flexibility in its car divisions' 1991 model-year campaigns, due to market volatility. 3

■ **Benson & Hedges DeNic** will begin test marketing next month. It is the third de-nicotinized cigarette from Philip Morris USA. 4

■ **Fat-free foods** are showing mixed results in the marketplace; dressings are doing well, yogurt not so well. 6

■ **Promotion industry** executives say an economic downturn could benefit their field at the expense of media advertising. 20

■ **Prodigy Service Co.** begins a new campaign later this month for its ad-supported videotex service. 24

■ **South Korea** is attracting more foreign ad agencies, though 60% of its estimated $2 billion annual ad volume is handled by house agencies. 25

■ **New Jersey's tax** on Yellow Page ads may spread to other states, ad clubs are being warned. 35

■ **G. Gordon Liddy**, a key figure in the 1972 Watergate break-in, is appearing in print ads for Banfi Vintners. 38

■ **Wilkinson Sword USA** will introduce a number of new products in the next six months, including a line of personal-care products. 39

■ **Nintendo of America's** new two-part ad campaign is designed to reach men as well as boys. 40

■ **Advertising spending** growth around the world is slowing down, due to economic recessions and the Middle East crisis. 81

■ **An ABC-TV study** reported that 77% of adults who vacationed away from home this summer watched TV an average of 3 hours a day. 81

■ **The AFL-CIO** will begin a $3 million "Union yes" campaign Sept. 24; the Air Line Pilots Association also hopes to launch an image effort later this year. 82

■ **Barbie dolls** dressed in Benetton fashions will be marketed in Europe and the U.S. in 1991 under an agreement between Benetton and Mattel. 83

■ **Seven-Up Co.** said it will boost media spending for Diet 7UP 47% next year. 84

■ **The TV networks** have added more "stunting" to kick off the new season, airing new shows early and outside their regular time slots. 88

DEPARTMENTS

Ad Review	88	Index to Advertisers	88
James Brady	50	Letters	48
Brady's Bunch	68	MediaWorks	65
Classifieds	78	NewsWatch	12
Con-Sid-erations	44	People Moving	68, 70
Editorials	44	PeopleWorks	72
For the Record	83	Research News	64
Forum	46		

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Future of the 'Post' depends on unions

By Scott Donaton

The *New York Post* and its unions will be locked in intense negotiations this week that will determine the struggling daily's fate.

Post President-Publisher Peter Kalikow said last week he would have to fold the tabloid unless its unions agreed to $17 million in concessions by Sept. 15.

With the No. 3 daily in the the nation's largest newspaper market on the verge of collapse, officials at the Allied Printing Trades Council, the umbrella organization for the paper's nine unions, said they would try to work with Mr. Kalikow to save the tabloid.

But the *Post's* largest union, The Newspaper Guild—which represents reporters, editors and ad salespeople—voted last week to reject the management demands, calling them "obscene and degrading."

The move was viewed by both sides as a negotiation tactic designed to force Mr. Kalikow to reduce his demands.

Analysts have been writing the *Post's* obituary for years, but the current problems combined with the soft New York ad market may finally mean the end.

"New York cannot sustain four newspapers [now], and the local economy doesn't look like it's going to get better quickly," said Andrew Marcus, a media analyst with investment banker Henry Ansbacher Inc.

Mr. Kalikow last week told the unions he would be forced to close the paper if costs were not cut by $27.4 million by Sept. 15. The concessions he wants from the unions include cuts in salary, staff and overtime.

If there's an agreement, the *Post* may have archrival *Daily News* to thank.

"We will evaluate if we can help them and will make every effort to do that because they've been a fair and decent management, unlike the group across town," said George McDonald, president of the council, which also is the umbrella group for unions at the *Daily News* and *The New York Times*.

DAILY NEWS
HOME FRE
NEW YORK POST
Hometown boy roars into Open semis . . .
MAC'S BACK!
. . . AND SO IS LT
Giants star ends holdout – signs 3-year, $5M deal
METS LOSE TWO

The *Post* could benefit from acrimony between management and unions at the *Daily News*.

The "group across town" is the management at the Tribune Co.'s *Daily News*, which has been negotiating with its unions since the beginning of the year.

The war of words heated up last week after the unions sent letters to more than 350 *Daily News* advertisers and their agencies, asking them for a boycott.

"The hard-line attitude the *Daily News* is taking with the unions is clearly helping the *Post*," Mr. Marcus said.

But Mr. Marcus and other media analysts warned the deep cuts would mean only a "temporary fix" for the *Post*.

Richard Nasti, VP-general manager at the *Post*, said in a statement last week he was optimistic the newspaper could be saved.

"We believe that given our firm relationship with our unions, we can find the temporary relief that will allow the paper to continue," he said.

But the *Post* has been practically crippled this year by cuts in advertising.

Ad linage fell 29.7% in the first half of 1990, compared with the a year earlier, Arbitron/LNA Multi-Media Service reported. The year-ago figure includes linage for the short-lived Sunday edition which folded last November after eight months.

The competition didn't fare much better. Ad linage at the *Daily News* fell 14.7%. Times Mirror Co.'s *Newsday* and *New York Newsday*, the latter of which has been trying to make inroads into the New York City market, saw their combined linage dip 11.3%. The *Times'* linage fell 12.9%.

Meanwhile, Audit Bureau of Circulations reported the *Post's* circulation was 504,000 for the six months ended March 31, down 5.8% from a year earlier. The *Daily News* reported an average daily circulation of 1.18 million down 4%.

Mr. Kalikow said last November that the *Post* had lost $80 million since he bought it from Rupert Murdoch in March 1988. Howard Rubinstein, a spokesman for Mr. Kalikow, wouldn't comment on the *Post's* losses since then but said, "The paper is bleeding; it's been hit hard financially." □

Defense ad theme shifts

By Janet Meyers

WASHINGTON—The U.S. Department of Defense is deep-sixing its "Opportunity is waiting for you" ad slogan, fearing it might scare off potential military recruits with visions of the parched Saudi Arabian desert.

A substitute theme, "Stand up. Stand out," will begin appearing in the next several weeks in magazine ads for the joint recruiting campaign that encompasses all military branches.

"With what's going on in the Middle East, we decided this message is more appropriate," said Lt. Col. Dave Fredrikson, assistant director of advertising for the joint recruiting command.

This is the first change in military ads brought about by the Middle East crisis. The Armed Forces spend about $200 million a year on advertising, $15 million to $20 million of which is spent by the joint recruiting command.

"Stand up" finished second to "Opportunity" in focus group tests when department recruiters were developing a new joint campaign a year ago.

Grey Advertising, New York, is the agency.

MIDDLE EAST CRISIS

While the print ads' graphics will remain the same, copy will shift its focus to patriotism from the educational benefits of military service.

A half-page spread will appear in the next several weeks in publications ranging from *Hot Rod* to *Parade*; TV isn't planned because of budget cutbacks.

Lt. Col. Fredrikson said the conflict hasn't affected enlistments yet.

"The recruiter on the street hasn't seen that much difference," he said. "The applicant is aware of what's going on overseas, but his reason for enlisting is still the same."

The Army plans no changes in its ads, said Lt. Col. Alex Angelle, chief of public affairs at the Army Recruiting Command. Young & Rubicam, New York, handles.

"We thought about making changes, but we decided not to," said Capt. Robert Kelly, director of recruitment advertising for the Navy, whose agency is BBDO Worldwide, New York. Changes couldn't be made soon enough on TV spots slated to break during October sporting events, he said.

The National Guard's advertising won't change, said Doug Laughlin, VP-management supervisor for Bozell, New York, which handles the account. "American at their best," the current theme "seems to fit this occasion pretty well," he said.

The Air Force, also at Bozell, will stick with its longtime "Aim high" theme.

The Marine Corps, which may produce a new spot this fall in its continuing "We're looking for a few good men" campaign, has no plans for change. J. Walter Thompson USA, Atlanta, handles. □

SPECIAL REPORT

Radio

Edited by Junu Bryan Kim

Why use radio? S-2
Agencies build up to handle queries from marketers looking for ad alternatives.

Network scramble S-6
Newcomers find niches in merger-happy world of network radio.

Early line S-10
Upfront radio selling should come in around last year's, but nets are optimistic.

Format forecasts S-16
Experts look at what's hot and what's cold among the top radio formats.

Rob Pyzanski

BAROMETER

KVIL-AM/FM in Dallas and WGN-AM in Chicago must get a lot of unsolicited resumes.

These two stations were the only ones to receive more than 100 votes in a survey conducted by James H. Duncan Jr., asking 600 radio station managers which stations they admire most.

Despite the advertising community's tendency to send radio dollars to Los Angeles—six of the top 10 billing stations are in Los Angeles—only two Los Angeles stations are among the 10 most admired by station managers.

The ability to pull in ad dollars doesn't seem to factor among station managers. For example, WRBQ-AM/-FM in Tampa, Fla., is the fifth most respected station but No. 26 in billing volume. No. 1-rated KVIL is the 15th largest billing station.

Top billing stations

($000,000)

1.	WGN-AM, Chicago	$37.4
2.	KABC-AM, Los Angeles	35.0
3.	KIIS-AM/FM, Los Angeles	31.7
4.	KOST-FM, Los Angeles	28.8
5.	KPWR-FM, Los Angeles	28.7
6.	WINS-AM, New York	25.0
7.	WLTW-FM, New York	24.0
8.	WCBS-FM, New York	23.5
9.	KRTH-AM/FM, Los Angeles	22.4
10.	KLOS-FM, New York	22.0
11.	KMOX-AM, St. Louis	21.7
12.	KNX-AM, Los Angeles	21.5
	WCCO-AM, Minneapolis	21.5
	KGO-AM, San Francisco	21.5
15.	KVIL-AM/FM, Dallas	21.0
	WJR-AM, Detroit	21.0
	WHTZ-FM, New York	21.0

Most admired stations

By number of votes a station received from station managers.

1.	KVIL-AM/FM, Dallas	114
2.	WGN-AM, Chicago	110
3.	KMOX-AM, St. Louis	94
4.	KIIS-AM/FM, Los Angeles	75
5.	WRBQ-AM/FM, Tampa, Fla.	70
6.	WCCO-AM, Minneapolis	63
7.	WHTZ-FM, New York	52
8.	KGO-AM, San Francisco	36
9.	WJR-AM, Detroit	32
10.	KABC-AM, Los Angeles	27
11.	KDKA-AM, Pittsburgh	26
	KNIX-AM/FM, Phoenix	26
13.	KIRO-AM, Seattle	24
14.	WTIC-AM/FM, Hartford	22
	WMMS-FM, Cleveland	22

Source: "Duncan's Radio Market Guide, 1990 Edition"

HOLLY SEGUINE

Radio rebuilds its ad base

While Sears and GM flee, medium more viable for others

By Wayne Walley

Item: Burger King Corp. is cooking up a strategy to use more radio advertising in its battle to dent the domination of McDonald's Corp., and could boost spending by 50%.

Item: Volkswagen of America, as a hedge against the increasing cost of TV time, has more than doubled radio spending.

Item: Xerox Corp. will move a radio-only call-in campaign nationwide, after the campaign's successful test in Phoenix.

Item: Anheuser-Busch Cos. called its summer promotion, "Budweiser Rock and Roll Summit," "the largest rock 'n' and roll radio event in Budweiser's 114-year history."

That's all welcome news to local radio stations and national radio networks, smarting from radio advertising cutbacks by such stalwarts as General Motors Corp. and Sears, Roebuck & Co.

With Burger King, Volkswagen, Anheuser-Busch and other marketers planning major radio schedules this year, the outlook in 1990 is for the industry to show the steady growth in ad revenues that characterized the medium during the last decade.

Radio Advertising Bureau estimates 1990 radio ad revenues will top $9 billion for the first time, up 7% from 1989. Last year, radio ad revenues increased 6.6% from 1988 to $8.4 billion.

And many industry watchers believe radio is poised for massive growth in the '90s, with sales of $22 billion predicted by the year 2000. This averages out to a 9% annual increase.

"Radio more than other media has the flexibility, the marketability, the promotability and the price to fit advertisers' needs as a primary or secondary medium," says Tony Miraglia, VP-general manager, CBS Radio Representatives, New York.

Louis Severine, senior VP-director of sales for ABC Radio Networks, says radio has consistently increased revenues every year since the early 1950s.

Although ABC lost GM for the first half of 1990, Mr. Severine says VW, Audi of America, Marriott Corp., B.F. Goodrich, TGI Friday's, USA Network, Whirlpool Corp., NutraSweet Co., Noxell Corp., H.J. Heinz USA and FTD/Florists' Transworld

(Continued on Page S-2)

Why radio? Shops gird for queries

As marketers look for ad alternatives, agencies build some savvy responses

By Laura Loro

Ad agencies, struggling to justify incessantly increasing TV prices to cost-conscious clients, are giving another listen to the thriftier alternative of radio.

"People are examining radio more [now] than in the past five or six years," says Sam Michaelson, VP-radio, Saatchi & Saatchi Advertising, New York, who founded the agency's radio department in 1976.

Clients are asking questions about radio, she says. "Those questions will turn into dollars."

For example, Florida Citrus Commission, a Saatchi client, used radio to promote grapefruit juice in 35 markets last year. Because of the campaign's success, a similar radio effort will run in October for orange juice in about 25 markets, says Eugene Richmond, director of advertising and promotion.

As a result, Mr. Richmond says the commission will spend $2 million this year on radio—double last year's amount.

Similar increases elsewhere coincide with an improved perception agencies have of radio, leading them to direct dollars earmarked for other media into radio.

"Budgets get tighter, and people look at alternatives," says Denise Beaudoin, broadcast manager at CPM Inc., a media-buying service in Chicago. "Radio is one of those options."

According to Ms. Beaudoin, the Wags chain of Marriott Corp., a CPM client, boosted its portion of dollars allocated to radio from 15% last year to 60% this year. As a result, the TV portion of the budget shrank from 85% to 40%.

> **"Radio is expensive for an agency to buy. If you change the commission structure and the vendor does more work, the incentive to use radio is much greater."**

CPM also encouraged Quintessence Inc. to enter the radio world this year. The cosmetics company spent an estimated $300,000 in 10 markets to promote its Nouvage nail polish for six weeks.

"We did buy radio on an upfront basis and realized some nice savings," Ms. Beaudoin says.

In addition to satisfying budget-conscious clients, agencies are being encouraged to investigate radio through changes in agency compensation systems and incentive plans based on clients meeting established sales goals.

Many agencies have avoided radio simply because the compensation realized from radio buys under the traditional commission system didn't justify incurring the expenses in evaluating the radio options and placing a buy.

"Radio, despite a low price, is expensive for an agency to buy," says Ralph Guild, chairman of Interep Radio Store. "The commission fee the agency gets vs. the time to execute the buy meant an agency could lose money," he says. "If you change the commission structure and the vendor does more of the work, the incentive to use radio is much greater."

Although agencies see radio in a better light, they realize that their creative output must improve to maintain their clients' interest in the medium.

Observers say good radio spots often are tougher to create than TV, and agencies prefer the more glamorous world of TV.

"Radio is often written by junior copywriters. Senior copywriters and creative directors generally are doing TV and great print," says Harley Flaum, president, Radio Band of America, New York, which creates radio advertising for such clients as Xerox Corp., McDonald's Corp., Sony Corp. of America, and agencies such as W.B. Doner & Co. and Zechman & Associates, both Chicago.

"There is a built-in prejudice in the agency system against good radio creative," he says.

This lack of outstanding creative output stems from a misunderstanding of the medium, says Charlie Breen, exec VP and co-creative director at Backer Spielvogel Bates, New York.

"They think radio ads should consist of a song or should have an announcer," he says. "People think radio is an information medium when it is really an image medium as well."

Another area where agencies go wrong is by trying to put a TV idea on radio—a concept that doesn't play. Advertising needs to be done just for radio, says Hunter Murtaugh, senior VP-music director, Young & Rubicam, New York.

"What makes a good radio spot is the in-

(Continued on Page S-4)

Rebuilding the ad base

(Continued from Page S-1)

Delivery Association are in for the first half or full year as new or returning advertisers after at least a year's absence.

Gary Langstaff, exec VP-marketing for Burger King, says the fast-food chain's radio spending in 1990 could increase by as much as 50% to an estimated $36 million. This would represent about 18% of the company's total ad spending.

"There is an option now with radio," Mr. Langstaff said at the Radio Advertising Bureau's workshop this summer. "Segmentation is the marketing of the future, and radio excels in targeting specific consumer segments."

The fast-food chain used a series of radio programs tied to the Fourth of July and Labor Day holiday weekends.

William Gelgota, director of marketing for Volkswagen of America, says the high cost of TV time forced the company to seek other media for its message.

"We used radio sparingly in the third quarter last year, [but] this time we're in all year long," Mr. Gelgota says. "We didn't just double radio spending, but increased it in multiples."

Volkswagen's agency, DDB Needham Worldwide, Detroit, is using a "personal media network" philosophy and suggested radio to add frequency to the automaker's "*fahrvergnugen*" campaign.

"It's worked well," Mr. Gelgota says. "The creative and the frequency of impressions has even prompted the dealer organization, always strong for TV, to shift some weight to radio, too."

The decision last year to establish a separate creative unit for radio by Backer Spielvogel Bates, New York, also underscores what seems to be a new emphasis on radio in the ad community. The agency doubled its radio ad production spending in 1989 and expects to double it again this year.

"Advertisers are not letting agencies ignore radio anymore," says Ralph Guild, chairman of Interep Radio Store.

Mr. Guild says his sales rep company alone could do up to $550 million in business this year, thanks to the addition of new advertisers, including Black & Decker and Walt Disney Co.'s Buena Vista Pictures Marketing, and new business from several New York agencies, including BBDO Worldwide, Foote, Cone & Belding, Lois/GGK and Wells, Rich, Greene.

"Radio has emerged as a medium of interest again to clients," says J. Walter Reed, senior VP-corporate director of spot broadcast for FCB. "Colgate is looking at radio when historically they haven't."

Radio also is expected to play a key role this year in Bertolli's testing of a new olive oil spray and in Miller Brewing Co.'s regional Leinenkugel beer.

Nutri/System Inc., which has enlisted radio personalities across the country in its marketing campaign, will continue to set aside at least 50% of its ad budget for radio. "We make this commitment to radio for one reason only: it works," says James Millard, VP-communications for Nutri/System.

Xerox, as another example, recently completed a radio-only campaign as a test in Phoenix, handled by Backer Spielvogel Bates, New York. Of all the people who called in because of the spot, 25% bought the product, the agency says, adding Xerox plans to expand the campaign nationwide.

Results like this have led Xerox Office Products dealers to increase radio spending from 15% of their total ad expenditures in 1987 to 20% today, while reducing newspaper spending, says Charlie Blackmon, manager-advertising and sales promotion.

But some previous radio stalwarts are taking a leave of absence from the medium.

General Motors will not be using radio to introduce its upcoming Saturn automobile line. It's also bypassed radio for print and TV in the initial phase of a campaign designed to extol GM's improved quality.

And Sears has decided to try other media. Although the company directs a sizable amount of its advertising budget to network radio—it was the largest network radio advertiser in this year's first quarter—it has directed more of its budget into network and cable TV, says Tom Morris, VP-marketing for the Sears Merchandise Group.

"Overall, we're not spending less on advertising; we're just changing our mix of media," Mr. Morris says.

Whether these advertisers will return remains to be seen.

But as Mr. Severine notes, there is growth despite the 25% attrition rate among advertisers in the medium.

Warren Potash, president of the Radio Advertising Bureau, says many advertisers are starting to recognize radio's ability to target audiences, and agencies are being given more incentive to use the medium.

"In TV, they sell target audiences of 18 to 49 or 25 to 54. That's not a demographic, that's a family reunion," Mr. Potash says.

"Advertisers are realizing the efficient way to reach a smaller target is on radio."

"One of the terrific things about radio is it can be highly targeted in terms of stations' formats and in terms of programs," says Mr. Blackmon.

"[Radio] is really a delivery system. We are buying listeners in the most targeted, cost-efficient manner we can," says Ben Bishop, senior VP-management, D'Arcy Masius Benton & Bowles, Chicago. □

Radio's top 5 national advertisers for 1989
Advertiser | Total radio spending | % change
Sears, Roebuck & Co. | $107.0 million | 15.0%
General Motors Corp. | $74.8 million | (4.7)
Chrysler Corp. | $53.6 million | 75.0
Anheuser-Busch Cos. | $49.8 million | 3.5
Philip Morris Cos. (Kraft/GF, Miller) | $47.3 million | 8.5
Radio advertising revenues (billions)
$9
8
7
1985
'86
'87
'88
'89
'90*

Contributing to this story were Scott Hume and Kate Fitzgerald in Chicago and Philadelphia correspondent Laura Loro.

Radio reps take the initiative

One-stop shopping booms

By Laura Loro

Agencies can hardly be faulted for forgoing radio when it comes down to a cost-benefit analysis. It boils down to a clear-cut case of economics.

Up to 60¢ of every $1 in commission paid to an agency for radio spots goes to cover costs incurred in placing those spots. In comparison, labor costs realized in placing TV spots eat up only 10¢ of every $1 in commission, says Ralph Guild, chairman, Interep Radio Store.

To bring these costs more in line and encourage advertisers and agencies to consider radio, radio rep companies are doing more of the labor themselves.

"Reps have more resources now to do one-stop shopping," says Jim Carnegie, editor and publisher of the newsletter *Radio Business Report*.

With one-stop shopping, an agency can maintain contact with one individual at a rep company who helps the agency coordinate research; determine how much radio to use and what stations to buy; and place buys, even on stations the representative does not rep.

Mr. Guild believes one-stop shopping could make buying radio as profitable for agencies as network TV.

At Interep, which owns six national radio rep companies, reps have gone beyond the traditional route of calling on media buyers and now are dealing more with the planners and account execs, Mr. Guild says.

"The fact is print has been doing this for 50 years," Mr. Guild says.

By providing one-stop services, rep company employees can get into the agency before buyers know about potential deals, Mr. Guild says.

Katz Radio Group has expanded its business and marketing efforts, according to President Ken Swetz. Katz is comprised of six national rep companies, including recently acquired Eastman Radio. Combined annual revenue should top $600 million.

New-business pitches likely will tout the entire radio rep group, rather than a single rep. "We can deliver the total marketplace rather than individual stations," Mr. Swetz says.

"In the past, agency radio buyers would contact stations through their individual reps one at a time and negotiate a schedule. Now you can negotiate with one person" for all stations, says Ken Sacharin, associate media director, Young & Rubicam, San Francisco.

But other agency media executives disagree on whether rep companies are expediting the radio buy.

"Katz may own six rep firms, but you still have an individual from each rep firm. You still have to call six places," says Pat Cuda, senior VP-broadcast director, Ross Roy Inc., Bloomfield Hills, Mich. "It is still as dispersed as it was."

One radio buyer says it is essen-

(Continued on Page S-12)

Doug Goodman

Dance aficionado Ralph Guild, chairman of Interep Radio Store, has learned a few things about tap dancing around the relatively high cost of radio spot placement.

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Source: RADAR 41. Network Audiences to All Commercials. Audience share comparisons based on Monday - Saturday 6am-7pm. ABC Radio Network Research Analysis.

Shop queries

(Continued from Page S-2)

teresting use of sound perspective —dialogue, colloquial speech— not just an announcer, and actors rather than announcers," Mr. Murtaugh says.

Along with Saatchi & Saatchi and Young & Rubicam, Backer Spielvogel Bates has spun off a separate radio division. It formed a Radio Task Force in May 1989 to underscore the agency's commitment to radio. BSB's $131.6 million in radio billings placed it third among agencies in radio spending last year.

"It made a point to everyone that when a radio assignment comes along, it is important," says Chris Grabenstein, VP-senior copywriter for BSB. □

Radio is often written by junior copywriters. Senior copywriters and creative directors do TV and great print."

Philadelphia correspondent Laura Loro is a frequent contributor to Special Report. Wayne Walley in New York also contributed to this story.

Consolidation intensifies net fight

By Laura Loro

For advertisers in network radio, it's a case of the saying, "The more things change, the more they stay the same."

The recent wave of consolidations among networks has left four major players to fight each other and a surprising number of newcomers for ad dollars.

But advertisers see little change in doing business with these leaner networks, and total ad revenues are expected to continue growing at about the same pace.

Network radio accounted for $427 million of last year's $8.5 billion in total radio advertising revenue, and a 7% increase is expected this year, according to the Radio Network Association.

Radio network ad revenues totaled $202.7 million in the first half of 1990, up 2.6% for the same '89 period.

Sam Michaelson, VP-radio, Saatchi & Saatchi Advertising, New York, says audience duplication is a concern. But in general, she's pleased with the changes.

Dealing with fewer remaining players—at one time there were 20 radio networks—makes it easier for agencies to negotiate and buy spots, Ms. Michaelson says. Plus, she adds, "the product is still excellent."

Kathy Segal, VP-director of media planning for BBDO, Chicago, describes the post-consolidation state of radio as "business as usual."

Ben Bishop, senior VP-management supervisor, D'Arcy Masius Benton & Bowles, Chicago, has had no problems with the network reconfigurations. He notes, however, that the networks will have to keep their listeners for this repackaging to succeed.

Consolidation of networks has created consolidation in programming formats, says Jim Carnegie, editor and publisher of *Radio Business Report*, an industry newsletter. "We're seeing most of the networks dropping youth programs and repackaging them for the 25-to-54 demo. There is no money in youth programs."

Supporting Mr. Carnegie's claim are recent actions by CBS Radio Networks and Westwood One, parent company of NBC Radio Networks and Mutual Broadcasting System.

CBS combined its CBS RadioRadio and part of the CBS Radio Network to form CBS Spectrum Radio, aimed at the same age group.

"Ad budgets targeting 18-to-34 [-year-olds] were significantly decreased, so it made sense" to create CBS Spectrum, says Robert Kipperman, VP-general manager, CBS Radio Networks.

Aside from mentioning an increase in business-to-business advertising on Spectrum, a network spokesman refused to discuss advertisers gained or lost.

Westwood One merged several non-rated programs into WONE, a RADAR-rated network pitched at 25-to-54-year-olds. Although WONE's programming has attracted listeners, no new advertisers so far have signed up solely because of WONE, says William Battison, president and chief financial officer of Westwood One.

Nicholas Verbitsky, president of Unistar Radio Networks, says the formation of his network, the result of last spring's merger between United Stations Radio Networks and Transtar Radio Networks, "gives us a more diversified product line to sell to advertisers."

In addition to enhancing their chances of survival—"smaller networks merged to put cost structures together and to increase their revenues and margins," says Mr. Battison—consolidations allow the players to sell higher-rated networks at a higher price.

"Networks sell on ratings. Bigger affiliates and better ratings mean more dollars," Mr. Carnegie says.

Ad rates didn't change with the consolidations at ABC Radio Networks. But CBS increased rates an unspecified amount when its Spectrum Radio network debuted in January. Rates went up partly due to increased audience and partly due to less inventory, Mr. Kipperman says.

ABC, which according to RADAR draws 55% of network listeners, reduced the number of its networks from seven to five to be more competitive with TV audience figures.

"A 4 rating on Prime network in AM drive—that's more than 'Good Morning America,'" says Louis Severine, senior VP-director of sales, ABC Radio Networks.

But as the networks consolidate, they will have to fend off smaller players that may capitalize on holes in programming.

For example, Public Interest Affiliates wrested away the National Basketball Association radio contract from ABC last March.

Initially the NBA was concerned about joining forces with a

Retuning the network lineups

Consolidations among networks since last winter

Network	Action
Westwood One	• Formed WONE, a package of non-rated programming in a rated network targeting 25-to-54-year-olds. • Killed six unprofitable programs. • Will repackage its networks into four ad offerings based on programming and dayparts, effective Jan. 1, 1991. Move follows similar changes at ABC, Unistar and CBS.
CBS	• Created Spectrum Radio, geared to 25-to-54-year-olds.
ABC	• Consolidated its seven youth-oriented programming arms into five. • Terminated TalkRadio network, affecting more than 100 affiliates.
Unistar	• Spun off three programming arms after being formed from this year's merger of the United Stations Radio Networks and Transtar Radio Networks.

Source: Network reports
Advertising Age Graphic: John Helland

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relatively obscure network. But marketing ideas, such as naming the network NBA Radio Network, sealed the deal, says PIA President Brad Saul.

"There will always be room for a little entrepreneur with good programming," says Mr. Battison, who cited other players such as EFM Media and Preview Radio Network. "They are not selling tonnage, they are selling talent and a limited number of advertisers."

Other specialized networks are trying to sell specialized audiences, but they could face an uphill battle.

Imagination Stations, a children's network, was launched on March 31 with an Orlando affiliate. It went national in mid-August with 24-hour programming and had signed on five affiliates at presstime.

But another national children's network, Kidwaves Radio Network, has pushed its debut back from April to October. The format, targeting 2-to-11-year-old listeners, has only one affiliate to date and is trying to sell national advertisers without ratings, which only measure listeners ages 12 and older.

Another niche player, The Nashville Network Radio, a joint venture between Group W and Opryland USA that started in December 1988, ceased its 24-hour live operation in June because it didn't enlist enough affiliates. However, TNNR still offers programs as a syndicator.

One way the larger consolidated networks have kept the smaller players from stealing business from the fringes is to buy them. In June, for example, Unistar bought a 50% stake in the Financial News Network.

These mergers help to increase a network's ad revenues without needing affiliates to clear time for additional network programs.

Radio stations lately have balked at clearing slots for network programs because they can make up to 10 times more on local spot ads than on network placements.

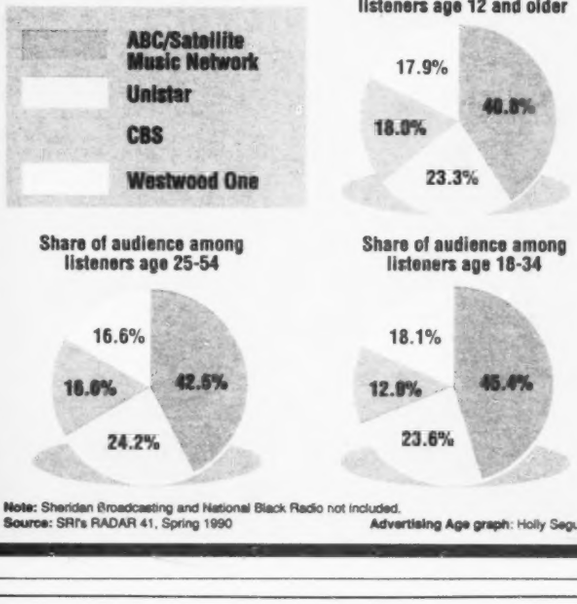
Mr. Carnegie, however, thinks the networks will stay quiet for a year. "They have too much on their plate right now," he comments.

"But how much the greed factor goes into it . . . well, greed and fear can be motivating factors." □

Laura Loro is an Advertising Age *correspondent based in Philadelphia.*

Share leadership easy as ABC

Network audience share (6 a.m.-7 p.m., Monday-Saturday, common daypart).



Note: Sheridan Broadcasting and National Black Radio not included.
Source: SRI's RADAR 41, Spring 1990 **Advertising Age graph:** Holly Seguine

Sears–where network radio shops

Top network radio advertisers ($000,000) first quarter 1990, and % change from first quarter 1989

1	Sears, Roebuck & Co.	$ 14.75	0.5%
2	Volkswagen AG	9.80	*
3	Campbell Soup Co.	6.18	50.4
4	Procter & Gamble Co.	5.40	-22.3
5	AT&T Co.	5.05	90.9
6	City Investing Corp.	5.00	-4.0
7	General Motors Corp.	4.69	-44.8
8	Bayer AG	4.64	111.3
9	Chrysler Corp.	4.61	23.8
10	Hershey Foods Corp.	4.20	17.9
11	Warner-Lambert Co.	3.82	25.6
12	U.S. Government	3.81	-22.3
13	Marriott Corp.	3.34	*
14	Philip Morris Cos.	3.16	153.0
15	Cotter & Co.	2.50	-21.0
16	Martin Himmel Health Foundation	2.39	1,523.1
17	Dow Jones & Co.	2.32	39.6
18	Loews Corp.	2.29	*
	Kinder-Care Learning Centers	2.29	*
20	Kao Corp.	2.26	85.6
21	Tandy Corp.	1.96	-2.4
22	K mart Corp.	1.78	-18.7
23	State Farm Mutual Auto Insurance Co.	1.75	14.6
24	Whitman Corp.	1.70	158.7
25	Goodyear Tire & Rubber Co.	1.65	-5.0
26	Electric Information Council	1.53	70.9
27	Michelin Group	1.49	*
	Teledisc USA	1.49	40.3
	H.J. Heinz Co.	1.49	715.5
30	Rubbermaid Inc.	1.47	133.4
31	Best Western International	1.38	102.8
32	Wm. Wrigley Jr. Co.	1.35	62.5
33	TW Services Inc.	1.29	61.2
34	Westwood One Inc.	1.21	*
35	Time Warner Inc.	1.20	26.3**

* Company did not buy network radio spots in first quarter 1989. **Change computed from combined spending of Warner Communications and Time Inc. in first quarter 1989.
Source: LNA/Arbitron Multi-Media Services

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Spectrum, Paul Harvey in catbird seat

By Wayne Walley

CBS Radio's Spectrum network remained the country's most popular radio network, according to RADAR 41, the latest biannual network radio ratings survey. Spectrum's audience, averaging almost 2.8 million listeners ages 12 and older, rose 5% from the winter survey.

Spectrum topped Unistar's Super network with 2.3 million listeners, and ABC Radio's Information network's 2.2 million listeners, according to the research compiled by Statistical Research.

The network rankings, however, could change within the next few weeks as both ABC Radio Networks and Westwood One Cos. will issue updated reports based on the realignment of their respective networks for ad sales for the 1991 broadcast year.

Both companies recently followed CBS and Unistar and restructured networks in an attempt to increase audience size and make network radio easier to buy. *(See story on Page S-6.)*

While ABC specifically consolidated its seven networks into five, Westwood One is waiting for special SRI tabulations before detailing its network realignment.

In the meantime, Westwood One's networks showed marked improvement in RADAR 41, helping quell rumors the company is shopping its Mutual Broadcasting System and NBC Radio Network.

"The rumors are completely unfounded," says William Battison, president-chief financial officer of Westwood One.

"They are not for sale. We just had one of the best RADAR reports we've had," he says.

Mutual ranked seventh among radio networks with an average quarter-hour audience of almost 1.7 million, an 11.7% increase over the previous survey.

Westwood One wasn't the only company with good news from the latest survey. Of the 17 networks rated in RADAR 41, 11 showed increased audiences.

ABC's FM network, targeting an audience ages 12 to 34, showed the biggest percentage gain, growing 18.2% to almost 1.2 million listeners.

Paul Harvey certainly had a good day. His 8:30 a.m. weekday news show for ABC Radio Networks remained the most-listened-to network radio show with an average audience of 5.6 million. Mr. Harvey's four other radio programs ranked second through fifth.

The biggest loser in the report was Sheridan Broadcasting Network. Its average audience of 411,000 reflected a 19.7% drop in average listenership. □

Laura Loro in Philadelphia contributed to this story.

"Good day"

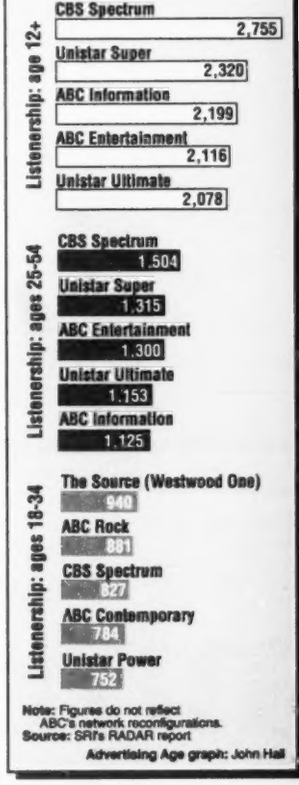
Top rated network radio programs among listeners age 12 and older (000's).

1.	Paul Harvey (8:30 a.m., Mon.-Fri.)	5,605
2.	Paul Harvey (12:06 p.m.)	4,199
3.	Paul Harvey (8:30 a.m., Sat.)	3,448
4.	Paul Harvey (11:10 a.m.)	3,284
5.	Paul Harvey (3:06 p.m.)	2,828
6.	CBS News on Hour (6:00 a.m.)	2,211
7.	CBS Osgood File (7:25 a.m.)	2,188
8.	CBS News on Hour (7:00 a.m.)	2,181
9.	ABC Information News (6:00 a.m.)	2,079
10.	CBS Osgood File (6:25 a.m.)	2,015

Source: SRI's RADAR Report Advertising Age Graphic: John Heiland

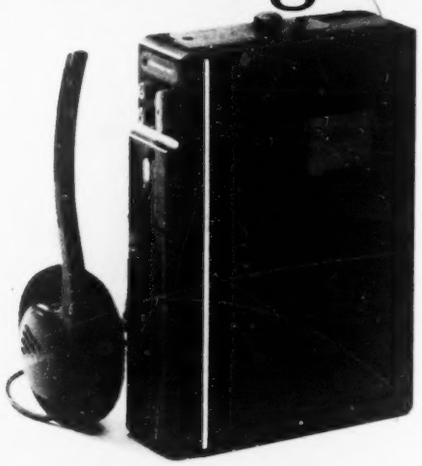
Listen up, everybody

Radio networks with the greatest listenerships (shown in thousands; average quarter-hour audience, 6 a.m.-7 p.m., Monday through Saturday).



Note: Figures do not reflect ABC's network reconfigurations.
Source: SRI's RADAR report
Advertising Age graph: John Hall

Introducing Radio...



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BILL TRAGOS, Chairman, Chief Executive Officer, TBWA Advertising, New York

"Terrific! It should be required reading for ad managers, marketing managers, agency account people, media buyers and radio sales reps."
LEN GROSS, Editor and Publisher, AD/PR Agency Report

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Advertising & Marketing.
You Can Never Know Enough.

Upfront sales seen static; nets upbeat

By Wayne Walley

With Labor Day rest and relaxation behind them, radio network executives are getting worked up for the crucial upfront buying season.

The radio upfront season doesn't compare with the fast-paced, short-term feeding frenzy—replete with 3 a.m. sales calls—common to network TV's $4 billion-plus upfront marketplace. But for those in radio, a strong 1991 upfront season could verify the opinion that advertisers are looking at the medium with more interest.

This season's take is expected to total between $175 million and $200 million, roughly the same as last year. The upfront season will account for about 40% of the $457 million expected to be placed in network radio next year, according to Radio Advertising Bureau.

Although the upfront season is predicted to duplicate last year's sales total, most sellers are optimistic about the 1991 season.

"We expect a good upfront," says William Battison, president-chief financial officer for Westwood One. "The idea of an economic recession bodes well for cost-efficient media. Planners and media buyers tend to increase the percentage of spending to network radio because they can get more gross impressions."

A good upfront season also would rescue network radio from what Louis Severine, senior VP-director of sales, ABC Radio Networks, describes as a "horrendous" first half of 1990.

An influx of spending by foreign car companies such as Subaru of America, Audi of America and Volkswagen of America have helped sales in the second half, he says, adding these companies could be big upfront players later this month.

Buyers also foresee heightened interest in the upfront market.

"This is the tightest the third-quarter scatter has been for network radio in eight or nine years," says Liz Russo, VP-radio, Backer Spielvogel Bates, New York.

Unlike TV, a strong preceding scatter market does not necessarily signal a strong upfront. Regardless, those in radio expect network radio spending for 1991 to increase 5% to 10% over 1990's projected $427 million.

So far Procter & Gamble Co. and Campbell Soup Co. have made upfront deals with ABC, though Mr. Severine declined to discuss specifics.

He says about five accounts were involved in the upfront in the late 1970s, but now almost all network radio buyers want in early.

"The essence is to get more than you paid for with a guaranteed audience," says Sam Michaelson, VP-radio, Saatchi & Saatchi Advertising, New York.

"You get the same benefits in radio as with TV's upfront: more inventory is available and pricing is lower," Ms. Russo says.

While TV sells as much as 70% to 80% of its commercial inventory in the upfront market, radio networks usually limit sales to less than 50%, according to industry sources.

"The question becomes how much [advertising] do you take on at excellent rates and how much do you pass up, [gambling that demand will remain strong for the following scatter market]," says Dick Siligpini, VP-sales at CBS Radio Networks.

Many wonder what will be the ultimate effect of the radio network industry's consolidation on the upfront market.

ABC Radio Networks, CBS Radio Networks, Unistar and Westwood One, the four major network operations, have all reconfigured networks to create entities with bigger ratings and less inventory.

"If you want to tailor a package and have exclusivity, this year you have to do it earlier," Ms. Russo says. "The only downfall of buying in advance is stations can change formats overnight and change the audience."

Unit rates for the 1991 broadcast year are expected to double, but sellers are quick to point out that buyers will get the same efficiencies because ratings for the new networks also will double.

"What's the difference if the ratings you get are doubled?" asks a network official.

The consolidation of networks for sales purposes also creates another issue: duplication. One network source predicts, "This will be the issue of the upfront."

While some buyers and sellers believe duplication could cause problems, Mr. Battison says it merely gives advertisers more frequency.

"[Network reconfigurations] are a win-win situation," says Ms. Michaelson. "To go from a 0.7 rating to a 1.2 helps give the market a defining edge, and it's a positive thing for clients. Duplicity is the buyer's problem."

"Network radio is buying tonnage and getting a certain audience," says Bart McHugh, senior VP-director of radio and TV programming, DDB Needham Worldwide, New York. "And because of the restructuring you have to pay much closer attention to where you double up." □

Shifting season

Sam Michaelson wants to be upfront: There's no real upfront radio buying season, she says.

The VP-radio at Saatchi & Saatchi Advertising, New York, says she doesn't participate in what is considered the upfront market because her clients buy radio according to their fiscal year. But she does buy radio time in advance for advertisers according to each of their fiscal years.

Others admit the radio upfront season isn't compressed into a specific two- or three-week time period like its television counterpart, but insist it does exist.

Louis Severine, senior VP-director of sales, ABC Radio Networks, says some clients such as Procter & Gamble Co. and Campbell Soup Co. made upfront deals as early as June this year, signaling the start of the selling season. But, he says, most advertisers wait until after Labor Day, and the buying season peaks in November.

Mr. Severine says advertisers buy according to one of several 12-month plans: broadcast year [starting in September], fiscal year [starting in July] or calendar year.

"There's usually a mad rush after Thanksgiving through the end of the year, but the upfront selling season is a long period of time and stretches into January for some clients," he says.

—*Wayne Walley*

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Unlike some radio stations that seem hopelessly entrenched in the past, we've always prided ourselves as being rather forward thinking.

It's always been our belief that radio should be spontaneous. Irreverent. It shouldn't be afraid to take chances.

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LOOP FM 98 WLUP AM 1000

Source: Scarborough Strata Profile Report, Chicago Metro 1990 Income $25M+ college education

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Walt Disney World Marketing, Orlando, FL.

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SPEAKING WITH AUTHORITY

Details, details; buyers sound off

By Laura Loro

Advocates of radio advertising want to clear the air among media buyers and planners. The long-standing perception that radio is a difficult, time-consuming medium to plan and purchase is just not true, say those representing radio's interests.

"The fact is that radio has never been easier to buy, due to computerization and consolidation of both reps and networks," says Laurence Norjean, senior VP-sales and marketing of the Radio Advertising Bureau.

"In the past if [agencies] wanted to do a special promotion in more than 20 markets, they had to do it on a market-by-market basis," he says. "Now the reps do it. It's centralized buying, centralized promotion and centralized merchandising."

The manpower and hours required for agencies to put their advertisers on the radio are much less as a result, Mr. Norjean says.

"There are fewer people to negotiate with, and because of the tonnage, they can do better deals," he says, adding that reps also will handle all the paperwork for agencies.

Advertising Age contacted some media directors to see if they are buying what Mr. Norjean and his counterparts are selling.

Dave Capano, senior VP-director of media, BBDO, Atlanta

"From the physical standpoint of gathering information and having it available, yes, it is true.

"It makes the number-crunching easier. The ability to get instantaneous information is an asset.

"But the actual implementation and execution of the buy is as complicated or more complicated than in the past.

"Information is available now so you can trend the information more easily. You can look at more factors to influence your buy. So the actual art of negotiation and execution of the buy is harder than in the past.

"Radio is very labor-intensive. For [BBDO client Delta Air Lines] we do an awful lot of evaluation on a market-by-market basis. We write each market separately —and the historical background of the market. We go into a lot of detail."

Pat Cuda, senior VP-broadcast director, Ross Roy Inc., Bloomfield Hills, Mich.

"Computerization makes the job of buying radio easier. It is not as manual as it used to be.

"We have the capability to instantly get rankings and audience segmentation. You can pull whatever you want right from the screen. And you can trend from [previous ratings] books.

"With the new wave of network radio [consolidations], it doesn't take as many spots. They've combined [their networks] to give you a better number in terms of audience delivery. It takes using, say, five networks rather than seven or eight to get the same reach.

"But I have said to the radio representative world that they are their own worst enemy.

"They are relentless in telling me 'I am the best.' The driving force behind the sales world is commission. This is tunnel vision.

"I say, take a deep breath, step back and really analyze the best buy for the client. Be client-driven for once."

Ken Sacharin, associate media director, Young & Rubicam, San Francisco

"I would concur with [Mr. Norjean's statement].

"We've seen a greater and greater use of unwired radio network buys. It takes out a lot of administrative hassle.

"We work out what stations are appropriate for our client. [The rep] helps us out with the legwork and merchandising requirements. They do the notification of stations and all the administrative work that goes along with a buy."

Jill Ditton, VP-associate media director, Tucker Wayne/Luckie & Co., Atlanta

"Physically it is easier to orde —one phone call, one tape, on invoice. But it doesn't make an difference to me in planning it.

"Planning radio is a difficul process on the accounts I wor on [American Cyanamid pesti cides]. We still have to do it on county-by-county basis."

"[Unwired networks] are prob ably good if you've got a lot c orders to give—it's one phone cal

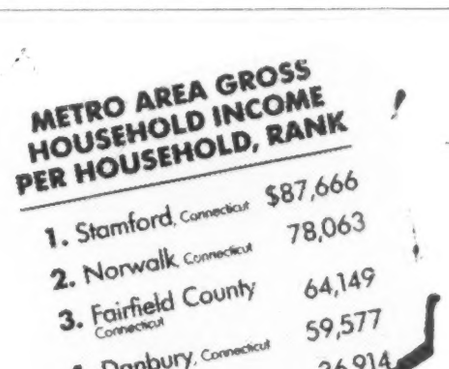
"But on the other hand, yo have someone who might no know the market as well as some one who works [in the market] al the time."

Lori Farmer, associate media director, Colle & McVoy, Minneapolis

"Radio has become less time intensive over the last 10 years.

"But computers have bee around for a while, and over th last three years, there hasn't bee a big change.

"Computers help a lot in term of being able to access informa tion—different demos, differen time periods, reach and frequenc numbers for a variety of sched ules. It saves time as well as pro vides more information than i the past." □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2. Norwalk, Connecticut 78,063
3. Fairfield County, Connecticut 64,149
4. Danbury, Connecticut 59,577
93. New York 36,914
Consumer Market Data SRDS, July 1990

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wicc 60 webe 108 FM

*Fairfield County Arbitron, Spring 1990, (18+ Mon-Sun 6am-Mid)

Place one more for my radio sweetheart

1989 top radio billings by agency ($000,000) and percentage change from 1988

Rank	Agency, location	'89 billings	'88 billings	% change
1	BBDO Worldwide, New York	138.4	127.5	8.6
2	DDB Needham Worldwide, New York	132.3	92.4	43.1
3	Backer Spielvogel Bates Worldwide, New York	131.6	123.6	6.5
4	D'Arcy Masius Benton & Bowles, New York	101.5	76.4	32.8
5	Bozell Inc., New York	96.0	72.3	32.8
6	Ogilvy & Mather Worldwide, New York	95.6	96.0	–0.4
7	McCann-Erickson Worldwide, New York	93.2	89.5	4.1
8	Foote, Cone & Belding Communications, Chicago	93.1	87.0	7.0
9	Saatchi & Saatchi Advertising Worldwide, New York	90.2	102.9	–12.3
10	Young & Rubicam, New York	78.6	82.6	–4.8
11	J. Walter Thompson Co., New York	77.2	71.8	–7.5
12	Wells, Rich, Greene, New York	73.0	61.0	19.7
13	Ketchum Communications, Pittsburgh	65.0	41.1	58.1
14	Grey Advertising, New York	62.2	61.3	1.5
15	NW Ayer Inc., New York	53.4	47.1	13.4
16	Lintas:Worldwide, New York	52.6	55.0	–4.5
17	Chiat/Day/Mojo, Venice, Calif.	47.1	36.2	30.1
18	Della Femina, McNamee EWDB, New York	35.3	35.9	–1.6
19	Ross Roy Inc., Bloomfield Hills, Mich.	31.8	27.4	16.2
20	Leo Burnett Co., Chicago	29.4	24.7	18.9
21	W.B. Doner & Co., Southfield, Mich.	29.0	29.7	–2.4
22	Admarketing Inc., Los Angeles	26.7	23.1	15.6
23	Davis, Ball & Colombatto Advertising, Los Angeles	25.4	19.1	33.4
24	Laurence, Charles, Free & Lawson, New York	22.2	18.5	17.8
25	Earle Palmer Brown Cos., Bethesda, Md.	22.0	18.5	18.9

Source: *Advertising Age* 1990 agency income report — Advertising Age graphic: John Hall

"Not all good creative people do good radio. That takes a special talent, and Catspaw has a wealth of it. They have done brilliant work for us."

—Ron Scharbo, CEO
Scharbo & Company, Atlanta, GA.

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Radio reps

(Continued from Page S-4)

tial that the companies operatin under the megarep umbrella con tinue to rep their own stations sep arately, or agencies may protest "Can you imagine [one rep] sell ing seven stations in one market Where is their loyalty?" says San Michaelson, VP-radio, Saatchi & Saatchi Advertising, New York.

Mr. Guild says the rep increas ingly will be a partner with th agency, however, assisting i creating campaigns and promo tional programs.

"Advertisers are looking for re sults. They are not just lookin for a series of audience deliver numbers or GRPs. If you go i with an idea and they buy you idea, they buy your medium," h says.

Buena Vista Pictures Market ing, the media marketing divisio of Walt Disney Co., had not in tended to use radio to promot its film "Dead Poets Society." Bu after working with Interep, Buen Vista decided to lead with radi in its national campaign for th movie.

The studio used a similar oper ing strategy for "Pretty Woman. Radio spots for the film aired tw weeks before the opening—on week of which featured radio ad only and no TV—and one wee after.

Katz suggested RJR Nabisc support its Oreo cookies cam paign—which features famou twister Chubby Checker—wit radio. Radio stations would hol twist contests and the winner would qualify for a trip or cruise

That buy brought in $1.5 mi lion in new-found radio dollars i more than 40 markets this sum mer, Mr. Swetz says. □

Ratings slugfest can't produce winner

Arbitron, Birch/Scarborough each keep loyalists

By Anne Moncreiff Arrarte

In the scientific world of audience measurement and research, agency media buyers are using a very unscientific method to select their sources of radio data: personal preference.

Arbitron Co. and Birch/Scarborough-VNU have clashed over methodology, response rates and extra services to win the lion's share of the radio ratings market. But this battle has not produced a clear-cut winner, and until one of the two offers substantive qualitative data, the agency community will continue to vacillate between the two sources.

Joshua Ostroff, VP-manager of media resources, Hill, Holliday, Connors, Cosmopulos, Boston, switched back to Arbitron last year after three years with Birch. He says his main complaint with Birch is its numbers fluctuate too much from book to book.

"It is a question of lesser evils," he says. "Arbitron may not be technically superior, but the universe they measure exhibits fewer inexplicable variations between books."

Jon Swallen, VP-associate director of media research, Ogilvy & Mather, New York, switched from Arbitron to Birch in mid-1987 primarily because he felt that Arbitron's diary method is more likely to be affected by a response bias.

"Some comparisons we did led us to believe that Arbitron was overstating in older demographic groups and understating in younger ones," he says.

Still, O&M buys both services. "We use Birch as our primary source, but we think it is important to have two services for the checks and balances they provide," Mr. Swallen says.

Arbitron, which has been measuring radio listening since 1966, uses a seven-day diary system.

Rob Porazinski

The method inherently provides lower reponse rates (45.6%). But its proponents say it allows for a more accurate seven-day cume, or total audience, because it uses seven days of information.

Birch, which has a 60% response rate, performs one-day telephone interviews and uses a mathematical formula to arrive at its seven-day cume, a method some media buyers question. But Birch's person-to-person interviewing means it can collect some basic qualitative data for clients that Arbitron does not offer.

Birch, which broke into the business in 1980, was purchased in 1987 by VNU, United Dutch Publishing, and merged with Scarborough. On Aug. 31, Birch claimed it surpassed Arbitron to be the leader in market monitoring with more than 265 markets measured.

Each company has one-upped the other in various areas.

Arbitron is actively working to increase response rates and, specifically, to improve their ethnic market measurements—an area in which Birch's phone-call methodology has been more successful.

For example, an ad hoc group of Spanish-language radio executives and agency and client media buyers endorsed Birch as the primary provider of data on Spanish-language listening levels. However, mirroring the general market, many agency media buyers continue to use both sources when evaluating Spanish-language radio stations.

Birch, meanwhile, has rolled out an annual County Coverage book to compete with a similar Arbitron product.

And to assist Birch subscribers, Scarborough expanded the number of markets it serves from 11 to 50. According to Birch/Scarborough President Bill Livek, Scarborough plans on entering another 50 markets and creating a faster data delivery service for clients.

Birch/Scarborough also r
cently inked an agreement wi
Standard Rate & Data Service
print its numbers in the SRI
Spot Radio Guide. Analysts s
this move has bolstered the No
company's acceptance in the rad
community.

However, the radio world st
clamors for qualitative data.

"Both services are leadi
themselves toward increas
qualitative analysis," says Ji
Carnegie, editor and publisher
Radio Business Report, an indu
try newsletter. "The one that g
there first and does it right will
the winner."

"Radio listening has been fra
tionalized to a great degree," sa
Dennis McGuire, VP-associa
director of local broadcast, N
Ayer, New York. "The more ea
market segments itself, the mo
important it is for our clients
know the makeup of the aud
ences listening to each station."

While Birch provides bas
qualitative information as part
its service, "if you want more sp
cific brand information you ne
Scarborough," says Judy Vog
VP-manager of media research
Ketchum Communications, Ne
York. And although the co
panies share a name, Birch clier
must make a separate, althou
discounted, purchase of Sca
borough information to get th
hands on this type of data.

Corinne Cilli, media resear
director at BBDO, Atlanta, sa
her company buys Birch but r
Scarborough. "Scarborough is r
a buying tool but a planni
tool."

But Ms. Cilli adds that Bir
provides special information f
Delta Air Lines, a BBDO client.
each interview, the research co
pany asks the respondent qualit
tive questions on airlines. BBI
uses a full year's worth of data.

Arbitron currently offers
qualitative data to clients. Ho
ever, the company has just fi
ished its first test diary featuri
qualitative questions. Arbitr
expects to see results by yearen

The company also is testing
electronic radio "people mete
The hand-held, calculator-ty
device permits respondents
punch in their listening diar
and respond to questions on d
mographic information, listeni
and purchasing habits and oth
client requests. It also wou
screen for response error in ide
tifying station call letters.

But cost is holding up Ar

(Continued on Page S-18)

"The choices I'm offered by Catspaw's digital system are seemingly endless. The quality of sound is superior."

—M.S. Lefevre, V.P. Broadcast "Emperor"
Babbit & Reiman Advertising, Atlanta, GA.

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"I WISH JOY GOLDEN WOULD PRODUCE MY RADIO COPY."

SHE WILL. Joy Radio's new "Production Too" Division has already brought the Golden touch to dozens of clients who have the radio copy but not the radio savvy. Joy's wacky ear for character and that mouth for directing are the result of a moderately unravelled show business family and 20 years of intense therapy with a shrink who slept through the last ten. If you want Joy to help make your copy better, she will. If you want her to rewrite it, she will. And, of course, if you decide you hate writing radio altogether and want Joy to do the whole thing, she absolutely will. She's not called Joy Radio for nothing.

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JOY RADIO

Country exploding out of its shell

Experts look at future of top formats—with some surprising conclusions

By Alicia Lasek

The war being waged on the radio dial is not one of attrition but one of addition, judging from the number of attempts to launch new programming niches.

Although the introduction of new formats seemingly would entice new listeners, to some extent fragmentation inevitably has an impact on the tried-and-true formats. *Advertising Age* asked industry insiders to look at the future of eight fundamental radio formats.

Classical

Classical may soon abandon commercial radio airwaves and be found only on compact discs, public radio and cable audio, say Messrs. Douglas and Shane.

Mr. Douglas says classical listeners make the greatest demand for music presented without announcers or commercials, and they can get this from cable audio.

Mr. Shane says radio will have problems pleasing the broad range of classical listeners' tastes. As a result, he predicts classical aficionados will stick to CDs.

"The way advertisers are going to have to reach the classical audience is through support of local arts groups," he adds.

But Mr. Parikhal thinks classical has strong growth potential, as aging baby-boomers look for an alternative to rock.

Cable audio is no threat to the format, he says.

"If you are so serious about music that you'd figure out what was on each channel, you're much more likely to make tapes."

And advertisers should take a second look at classical stations, he says.

"I wouldn't get caught in the stereotype that all people who listen to classical belong to country clubs."

"The black economy in America is greater than the [gross national product] of Canada," Mr. Douglas says. "And when people start to adjust to that, they'll start to understand that there is a real market there that can be exploited."

Yet Mr. Shane sees one problem that's stopped many advertisers from going into urban contemporary. "There's still a lot of prejudice in the white [advertising] community about urban radio," he says.

"The black economy in America is greater than the [GNP] of Canada. And when people start to adjust to that, they'll start to understand that there is a real market there that can be exploited."—Dwight Douglas

However, Ms. Chambers predicts the format and its image are not likely to change. She notes that buyers see classical listeners as a very select, older group.

Urban contemporary

The urban audience outlook is thumbs-up, say the experts.

They see growth coming from Hispanics crossing over into urban contemporary listening and in new stations that are catering to an older black demographic.

But Ms. Chambers warns buyers to look carefully at an urban contemporary station's demographics.

"Some urbans tend to be very young, and if they go the direction of rap, they lose everyone over the age of 20."

The insiders think the format does offer a lot more advertising potential than is being realized.

Adult contemporary

The consultants generally see bright things ahead for those airing this format.

"I think adult contemporary is here forever in one form or another, until this generation goes to the grave," Mr. Parikhal says.

However, they also think adult contemporary must address several challenges.

Mr. Douglas predicts the top stations will stand out because of their marketing, not their music.

"Your marketing has to be really understandable, because as [adult contemporary stations] researched their music they all came up with the same songs," he says.

Another concern is that the aging listenership will fragment into several categories in the same 35-to-49 age cell, forcing advertisers to buy other formats to complete their coverage.

"Being able to take a rock station and an adult contemporary station makes more sense," says Mr. Douglas. "You're covering a wider, broader spectrum."

Mr. Nielsen adds, "The advertiser really has a 25-to-54 age cell that is not only represented with [contemporary hit radio and album oriented rock] stations, but with a lot of adult contemporary stations."

This fragmentation already is taking place, says Ms. Chambers.

"There might be as many as eight ACs in a market, but they'll all have something a little bit different about them."

Mr. Parikhal cautions advertisers to be especially careful about ad placement practices by many adult contemporary stations.

"[These stations] often run as many as seven commercials back-to-back," he says. "You don't have to be Einstein to know that if you're listening, by the time you hear the fifth commercial, you're out of there."

Contemporary hit radio

The experts see contemporary hit radio evolving in different ways.

Mr. Shane feels the format faces three problems: demographics, as the post-baby-boom "birth dearth" reduces the format's target listenership; music, in that contemporary hit radio "has always been an artist-driven format, and right now, we have such disposable artists"; and the lack of a mass culture, as the diverse tastes of today's youths preclude a pop star from capturing an entire generation the way the Beatles did in the mid-1960s.

Mr. Parikhal raises two additional factors working against contemporary hit radio: competition from MTV and a Top 40 market that is becoming increasingly polarized between heavy metal and rap.

But Mr. Douglas and Mr. Parikhal chide companies for ignoring contemporary hit radio's audience.

"Buyers must realize that there is an incredible amount of money being spent—and influenced spending—between ages 2 and 18," Mr. Douglas says.

"The idea that all contemporary hit radio listeners do is buy bubble gum is corporate irresponsibility," Mr. Parikhal states.

Some insiders also say contemporary hit radio's demographics go beyond teens. Musical tastes don't change overnight, Mr. Bolinger says.

"There are people really at any age from 12 until 44 who are potential listeners to CHR," he says. Mr. Douglas notes that many contemporary hit radio stations fare well among 25-plus listeners.

News/talk

Again, the insiders disagree on this format's viability.

Some feel listeners always will have a need for news/talk information.

Country is "the only music being produced for adults. Paula Abdul [and] MC Hammer [are] not really making music for adults. Neil Diamond and Lionel Richie haven't made records in four years."—Ed Shane

"News/talk has always been a mainstay in our country, and as our groups mature they will all gravitate toward a news/talk station," Ms. Chambers says.

Mr. Parikhal adds that news/talk listeners pay attention during commercials, "and I think that's a seriously underestimated value."

On the other hand, Mr. Shane says many news/talk stations are choosing the worse of two fates. One choice is to bring in younger listeners by catering to their interests. The other is "to be the most boring, non-related service on the band. And news/talk has chosen to be the most boring, non-related service on the band," he says.

Mr. Parikhal admits "news/talk is suffering a creative vacuum that needs to be filled."

Some news/talk programmers realize that what worked before won't work again.

Mr. Nadel notes the increased competition from cable TV news stations and other radio station newscasts has made the all-news radio station of 10 or 15 years ago obsolete. The solution is to offer better sound quality and other types of programming, such as sports event broadcasts.

Album oriented rock

The experts like the prospects for this format.

"People are trying to say its going to go away or its going to die, but it is a very strong format," Mr. Douglas says.

Some insiders think advertisers might not recognize the demographics of this listenership.

"Advertisers think album-oriented-rock listeners are all 19-year-old headbangers, but they're not. They're listening to hard rock or AOR in their Lexus."

He notes that men over 35 comprised 20% of the buyers of the

(Continued on Page S-18)

Expert listeners

Those participating in this radio format forum include: Dwight Douglas, president, Burkhart/Douglas & Associates, Atlanta; Ed Shane, president, Shane Media Services, Houston; John Parikhal, president-ceo, Joint Communications, Toronto; and Barbara Chambers, media buyer, Richards Group, Dallas.

Also participating: Bruce Sherman, program director, WSM-FM, Nashville; Roger Nadel, program director, WWJ, Detroit; Grant Nielsen, program director, KSEA-FM, Seattle; and Bob Bolinger, general manager, KKLQ-FM, San Diego.

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Future of radio formats

(Continued from Page S-16)
latest release from heavy metal band Guns N' Roses.

"I know there are some 35-year-old men in three-piece suits that still listen to AOR—though not openly," says Ms. Chambers.

However, station managers should be ready to fine-tune their niche, and advertisers should recognize these moves.

AOR stations "are running out of audience if they stay in the 18-to-34" category, Mr. Shane says. "So they have had to grow up with their audiences—and suddenly they become adult contemporary," adding that classic rock fares "awfully well."

B. Chambers

"[Stations] are going to have to decide: Are you going to be the No. 1 station for 18-to-34-year-old adults or are you going to be No. 1 in 25 to 54 and not compete with 18-to-34 stations?" Mr. Douglas says.

Country

In the experts' opinion, the aging population makes this format a future winner.

Country is "the only music being produced for adults," Mr. Shane says. "Think about it. Paula Abdul is not really making music for adults. MC Hammer is not really making music for adults. Neil Diamond and Lionel Richie haven't made records in four years."

As a result, advertisers have a potentially hot property on their hands.

"As America becomes grayer, country radio has an amazingly great future in terms of its viability to the advertisers," Mr. Douglas says.

Mr. Shane notes that while listening to a Houston country station one morning, he heard commercials from a Cadillac dealer and Mercedes-Benz. "I think advertisers hold the stigma that country [listeners are] these hicks who come in from the outlands who try to get free hats at the promotions," he says.

The reality, according to Mr. Sherman, is "there's not a stereotypical country listener any longer."

Mr. Parikhal says newer artists like Dwight Yoakum and k.d. lang have helped attract younger listeners while maintaining country's true sound.

Although Mr. Parikhal is upbeat on country, he points out its creative center, Nashville, is both geographically and culturally distant from the nation's growing urban areas, and today's Asian and Latin American immigrants have their own music and are less likely to tune in to country.

Oldies

It may be an oldie, but it's still a goodie, the experts say.

"Some of the popular, syndicated shows, on the weekend, for example, are oldies shows. 'It's Saturday night, let's listen to the oldies. Roll the carpet back, take our shoes off and do a little sock hop,' " Mr. Douglas says.

Ms. Chambers considers oldies a must-buy to reach 25-to-54-year-olds. The format "seems to have found a niche in every market," she says.

But some warn advertisers the format can work only as part of a package buy with other formats.

Mr. Douglas foresees fragmentation of the format into pre-Beatles, post-Beatles or '70s categories. As a result of this fragmentation, shares and cumulative ratings of these stations will decrease.

However, these stations' listenerships remain loyal to their stations, Mr. Douglas says.

Adds Mr. Shane, "If you can be everybody's No. 2 station, you have a really good audience." □

Chicago-based free-lance writer Alicia Lasek is a frequent contributor to Special Report.

PEOPLE TO WATCH

Jim Thompson tried on a new hat late last year.

A 20-year TV veteran, Mr. Thompson turned off the four TV monitors in his office at KYW-TV, Philadelphia, where he was VP-general manager. Then he put on a baseball cap bearing the call letters KYW-AM and switched his radio on to WMMR-FM, the Philadelphia all-news and rock stations, respectively, that were now under his wing as the new president of Group W Radio.

In the short time he's spent in the post, Mr. Thompson, 43, has worked on selling ad time on his company's 20 radio stations, including 11 purchased last December for $360 million.

Mr. Thompson says he jumped at the Group W Radio post because he believes in the medium's immediacy. "There's more upside to radio right now, because TV's so caught up in fragmentation," he says.

Previously, advertisers wouldn't look past the glamor of TV and try other media. But today agencies and advertisers are accepting what radio can do, especially in light of today's uncertain economy. "They're starting to appreciate its value more," he observes.

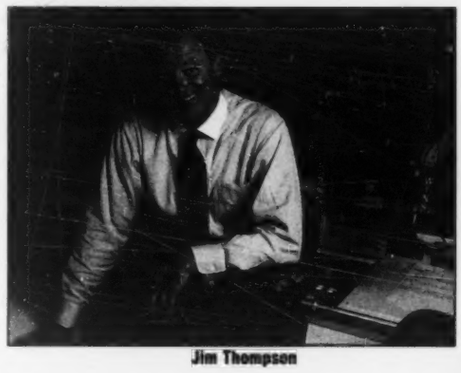
Mr. Thompson won't hesitate to go beyond tried-and-true tactics to sell advertisers on radio.

"I don't want to worry about [things like] 'Will this work?' or 'It's never been done before.' That's baloney," he says.

"Radio is a fun business. We'll have a few failures. But if we're not failing, we're not living on the edge."

One of Mr. Thompson's first moves was to institute an incentive program for new advertisers on Group W Radio's 20 stations. The first 20 companies that place $35,000 schedules at each station for the first quarter of 1991 will each win a trip for two to Super Bowl XXV in Tampa next January and a seven-day luxury cruise to Key West, Fla., and Cozumel, Mexico.

Mr. Thompson says 100 packages already have been sold; most of them to local advertisers. Half of this group is companies that have not used radio, and the others haven't used the medium for at least a year.


Jim Thompson

"That's $3.5 million in radio that wasn't there before," he says.

When not engineering such deals for the benefit of his company, Mr. Thompson is working to spark advertisers' interest in radio in general.

"I thought I could really affect change" as both a businessman and a community servant, he adds. "I respected the opportunity to have immediate input."

Mr. Thompson says Group W Radio will allocate $1 million over the next decade to seed and sponsor research to show radio advertising's effectiveness. The network will also establish a Radio Creative Fund, which will award $50,000 annually for creative excellence in radio advertising execution and results.

This fund hopefully will spur improved creative output, which Mr. Thompson sees as one of the problems with radio advertising.

"Doing radio commercials is one of the last places to have fun," he notes.

—Jodi Goalstone

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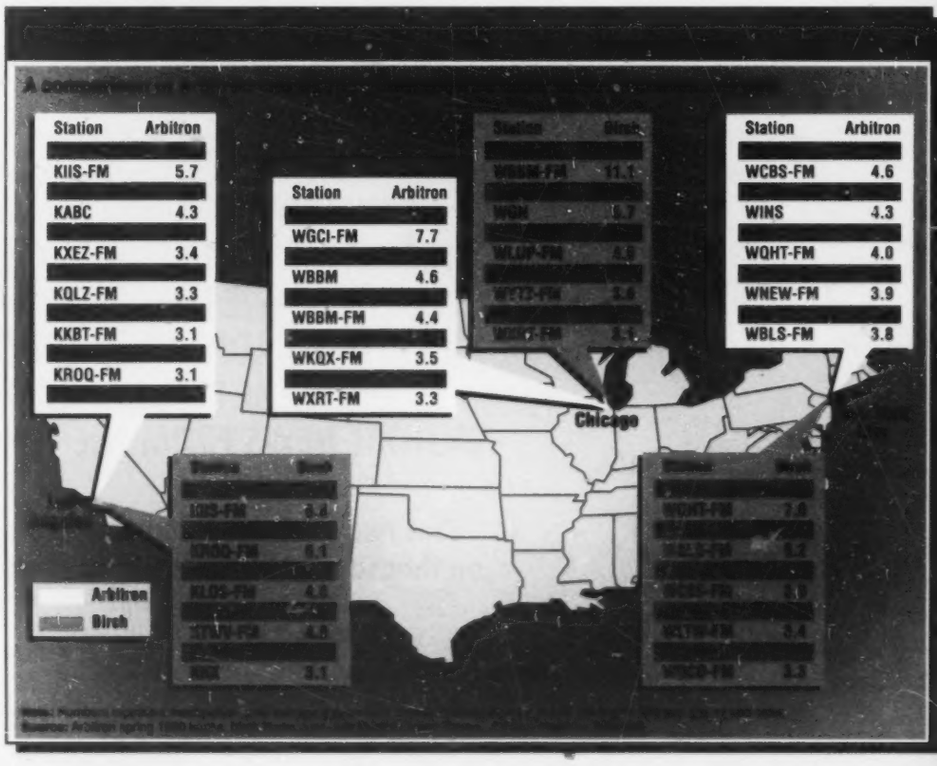


Ratings

(Continued from Page S-14)
tron's effort, says Josh Chasin, Arbitron's VP-market development.

Implementing the program now "would be terribly expensive," he says.

The company hopes to have the radio people meter within five years when the technology will be more affordable, he says.

Arbitron also is contemplating hooking up with a qualitative researcher.

"We are still in the initial stages" of considering such a move, Mr. Chasin says. "Qualitative is definitely the way of the future, although it is not the way of the present."

But agencies, fed up with paying for two services and an additional qualitative service, want this information soon.

"With an agency's increasingly tight financial resources, we cannot justify constantly re-evaluting numbers," Mr. Ostroff says. □

Anne Moncreiff Arrarte is a frequent contributor to Special Report based in Miami.

REVIEWING STAND

Top jocks schtick it to each other

By Joe Garofoli

It sounds like a simple idea. Call up controversial disc jockeys across the nation, such as those who run "morning zoo" shows, and find out who their favorite jocks are.

But uncovering who this breed of animal respects is easier said than done.

"Believe me, I'm not being arrogant. We're really funny," says Tom Griswold, WFBQ-FM, who's half of Indianapolis' top-rated Bob and Tom morning show.

Says veteran Gary Dee, who last appeared on WWWE, Cleveland: "Gary Dee creates an atomic bomb in any market he goes into."

One of his alleged explosions cost WWWE $8,000 in a fine levied last fall by the Federal Communications Commission for comments made by Mr. Dee that the commission said were "clearly capable of a specific sexual meaning."

Other jocks feel that stating an opinion isn't worth the effort.

Radio's reigning bad boy, Howard Stern of WXRK-FM in New York, didn't respond to repeated calls.

"Howard gets so many calls for interviews that he only responds to the ones he wants to," says an assistant to his agent. Adds a station employee, "He would say he has no peers."

And a management-type for WLUP's Jonathon Brandmeier in Chicago comments, "I don't think we want to do the story. If it was a feature on just us, OK. But you want to know who his three favorite DJs are? I think we'll pass."

Still, several jocks offered their selections of disc jockeys they think take the zookeeper genre a step beyond the pale—and even more views of Mr. Stern.

"[Mr. Stern] gets you listening, but it would be an effort for me to tune in every day," says Steve Hansen, part of the Jimmy and Steve morning show on WMYG-FM, Pittsburgh. "I don't hear any great comedic spark there."

"He's the most overrated DJ in the country," Mr. Griswold says. "He gives the rest of us in the business a bad name."

Mr. Dee begs to differ. He calls Mr. Stern "a creative volcano with a brilliant, Lenny Bruce-type mind."

Mark Thompson and Brian Phelps, KLOS-FM, Los Angeles, dragged out a few blasts from the past as some of their favorites.

Mr. Thompson remembers hearing John "Records" Landecker on WLS in Chicago in the mid-'70s. Topping Mr. Phelps' list are Larry Lujack, another WLS personality from that era, and Spike O'Dell of WGN in Chicago—who was known as "Spike at the Mike" in Davenport, Iowa, from 1978 to 1987.

Don Geronimo, WAVA-FM, Washington, says Mr. Brandmeier is his favorite; also on his list: Scott Shannon, KROQ-FM, Los Angeles; and WLUP-AM's Steve Dahl and Garry Meier.

That Mr. Geronimo's favorites often are at the center of a controversy comes as no surprise; Mr. Geronimo and his partner, Mike O'Meara, were suspended in May for criticizing their station on the air.

The Dahl-Meier team is one of Mr. Griswold's favorites, too. "There's nobody in the whole country doing what they're doing," he says.

Mr. Griswold also likes Michael Feldman, host of "Whad'ya Know?" the syndicated National Public Radio program. He says Mr. Feldman "has a good, dry wit. He's really funny."

Don Imus, at the all-sports station WFAN, New York, was also among those touted.

Mr. Dee calls Mr. Imus "a master of preparation. He'd stay up all night [preparing] for a three-minute bit." Mr. Imus also was one of the early idols of Doug "The Greaseman" Tracht of WWDC-FM, Washington.

Mr. Hansen happens to admire "The Greaseman."

"He can do some of the most amazing things with his voice that I've ever heard," Mr. Hansen says.

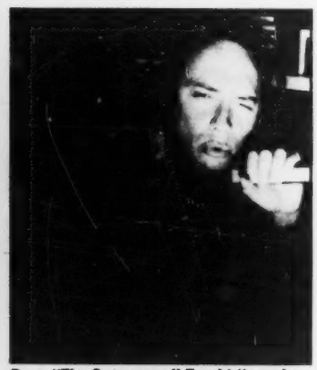
Although most of the jocks selected are known for their schtick, one was chosen for his mastery of music. Mr. Phelps calls Steve Downes, KLOS' nighttime personality, "a straight-ahead DJ, in terms of song to song."

Another perspective comes from Patty McEntee, director of public relations for Media in Morality, a New York organization that's backed the FCC in skirmishes with radio stations and often works to muzzle the morning zookeepers.

Ms. McEntee deferred when asked for her three favorite radio personalities.

"I don't think I could name any. I don't listen to the radio much, except when I'm driving. Then I listen to cassettes." □

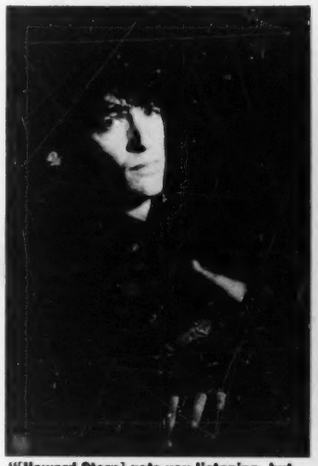
Joe Garofoli is a reporter for the Milwaukee Journal.



Doug "The Greaseman" Tracht "can do some of the most amazing thin[illegible]th his voice that I've ever heard," [illegible]says fellow disc jockey Steve Hansen.

Jonathon Brandmeier's agents say he'll participate in stories that are "a feature on just us." Otherwise, "we'll pass."

WFAN's Don Imus is "a master of preparation. He'd stay up all night [preparing] for a three-minute bit," says Gary Dee.



"[Howard Stern] gets you listening, but it would be an effort for me to tune in every day," says Steve Hansen. Adds Tom Griswold: "He's the most overrated DJ in the country."

"There's nobody in the whole country doing what [Steve Dahl (above) and Garry Meier are] doing," claims Tom Griswold.

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OUT OF LEFT FIELD

'Stayin' Alive' days gone, still Disco Dave calls for new formats

By Wayne Walley

"I don't miss radio a bit. Too many politics," says Dave Rapaport.

But in the late 1970s, as general manager of New York's WKTU-FM (now known as WXRK-FM), Mr. Rapaport turned the radio world on its ear by creating two formats.

First came the "mellow sound" soft-rock format, with its feather-light songs and hushed on-air personalities. This invention earned Mr. Rapaport the moniker "Champagne Dave."

Doug Goodman

Radio programming innovator Dave Rapaport sees little forward progress these days.

Then in 1978, as the movie "Saturday Night Fever" popularized the disco craze, Mr. Rapaport dared to turn the station into a dance club of the airwaves. This new format brought him a new nickname: "Disco Dave."

A rebel of sorts who still rides a motorcycle to work, Disco Dave was not one to endear himself to the radio powers-that-be of that era, despite what proved to be a magic programming touch.

"Somebody asked me what it meant to have an 11 share in the market, [and] I said, 'It means 89% of the people aren't listening.' My boss didn't like that too much."

By introducing disco to the airwaves, Mr. Rapaport did two things that might not be possible today: wake up listeners and do well with a new format.

Mr. Rapaport believes new formats still can flourish.

"The public is always ready for something new. You have to find a hole in the market and fill it," he says.

"The problem is there are few innovators and many copiers. The only risk-takers are the ones with economic problems.

"It helps, too, if [a radio station] is with a smaller company without a 'group program director,' whatever that is," Mr. Rapaport says.

He says he admires WHTZ-FM, a New York-area station that created the "Morning Zoo" format—now copied by stations everywhere with their own versions of wisecracking, irreverent air personalities.

"We tried to do a good morning show back in the 1970s, but it costs money," Mr. Rapaport says.

He says radio stations could save some money by eschewing big-budget promotional and advertising campaigns that herald changes in station formats.

"I remember we had a meeting on Friday with a deadline of 6 p.m. Monday to make the change to disco," Mr. Rapaport says. "I gave somebody an American Express card and a list of records to buy. At 6 p.m. [Monday] we made the change without any warning. The phone lines were jammed. We couldn't call out for four days.

"We made the change on July 18. When the book came out in December, we had gone from a 1.5 or 1.6 to an 11 share. Word-of-mouth," he says, "is the best advertising."

Today, at age 55, Mr. Rapaport is VP-media director for CSI International, one of the nation's leading barter companies. In exchange for ad time on radio stations or other valuable commodities, the company offers stations anything from hotel rooms to airline tickets.

"There's no publicity, and no one knows who you are but your banker," he snickers. □

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WORLD BRANDS

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- Accounts must be served in at least four countries as of June 30, 1990.
- The combined client business must total at least $5 million.

The report is divided into two sections.

Those agencies listing offices in 39 or more countries overseas —13 of the 26 agencies surveyed—are included in the first section. McCann-Erickson Worldwide's chart, due to its size, is listed out of alphabetical order at the end of the first section.

Eastern European offices are listed under Europe.

Asterisks denote non-equity affiliations. □

Next challenge: Re-regulation

1992 adding up to tough ad restrictions

By Laurel Wentz

As the 12 European Community nations seek common ground for setting rules that will govern a unified European market, industry officals grappling with tough issues can best describe the difficulties with anecdotes.

One favorite of Angela Mills, special issues and European affairs director for the U.K. Advertising Association, goes like this: In the U.K., everything is allowed if not specifically forbidden. In Germany, everything is forbidden if not specifically allowed. In Italy, everything is allowed, even if forbidden, and in Belgium, nobody knows what's forbidden.

With only 27 months until the single European market is official in December 1992, marketers are increasingly alarmed at the growing trend toward re-regulation rather than deregulation.

"Progress toward harmonization is most likely to follow the 'lowest common denominator' pattern, with substantially negative results for the advertising business," Ms. Mills said. "The consensus always goes toward heavy restriction."

Need to harmonize

Advertisers agree that harmonizing incompatible and conflicting local rules—which often hamper pan-European marketing and advertising—is necessary. But they feel the EC is picking the most restrictive standards.

"There are a number of developments internationally in which we can see a trend toward the very strongest type of ban," said Paul Curtis, executive director of International Distillers & Vintners and chairman of the U.K. Advertising Association's working party on alcohol advertising.

"Progress toward harmonization is most likely to follow the 'lowest common denominator' pattern, with substantially negative results for the advertising business. The consensus always goes toward heavy restriction."

For example, a draft directive limiting tobacco advertising to package shots—showing only photographs or illustrations of the products—was strengthened into a total ban by the European Parliament, rejected by the European Commission on technical grounds and is now deadlocked at the Council of Ministers. A revised text calling for a total ban is likely soon.

EC-wide directives tend to incorporate the most restrictive national regulations in areas such as alcohol advertising, pharmaceutical advertising, health claims in food advertising, financial services advertising and data protection rules affecting direct marketing.

"They end up harmonizing the restrictions instead of harmonizing the freedoms," Ms. Mills said.

While EC legislators debate the issues, member countries have continued to pass increasingly restrictive national laws, hoping they will become the EC-wide standard.

Total bans

France has approved a draft law that would ban tobacco advertising and severely restrict alcohol advertising (AA, July 2). In Spain, the government last month drafted a bill that would ban all tobacco advertising on radio except from 10 p.m. to 8 a.m. (AA, Sept. 3). Greece in 1987 banned toy advertising.

"If three [EC] countries have an alcohol adver-

(Continued on Page 58)

AGENCIES WITH OFFICES IN MORE THAN 39 COUNTRIES

BACKER SPIELVOGEL BATES WORLDWIDE

Clients:	The Americas								Europe																		Pacific							
	U.S.	Canada	Argentina*	Brazil*	Colombia*	Ecuador*	Mexico	Peru*	Venezuela*	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Ireland	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	Turkey	U.K.	Nigeria*	Middle East**	Australia	Hong Kong	India	Indonesia*	Japan	Malaysia	New Zealand	Singapore	South Korea	Taiwan	Thailand
Air New Zealand																																							
Austin Rover																																							
B.A.T.																																							
Benckiser																																							
Carlton & United Breweries																																							
Campari																																							
Castle & Cooke																																							
Caterpillar																																							
Ciba-Geigy																																							
De Beers																																							
DHL																																							
Diners Club																																							
Electrolux																																							
Estee Lauder																																							
Eveready Batteries																																							
Fisher-Price																																							
Hatton Seiko																																							
HongkongBank																																							
LM Ericsson																																							
Mars Confectionery																																							
Pet Food																																							
Other																																							
Nicholas																																							
Northern Telecom																																							
N.V. Philips																																							
Prudential																																							
3M																																							
Tambrands																																							
Thomas Cook																																							
UNICEF																																							
Uniroyal																																							
Warner-Lambert																																							

*Non-equity affiliation **Middle East comprises Bahrain, Lebanon, U.A.E., Egypt, Kuwait and Saudi Arabia. Source: Backer Spielvogel Bates Worldwide

BBDO WORLDWIDE

Clients:	The Americas												Europe															Africa & Middle East								Pacific											
	U.S.	Canada	Argentina	Brazil	Chile	Colombia*	Costa Rica*	Ecuador*	El Salvador	Guatemala	Honduras	Mexico	Peru*	Puerto Rico	Uruguay*	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Ireland*	Italy	Netherlands	Portugal	Spain	Sweden	Switzerland	U.K.	U.S.S.R.*	Cyprus	Egypt	Kuwait	Nigeria*	Saudi Arabia	U.A.E.	Australia	China	Hong Kong	India	Japan*	Macao*	Malaysia	New Zealand	Pakistan*	Philippines	Singapore	South Korea*	Taiwan
Alfred Dunhill																																																	
Apple Computer																																																	
Campbell Soup																																																	
CPC International																																																	
Delta Air Lines																																																	
Du Pont																																																	
General Electric																																																	
Gillette																																																	
Henkel																																																	
Hyatt Hotels																																																	
International Wool Secretariat																																																	
Mont Blanc																																																	
Nestle																																																	
Oral-B																																																	
PepsiCo																																																	
PepsiCo Foods																																																	
N.V. Philips																																																	

(Continued on Page 58)

EC rules

(Continued from Page 57)

tising ban, there is very strong pressure from those countries to have very severe restrictions on alcohol advertising" at the EC level, Ms. Mills said. "I'm not saying they don't have the right to do it in their own countries, but those strict rules should not end up being the [European] common denominator."

EC laws take precedence over national ones, but when setting new rules for areas such as alcohol and tobacco advertising, the EC considers existing national laws.

In 1985, the EC drew up nearly 300 measures necessary for removing technical, tax and physical barriers to trade between members. About 60% of these have been adopted by the Council of Ministers.

The legislative process starts when the European Commission, the body proposing all legislation, adopts a text for a directive. This goes to the Council of Ministers, which seeks the European Parliament's opinion.

"If three [EC] countries have an alcohol advertising ban, there is very strong pressure from those countries to have very severe restrictions on alcohol advertising" at the EC level.

Angela Mills, special issues and European affairs director, U.K. Advertising Association

The directive then goes back to the commission as a proposed revised text, including the opinion of the council. If acceptable, it goes back to the European Parliament for a second reading. At that stage, the Parliament can adopt, reject or amend the council's opinion. Then it returns to the council, which has three months to adopt the directive.

To facilitate the legislative process for measures deemed essential, the EC no longer requires a unanimous vote from the decision-making Council of Ministers. Now, each country still has only one minister, who receives a weighted number of votes based on population, ranging from two for Luxembourg to 10 each for West Germany, the U.K., France and Italy.

Controversial legislation has a better chance of passing, since only 54 votes rather than all 80 are needed for passage. Currently, the U.K., West Germany and the Netherlands have a blocking minority on the tobacco advertising legislation, now deadlocked. It's likely to be redrawn in a more restrictive form.

"The fear is that the longer you have a stalemate, the

Kronenbourg faces tight restrictions as 1992 approaches. Young & Rubicam, Paris, created this ad, headlined, "Let's share our differences."

European Commission will withdraw the proposal and come back with a total ban," Ms. Mills said.

Lobbying groups form

To fight restrictive proposals and gain access to EC legislators, marketers are forming Europewide lobbying associations.

"The European Commission is not interested in discussing with individual companies their problems, but they [will talk] with trade associations at the European level," said Tony Coad, London managing director of NDL International, a data base company, and chairman of the public affairs task force of the Brussels-based European Direct Marketing Association.

BBDO WORLDWIDE (cont'd)

Clients:	The Americas																								Europe																								Africa & Middle East												Pacific																							
	U.S.	Canada	Argentina	Brazil	Chile	Colombia*	Costa Rica*	Ecuador*	El Salvador*	Guatemala	Honduras	Mexico	Peru*	Puerto Rico	Uruguay*	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Ireland*	Italy	Netherlands	Portugal	Spain	Sweden	Switzerland	U.K.	U.S.S.R.*	Cyprus	Egypt	Kuwait	Nigeria*	Saudi Arabia	U.A.E.	Australia	China	Hong Kong	India	Japan*	Macao*	Malaysia	New Zealand	Pakistan*	Philippines	Singapore	South Korea*
Pizza Hut	●				●																	●																	●		●										●
Polaroid	●	●																										●											●		●		●		●	●			●	●
Raiston Energy Systems																		●				●			●																										
Rothmans International																										●																				●					●
Sara Lee																		●	●			●	●			●															●										
Scott Paper	●										●		●									●	●					●													●										
Sony	●					●							●																●																						
Unilever	●	●										●	●					●												●	●																					
Visa	●						●																																	●											
Wrigley	●	●																				●	●			●	●				●										●		●			●	●				
Worldwide Church of God	●	●											●									●	●			●	●				●										●		●			●		●			
Xerox					●									●		●																											●									

*Non-equity affiliation. Source: BBDO Worldwide

LEO BURNETT CO.

Clients:	The Americas															Europe																Middle East						Pacific															
	U.S.	Canada	Argentina	Brazil	Chile	Colombia	Costa Rica	Dom. Republic	Guatemala	Mexico	Peru	Puerto Rico	Venezuela	Belgium	Denmark	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Switzerland*	Turkey	U.K.	Egypt	Kuwait	Lebanon	Saudi Arabia	U.A.E.	Australia	Hong Kong	India*	Indonesia*	Japan	Malaysia	New Zealand	Philippines	Singapore	South Korea*	Taiwan	Thailand
BASF	●	●		●										●	●	●	●		●	●	●			●	●						●													
Beiersdorf														●	●	●	●		●	●	●			●																				●	
Cathay Pacific		●												●	●	●	●		●	●				●	●						●	●	●	●	●	●	●	●	●	●	●	●	
Heinz/Star Kist	●	●											●	●	●	●	●		●	●				●								●	●			●	●					●	
Kellogg	●	●		●	●		●	●	●	●		●		●	●	●	●		●	●		●		●	●						●	●			●	●			●	●	●	●	
Kraft General Foods	●	●								●			●	●	●	●	●		●	●		●		●	●		●	●	●	●							●							
McDonald's	●		●									●		●	●	●	●		●			●			●												●				●			
Nestle											●					●	●			●					●																			
Philip Morris Cos.	●			●	●	●	●	●	●	●		●	●	●	●	●	●		●	●		●		●	●		●	●	●	●							●			●	●	●	●	
Pillsbury/Green Giant	●	●								●		●	●	●	●	●	●		●	●		●		●	●						●							●			●	●		
Procter & Gamble/RVI	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●		●		●	●		●	●	●	●							●			●	●		
United Airlines	●									●				●	●	●	●		●	●		●		●	●						●	●							●	●	●	●		
United Distillers (Guinness)	●													●	●	●	●		●			●			●			●			●	●							●	●	●	●		

*Non-equity affiliation. Source: Leo Burnett Co.

D'ARCY MASIUS BENTON & BOWLES

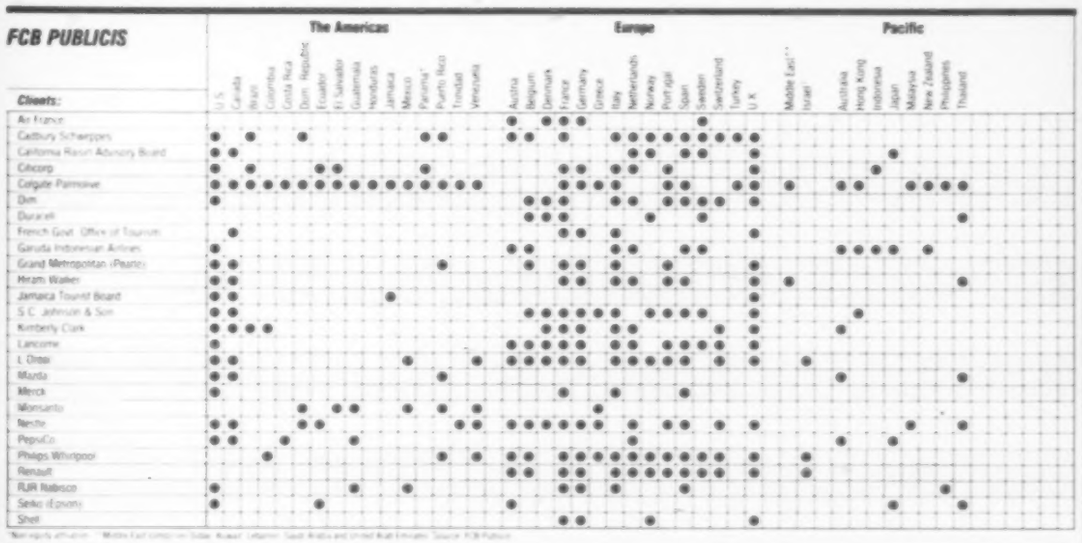
Clients:	The Americas						Europe																												Middle East				Pacific													
	U.S.	Canada	Argentina	Brazil*	Mexico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Ireland*	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	Turkey	U.K.	Saudi Arabia	South Africa	U.A.E.	Australia	Hong Kong	India*	Indonesia	Japan	Malaysia*	New Zealand	Pakistan*	Philippines	Singapore	South Korea	Thailand
Abbott Laboratories	●														●								●				●				●												
American Home Products	●														●					●			●																				
Anheuser-Busch Cos.	●	●			●																		●																				
Bahamas, Ministry of Tourism	●											●			●								●																				
BASF							●					●			●								●																				
Bayer		●					●	●				●	●		●								●																				
Bertelsmann Group								●				●			●								●																				
Boehringer Ingelheim												●			●								●								●												
Boehringer Mannheim	●											●			●								●								●												
Boots								●															●																				
Bristol-Myers Squibb	●	●										●	●																		●	●				●							
Ciba-Geigy	●											●			●										●																		
Corning Glass	●	●																					●								●												
CPC Knorr International	●			●	●							●			●																												
Digital Equipment							●					●	●	●	●	●	●																											
Dow Chemical	●	●										●							●				●																				
Eastman Kodak	●														●								●								●												
Fiat							●	●	●				●						●				●																				
General Motors	●														●								●								●												
Gillette																							●																				
Grand Metropolitan	●											●			●				●				●								●												
Hoechst										●		●	●		●								●																				
Hoffmann-LaRoche												●	●		●								●																				
Honda Motor Co.				●															●				●																				
Interflora FTD	●	●													●								●				●																
Mars Inc.	●	●		●			●	●	●	●	●	●	●	●	●	●			●				●		●		●				●												
Mars Petcare		●					●	●	●	●	●	●	●	●	●	●			●				●				●				●												
Merck Sharp & Dohme	●	●										●			●								●																				
Nobel Industries							●	●	●	●	●	●				●			●	●			●																				
Nokia							●		●	●	●	●		●	●				●				●																				
Pernod-Ricard	●								●	●		●				●							●				●	●															
Pfizer	●											●			●								●				●																
N.V. Philips	●	●	●					●	●	●	●	●	●	●	●	●	●		●	●			●		●		●				●							●	●				
Procter & Gamble/RVI	●	●		●			●	●	●	●	●	●	●	●	●	●	●		●	●			●		●		●				●							●	●	●	●		
Rhone-Poulenc			●									●	●		●				●				●																				
Sandoz												●	●		●				●				●																				
Sanofi												●	●						●				●																				
SKF-Beecham												●	●										●																				
Texaco				●						●								●					●																				
Thailand Tourist Board												●	●		●								●								●												
3M				●								●	●			●							●																				
United Distillers								●	●			●	●						●	●			●								●												
Wellcome Foundation												●	●		●								●								●												

*Non-equity affiliation. Source: DMB&B

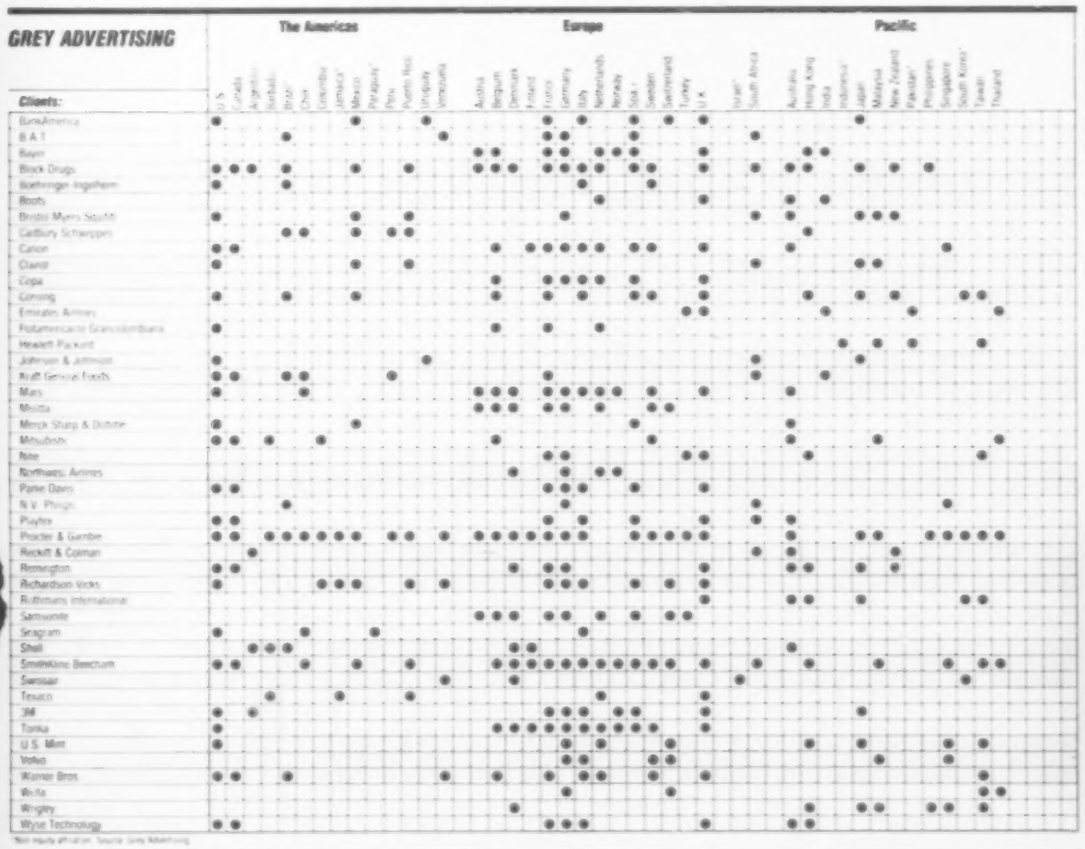
DDB NEEDHAM WORLDWIDE

| Clients: | The Americas | | | | | | | | | | | | | | | | | | |

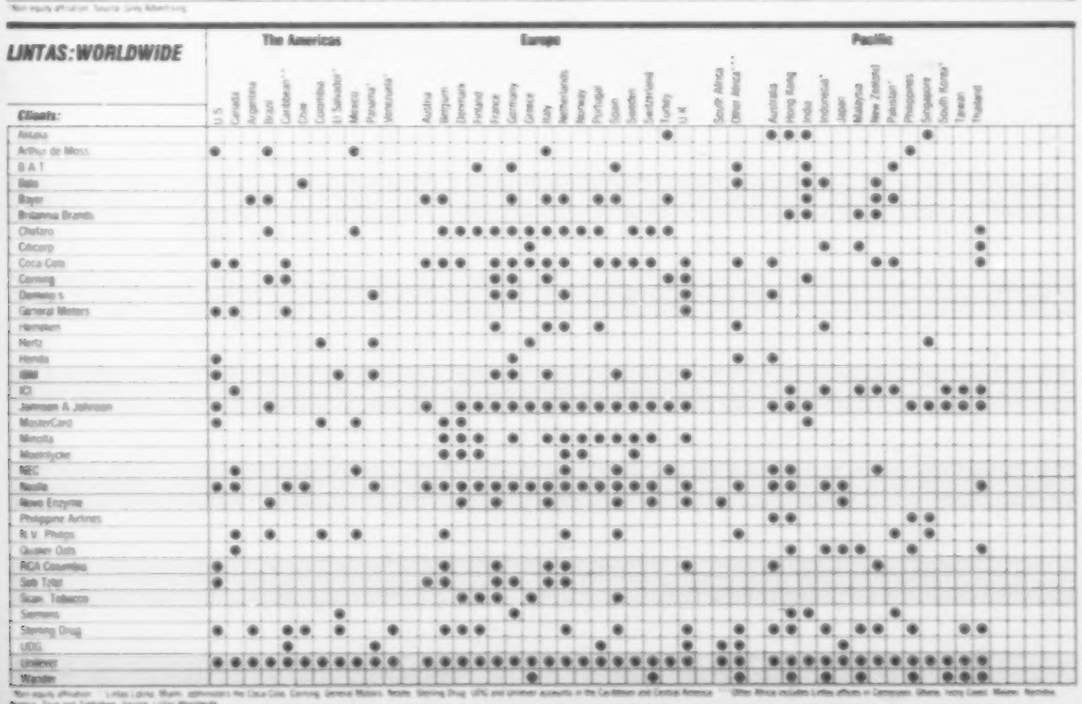
FCB PUBLICIS



GREY ADVERTISING



LINTAS: WORLDWIDE



DUE TO ITS GREATER WIDTH, THE CHART FOR McCANN-ERICKSON APPEARS ON PAGE 61.

Il n'y a pas que les belles images publicitaires qui donnent envie de boire de l'alcool.
SACHONS INTERDIRE LA PUBLICITE AVEC MODERATION.

McCann-Erickson, Paris, created this ad opposing the draft law against alcohol advertising. It reads: "It's not just pretty ads that make you want to drink alcohol."

Re-regulation

(Continued from Page 58)

get marketing impossible.

Toy companies are forming the Toy Manufacturers of Europe this month in Brussels to gather information and make recommendations to the European Commission, even though no toy advertising legislation has been proposed yet.

"The first stage is to compare what's happening [in different countries] and see how we can contribute to harmonization," said Jean Paul Charpentier, the general manager of Lego France, who will be the group's chairman.

Toy restrictions

Local restrictions for toy advertising vary greatly, Mr. Charpentier said.

In France, ads aimed at children aren't allowed to use famous people to recommend a product or children to name a brand or even wear colors associated with the brand. In Denmark, ads can't feature figures or dolls that are characters in children's TV shows.

"It is very difficult for manufacturers to have a spot that can be distributed throughout Europe," Mr. Charpentier said. Other directives are making their way through numerous committees and bureaucrats at the European Commission and the Council of Ministers. Among them:

"The European Commission is not interested in discussing with individual companies their problems. . . ."

Tony Coad, chairman, public affairs task force, European Direct Marketing Association

- A draft directive on pharmaceutical advertising, which would restrict, among other things, promotion of ethical drugs even to doctors, has been sent to the European Parliament for an opinion.

New restrictions could be added, though no one knows what they might be.

"That's one of the things we worry about," Ms. Mills said. "Although the current draft is not overly restrictive, it's still got to pass the European Parliament."

- A preliminary text of a food claims directive will be presented to an EC advisory committee Sept. 17. Food marketers object to the proposed directive because it bans all claims unless specifically allowed in the directive. At the moment, the working document defines and restricts claims such as the food product is natural, new, superior or award-winning.

The directive would prohibit claims linking health and nutrition with a brand. It would also define and restrict the use of claims that a food is alcohol-free or has a high or low content of certain nutrients or energy. Unless authorized by EC legislation, claims that "knock" other foods, claims that everyday foods can't supply adequate nutrition, claims that a foodstuff has acquired extra nutritive value from additives like vitamins and claims that any particular foodstuff meets full nutritional and energy needs could be prohibited.

"Consumers are looking for different things, like low-fat or natural foods, so claims become quite important," said Valerie Saint, head of legal services at Unilever's Birds Eye Wall's Ltd., marketer of frozen foods and ice cream.

If the directive passes, brands such as H.J.

(Continued on Page 60)

'92 moves

(Continued from Page 59)

Heinz Co.'s Weight Watchers and Unilever's Healthy Options frozen meals, which are sold as healthy, low-calorie foods, probably couldn't be positioned as such in advertising. Even Healthy Options' on-pack panel linking the brand with healthy, low-fat eating would be disallowed.

■ The EC hasn't proposed restrictions on alcohol advertising yet. It is closely watching the Council of Europe, a parallel and sometimes rival body of 21 European countries scheduled to debate a total alcohol ban during its Parliamentary Assembly Oct. 4.

Regulations passed by the Council of Europe are generally considered less of a threat than EC legislation because they're only binding for those nations that sign them.

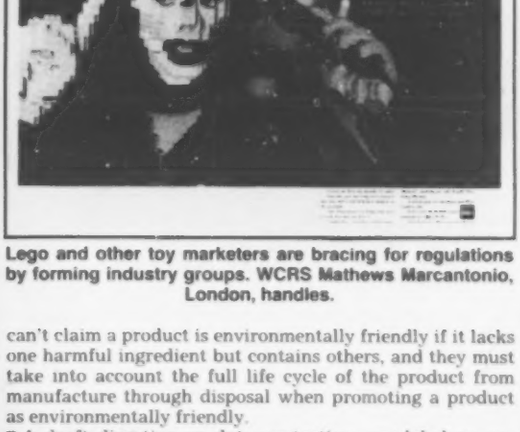
Many countries plan to limit tobacco advertising. Collett Dickenson Pearce, London, created the humorous Gallaher Tobacco ads.

Member states that disagree with a Council of Europe convention can simply ignore regulations by refusing to sign. However, advertisers are concerned that a Council of Europe ban would encourage the EC to propose a similar ban.

"We're looking for a responsible approach to the abuse of alcohol," said International Distillers' Mr. Curtis. "We believe the Council of Europe proposal will go well beyond that, and we're very concerned [that] that and the French move [to severely restrict alcohol advertising will encourage] a possible EC draft directive."

■ An EC move to permit comparative advertising, currently banned in most EC countries, is a rare bright spot for advertisers. A formal proposal allowing ads to make direct comparisons is expected by yearend.

■ The European Commission is considering a labeling system to identify environmentally safe products. Separately, several countries have adopted codes to regulate claims. In the U.K. code adopted in June, for example, advertisers



Lego and other toy marketers are bracing for regulations by forming industry groups. WCRS Mathews Marcantonio, London, handles.

can't claim a product is environmentally friendly if it lacks one harmful ingredient but contains others, and they must take into account the full life cycle of the product from manufacture through disposal when promoting a product as environmentally friendly.

■ A draft directive on data protection—modeled on existing West German legislation—severely restricts the collection and use of information about individuals. If passed, direct marketing, credit cards and other financial services will suffer.

Direct marketing companies would be barred from obtaining enough information to target prospects and be forced to use mass mailings, NDL International's Mr. Coad he said. Credit card companies and banks would be banned from transferring information from an EC nation to a country, such as the U.S., that has lower standards of data

(Continued on Page 61)

OGILVY & MATHER WORLDWIDE

| Clients: | The Americas | | | | | | | | | | | | | | Europe | | | | | | | | | | | | | | | | | | | | Middle East | | | | | Pacific | | | | | | | | | | | | | | | | | | |

J. WALTER THOMPSON CO.

| Clients: | The Americas | | | | | | | | | | | | | | | | | | | | | | | | Europe | | | | | | | | | | | | | | | | | | |

AGENCIES WITH OFFICES IN FEWER THAN 39 COUNTRIES

ALLIANCE INTERNATIONAL

Clients:	Europe: Belgium*	Denmark*	France	Germany	Greece*	Ireland	Italy	Netherlands	Portugal	Spain	Sweden	Switzerland	U.K.	Yugoslavia*
Comm. of the European Community	●	●	●	●	●	●	●	●	●	●			●	
Fruit of the Loom			●	●			●			●			●	
Lucas Automotive Aftercare		●	●	●			●			●			●	
Milupa Babyfoods			●	●			●		●	●			●	
Yugoslav Government Tourist Board				●							●	●	●	

*Non-equity affiliation. Source: Alliance International

N W AYER

Clients:	U.S.	Europe: Austria*	Belgium*	Denmark*	Finland*	France	Germany	Greece*	Italy	Netherlands	Norway*	Portugal	Spain	Sweden*	Switzerland*	Turkey	U.K.	Pacific: Japan*
Beiersdorf						●	●		●				●			●		
Fichet Bauche						●	●		●				●			●		
General Electric						●	●		●				●			●		
Gillette	●						●		●		●		●		●	●		●
Iberia Airlines	●		●				●		●		●		●		●	●		●
Merlin Gerin						●	●		●				●			●		
Ricoh			●	●	●	●	●	●	●	●	●		●		●	●		
Ryobi				●		●	●		●				●			●		
SEAT			●			●	●		●				●			●		

*Non-equity affiliation. Source: N W Ayer

BDDP

Clients:	U.S.	Europe: Austria*	Belgium	Denmark*	France	Germany	Italy	Netherlands	Norway*	Spain	Sweden*	Switzerland*	U.K.	Africa: Cameroon*	Ivory Coast*	Kenya*	Senegal*	Pacific: Australia*	Hong Kong	Japan*	Malaysia	New Zealand*	Philippines	Singapore	Taiwan
BSN Gervais Danone			●		●		●	●		●															
Gaas													●					●	●		●			●	
Dragon Air					●	●	●						●					●	●	●	●	●	●	●	
Exxon Chemical			●		●	●	●						●												
Hasbro			●		●	●	●			●			●												
Korean Air			●		●	●	●						●												
Michelin		●	●	●	●	●	●			●	●		●	●	●	●	●								
Polaroid			●		●	●	●						●												
Reckitt & Colman					●	●	●			●			●												
Singapore Airlines	●		●	●	●	●	●	●	●	●	●	●	●					●	●	●	●	●	●	●	●
Singapore Tourist Board	●		●	●	●	●	●	●	●	●	●	●	●					●	●	●	●	●	●	●	●
Tag Heuer Watches	●		●		●					●			●												
Tiger Balm	●				●	●	●						●												
Unza																		●	●	●	●	●	●	●	●
UOB	●												●					●	●	●	●	●	●	●	●

*Non-equity affiliation. Singapore Airlines and Singapore Tourist Board are accounts handled by Singapore based Batey Advertising, in which BDDP holds 20% equity. Source: BDDP, Paris

BOZELL

Clients:	The Americas: U.S.	Canada	Brazil*	Chile*	Colombia*	Mexico	Puerto Rico	Europe: Austria	Belgium	France	Germany	Greece**	Italy	Netherlands	Portugal	Spain	Switzerland*	U.K.	Pacific: Hong Kong	Japan	Malaysia	Singapore	South Korea	Taiwan
Chrysler	●					●	●		●	●	●			●				●	●	●				●
Merrill Lynch	●	●									●													
Patek Philippe	●										●													
Rockwell International	●	●									●							●						
Samsung	●	●	●	●	●	●					●	●			●			●						
Sunkist																			●	●	●	●		
Texas Instruments	●									●	●	●		●				●	●	●				

*Non-equity affiliation. **Bozell administers business in Kuwait and Lebanon from its Athens office. Source: Bozell

CHIAT/DAY/MOJO

Clients:	U.S.	Canada	U.K.	Pacific: Australia	Fiji*	Hong Kong	Japan*	Malaysia*	New Zealand	Singapore	Taiwan*	Thailand*
Australian Tourist Commission	●		●	●		●				●	●	●
Canon				●			●	●		●		
Koala Springs	●	●		●		●						
Meadow Lea Foods				●			●		●	●	●	●
Mitsubishi Electric	●			●			●		●	●	●	●
Qantas	●		●	●	●	●	●	●	●	●	●	●

*Non-equity affiliation. Source: Chiat/Day/Mojo

DENTSU

Clients:	U.S.	Pacific: Australia	Japan	Thailand
Canon	●	●	●	●
Japan Air Lines	●	●	●	●

Source: Advertising Age

EUROCOM WCRS DELLA FEMINA BALL

Clients:	The Americas: U.S.	Argentina*	Brazil*	Chile*	Mexico*	Peru*	Uruguay*	Venezuela*	Europe: Austria*	Belgium	Denmark	France	Germany	Greece*	Italy	Netherlands	Norway*	Portugal*	Spain	Sweden*	Switzerland*	U.K.	Pacific: Australia	Hong Kong	Malaysia	New Zealand	Singapore	Taiwan	Thailand
Air India																						●					●	●	●
B A T																							●	●			●	●	●
Bayer	●																						●	●			●	●	●
BMW																		●				●		●			●	●	●
BP												●				●						●		●					
Bristol-Myers Squibb	●															●						●							
BSN										●		●				●			●										
Cadbury Schweppes												●											●	●	●		●		
Canon																●						●							
Dow Chemical	●									●		●				●							●					●	
Fabbri										●		●				●			●										
Hong Kong Shanghai Bank																								●			●	●	●
Lego										●		●				●													
L Oreal												●				●													
Maple Leaf										●						●													
Matsushita (Panasonic)																●			●										
Mitsubishi												●				●													
Nestle	●											●																	
Pan Am	●	●	●	●	●	●	●	●	●	●		●		●	●	●	●	●	●	●	●								
Parker Pen																							●	●	●	●	●	●	●
Sara Lee												●										●	●						
Schering-Plough	●									●		●							●										
Toshiba	●											●							●										
Unilever												●	●			●						●							
United Distillers										●	●	●	●	●															

(Continued in next column)

EUROCOM WCRS DELLA FEMINA BALL (cont'd)

Clients:	The Americas: U.S.	Argentina*	Brazil*	Chile*	Mexico*	Peru*	Uruguay*	Venezuela*	Europe: Austria*	Belgium	Denmark	France	Germany	Greece*	Italy	Netherlands	Norway*	Portugal*	Spain	Sweden*	Switzerland*	U.K.	Pacific: Australia	Hong Kong	Malaysia	New Zealand	Singapore	Taiwan	Thailand
Zenith Computers									●	●		●	●		●	●	●		●	●	●	●							

*Non-equity affiliation. Source: Eurocom WCRS Della Femina Ball

FCA! GROUP

Clients:	Europe: Belgium	France	Germany	Italy	Netherlands	Portugal*	Spain	U.K.
Burberrys	●	●	●	●	●	●	●	●
Ducros	●	●				●	●	
Nestle	●	●			●			●
Phas	●	●	●	●	●			
Helena Rubinstein	●	●	●	●	●		●	●
Sportinx	●	●	●	●	●		●	●
Vichy	●	●	●	●	●	●	●	●
Unguaro	●	●	●	●	●		●	●

*Non-equity affiliation. Source: FCA! Group

HAKUHODO

Clients:	U.S.	Europe: France	Germany	Italy	Netherlands	U.K.	Pacific: Australia*	Hong Kong	Japan	Malaysia	Singapore	Taiwan	Thailand
Ajinomoto	●							●	●			●	●
Canon	●			●	●			●	●				
Citizen			●			●		●	●			●	
Isetan								●	●				
KAO								●	●	●	●	●	●
Konica				●				●	●	●	●	●	●
NEC	●		●	●		●		●	●	●	●	●	●

*Non-equity affiliation. Source: Hakuhodo

HDM

Clients:	U.S.	Europe: Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Portugal	Spain	Sweden	Switzerland	Turkey	U.K.	Pacific: Australia	China	Hong Kong	India*	Indonesia	Japan	Malaysia	New Zealand	Philippines	Singapore	South Korea	Taiwan	Thailand
Adidas																			●		●	●							
AT&T																			●			●			●	●	●	●	
BSN Gervais Danone	●		●		●		●		●			●		●		●											●		
Chanel																													
Credit Sussse	●		●	●		●	●			●		●		●	●	●													
Colgate-Palmolive	●																		●	●	●	●	●		●		●	●	
Du Pont				●				●							●				●	●	●	●	●		●		●	●	
Federal Express	●															●		●	●			●	●		●		●	●	
Henkel			●	●			●		●			●																	
Hero										●	●		●		●														
Hewlett-Packard International	●		●									●		●					●										
Hong Kong Tourist Association																			●	●	●	●	●	●	●	●	●	●	
Jacobs Suchard			●			●						●		●					●										
JAL																			●						●	●	●		
Kentucky Fried Chicken	●																		●			●			●		●		
Kleber			●			●	●		●																				
L Oreal											●																		
Mita	●			●						●	●		●																
NEC	●											●							●				●						
Pernod-Ricard															●	●													
Peugeot	●		●	●		●	●	●	●	●					●	●													
Rhone Poulenc							●					●				●													
Royal Canadian Mint																			●								●		
3M			●	●		●	●	●	●	●	●	●	●	●	●	●													
Toshiba					●			●								●			●		●				●				
Unisys																			●							●			

*Non-equity affiliation. Source: HDM

LOWE INTERNATIONAL

Clients:	U.S.	Canada	Europe: Austria	Belgium*	Denmark*	Finland*	France	Germany	Italy	Netherlands*	Norway*	Portugal*	Spain	Sweden*	Switzerland*	U.K.
Avis			●	●	●	●	●	●	●	●	●	●	●	●	●	●
Bols			●	●	●	●	●	●	●	●	●	●	●	●	●	●
Coca-Cola	●		●	●				●		●						
General Motors			●	●				●	●	●						●
Henkel		●	●	●				●	●	●				●		
Hoover			●	●				●								
Interbrew			●	●	●	●	●	●	●	●	●	●	●	●	●	●
Parker Pen	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
G D Searle	●	●	●					●		●						
Sisley	●	●	●			●	●	●	●	●		●		●	●	●

*Non-equity affiliation. Source: Lowe International

ROUX SEGUELA CAYZAC & GOUDARD

Clients:	Europe: Austria	Belgium	France	Germany	Greece	Italy	Netherlands	Spain	Switzerland	U.K.	Africa: Morocco	Saudi Arabia
Cartier			●	●			●			●	●	●
Citroen	●	●	●	●		●	●	●	●	●		
Club Mediterranee	●	●	●	●		●	●	●	●	●		
Moulinex	●	●	●								●	
Tambrands	●	●	●	●	●	●	●	●	●	●		

Note: For some clients, RSCG handles creative work in Paris, but media is placed directly by the client in other countries. Clients and countries handled in this manner are **Cartier** in the U.S., Austria, Belgium, Italy, Spain, Switzerland, Australia, Hong Kong, Japan, Singapore and Thailand; **Guerlain** in the U.S., Canada, Mexico, Austria, Belgium, Germany, Greece, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, U.K., Saudi Arabia, Australasia, Hong Kong, Japan, New Zealand, Singapore and Thailand; **Piaget** in Argentina, Brazil, Mexico, Venezuela, Austria, Denmark, Greece, Portugal, Spain, Switzerland, U.K., Saudi Arabia, Hong Kong, Japan and Singapore; **Citroen** in Denmark, Greece, Norway, Portugal and Sweden; and **BIC** in Japan; also handled by RSCG offices in France, Morocco and Saudi Arabia. Source: Roux Seguela Cayzac & Goudard

TBWA

Clients:	U.S.	Europe: Austria	Belgium	Denmark	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	Turkey	U.K.	U.S.S.R.	Pacific: Hong Kong	Japan
Absolut	●				●	●	●					●				●			●
Aerolineas Argentina					●	●	●		●			●							
Barilla			●		●	●	●					●	●			●			
Beiersdorf	●		●		●	●	●		●			●	●					●	
Bosch			●		●	●	●	●				●	●						
BSN	●		●													●			
Bull Computers			●	●	●	●	●		●			●	●						
Delsey	●		●		●	●	●		●			●	●						
Evian	●											●				●			
Fromageries Bel	●			●	●	●										●			
Goldstar	●													●		●			
Hanes			●		●	●	●		●			●				●			
Hermes			●		●	●	●		●			●							
IDV	●								●			●				●			
Monsanto	●				●	●	●		●										
Philip Morris			●		●	●	●		●										
Tonyma					●	●	●												

Source: TBWA

World ad spending: outlook dim

Middle East trouble adds to uncertainty

An Advertising Age roundup

The ad world is sluggish.

Recessions in Brazil and Australia, soft Canadian and U.K. markets, and jitters in Hong Kong about 1997 darken hopes of ad spending growth, according to *Advertising Age's* most recent survey.

And the Middle East crisis has made forecasting even harder.

"This Mideast thing has created uncertainty for the economies of many countries," said Robert Coen, senior VP-director of forecasting at McCann-Erickson Worldwide, New York.

Earlier this year, Mr. Coen predicted U.S. ad spending would grow 5.3%, including inflation, but he now expects less growth.

"In the U.S., economists are modifying the economic picture," he said. "Instead of the gradual improvement we were due for, we're not going to be able to count on that. It's now apparent that the country is moving a lot slower than it had been thought."

The following estimates compiled by *Advertising Age* express ad spending growth figures—where available—based on local currencies and in real terms, meaning inflation has been filtered out.

Europe

Saatchi & Saatchi Co., London, has downgraded its forecast for ad spending growth in Europe in 1990 to 10.2% from 11.5%. (Saatchi's pan-European figures haven't been adjusted for inflation.)

The downgrade is based on poor performance in the U.K., Norway, the Netherlands and Turkey, which Saatchi calls "the four worst performing markets in the world."

The company's latest twice-yearly Advertising Expenditure Forecasts was published in July.

U.K. research group Market Penetration Services predicts an increase in U.K. ad spending of only 3.1% a year in real terms until 1992.

The West German ad trade organization, ZAW, expects 3% to 4% real growth for 1990, following 6% growth for 1989.

Industry sources say the opening of East Germany may have considerable influence on West German ad spending for the rest of this year. But ad spending by West German marketers in East Germany is cannibalizing budgets originally targeting West Germany.

"For . . . consumer companies, the main target of the marketing and sales managers is East Germany," said Bernd Michael, ceo of Grey Gruppe Deutschland, Duesseldorf.

The Saatchi report claims growth in Europe, where ad spending averaged an 11% increase since 1981, lives on despite the poor performance in certain countries due to the deregulation of TV.

Most countries are now allowing private TV channels to compete with state-owned channels, and dozens of satellite-delivered channels have been launched.

In Spain, total ad spending for the first half increased 15.5% in real terms. Despite the government's current restrictive monetary policies, ad spending for the entire year is expected to grow 15% in real terms.

Two new national private TV channels, Antena 3 and Telecinco, ended state-run network TVE's monopoly and increased ad time.

Growth is expected to continue in Italy and France, due to the development of private TV and increased TV ad time in recent years, McCann's Mr. Coen said.

"Italy picked up a few years ago and is still going," he said.

In Mr. Coen's June report, he predicted Italian ad spending would increase 9.2% combined with a 6.1% inflation rate. For France, he expected 11% growth and a 3.3% inflation rate.

Asia/Pacific

The Australian ad industry is having its worst year in more than a decade.

Spending has dropped, major agencies are shedding up to 10% of staff and debt collectors are hard at work for agencies.

"There's no question there's been a tendency for payment to be a little late," says Malcolm Spry, chairman of HDM Mattingly, Sydney. "We now employ full-time credit-control people in both Sydney and Melbourne."

Best estimates are that real ad spending growth will fall this year between 1% to 2%.

"The dollars just aren't there," said Kate Henley, executive director of the Australian Association of National Advertisers. "Spending is very flat, a slightly negative growth rate."

After 0% real growth in the first half of 1990, Hong Kong ad spending is looking up in the second half, with a 5% real gain expected.

The first half's poor performance could be traced to the Tiananmen Square massacre in Beijing in June 1989, agency sources say. Hong Kong will be returned to China in 1997.

"After June 4 [1989], most agencies received calls from clients requesting cutbacks on ad spending," said Kim Walker, managing director of Backer Spielvogel Bates, Hong Kong.

The looming November ban on TV tobacco advertising won't help ad spending.

"You have a total cigarette ad budget of $50 million in Hong Kong, which is going to be impossible to replace in new media," Mr. Walker said.

After real ad spending growth of 23.6% last year, Taiwan is also cooling off.

Plunges in real estate values and the stock market have caused product sales to soften and the ad industry to see "some slowdown," said Andy Lai, general manager of Leo Burnett Co., Taipei.

After growth slowed to 10.1% in the first half of 1990, the second half's increase is expected to only be 5.5%. For all of 1990, 7% real growth is expected.

Japan's growth is slowing but still strong. Total ad spending is expected to increase 6.5% to 7.5% this year, according to estimates by Dentsu, Tokyo. However, this is much lower than 1989, when spending grew 14.8%.

Increased spending comes from new-product launches by home electronics and automobile companies, increased competition in several consumer goods categories and more spending by financial institutions.

It remains to be seen how Japan, so dependent on foreign oil, will fare as a result of the Middle East crisis, McCann's Mr. Coen said.

Americas

In Canada, ad spending is expected to remain stagnant for the rest of 1990, with 0% growth predicted after inflation. For the past 18 months, real ad spending growth has been limited to about 1%, industry sources say.

Canadian ad spending may even decrease next year. A 7% federal goods and services tax will be introduced in January.

"I think we're starting to see a softening this year, and 1991 will be worse," said Kathie Shearer, senior VP-national media director at McCann-Erickson, Toronto. "No one is quite sure what will happen to prices as a result of the new tax."

With lower inflation, Brazil's ad spending actually appears to be entering a recession. Ad spending came in fits and starts during the first half but is expected to fall off significantly from now on, sources say.

Since March, when President Fernando Collor announced his strict anti-inflation plan, magazine ad pages have fallen sharply as big advertisers cut spending.

"We'll have negative growth compared to last year. Money will be short," said Roberto Duailibi, partner in Duailibi, Petit, Zaragoza, Sao Paulo. He forecasts a 20% drop from last year's $2.7 billion ad spending. ☐

Written by Julie Skur Hill from correspondent reports.

HOLLY SEGUINE

Vacationers turning to TV

By Wayne Walley

NEW YORK—Summer vacationers like to watch TV, and they watch it in places that Nielsen Media Research doesn't measure, a study sponsored by ABC-TV found.

More than 79 million Americans vacation away from home during the summer. In a telephone survey of 1,003 adults ages 18 and older, 77% of those who vacationed away from home in June and July watched TV an average of three hours a day while on vacation. The survey conducted July 30 to Aug. 6 by Bruskin Associates is the latest study in which the network has participated to determine how many people are watching TV away from home.

"The goal and objective is to gain insight into who's watching what, when and where. Eventually, we hope out-of-home viewing is measured and made a part of the ratings system," said Richard Montesano, VP-market research for ABC Television Network Group.

People who go away from home on summer vacations are a desirable advertiser audience, the survey found. Those people are more likely to be adults 18 to 49 with college or graduate school education, and employed in professional or managerial positions with incomes of more than $50,000 a year.

"Eventually, we hope out-of-home viewing is measured and made a part of the ratings system."

The nationwide telephone survey found that 43% of those interviewed had taken or would take a vacation away from home this summer. Of the summer vacationers, 92% have access to a TV away from home, the survey found.

Those who said they watched TV away from home were almost exclusively in locations not measured by Nielsen, including hotel/motel rooms, second vacation homes and condominiums, bars, restaurants and parks.

The survey's margin of error was plus or minus 3%.

Most advertisers acknowledge the existence of out-of-home viewing, and say they're willing to pay premiums for certain programs and sporting events because of this unmeasured audience.

However, the media buying community argues that adding unmeasured out-of-home viewing to the ratings is a way for the networks to increase prices.

Mr. Montesano said this attitude camouflages the issue.

"How do we really know people are watching out of their homes unless we do this?" he said. "Maybe more younger men are watching football out-of-home, and that isn't reflected in the network ratings. So an advertiser ends up buying other media and spending more money to reach young men when [it] might already have them in football. Knowing the entire audience can help both sides." ☐

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Timon out as Colgate ad chief

Ad department revamped; centralized functions scrapped

By Laurie Freeman

Clay Timon, VP-director of worldwide advertising for Colgate-Palmolive Co., abruptly left the company last week because of "deep philosophical differences in Colgate's ad strategy."

Mr. Timon, 46, is credited with developing Colgate's global advertising strategy and establishing the company's partnership with two worldwide agencies, FCB/Leber Katz Partners and Young & Rubicam.

Ariel Allen, the company's VP-creative services, also was reassigned to an undisclosed position as Colgate said it was restructuring its advertising department.

Mr. Timon's exit, company insiders say, was due to differences between him and William S. Shanahan, Colgate's senior exec VP-chief operating officer. Both the company and Mr. Timon said the departure was mutually agreed upon.

At this time, supervision of Colgate's $450 million in worldwide advertising business is in the hands of the company's top management, regional management and product managers, a company spokesman said.

Sources close to the company say they fear Colgate's relationship with its agencies will deteriorate without a central person to handle routine, daily tasks.

"It could be that within a year, Colgate may return to its old ways of having agencies pitch against each other and agencies being brought in on special projects," said a company executive who requested anonymity. "No one knows what direction the company should go in."

"There will be no change in our global

(Continued on Page 8)

HOT STUFF!

Anheuser-Busch tonight breaks its first image campaign for Bud Dry, using the "Why ask why?" theme. Wry spots use sometimes frustrating situations or unanswered questions ending, "Why ask why? Try Bud Dry." DDB Needham Worldwide, Chicago, handles *(see story on Page 76).*

Calvin Klein Inc. last week launched a new multimillion-dollar TV campaign for its designer jeans. Five different spots, created and directed by Richard Avedon, show men and women discussing relationships as well as their "Calvins." It's the first TV advertising for the jeans since 1984. Chiat/Day/Mojo, New York, handles media buying.

Ernest Hemingway's son, Jack, and granddaughter, Joan, will be featured in Oldsmobile's first campaign for the Bravada. The commercial, breaking late this month, shows Ms. Hemingway driving the car to a rendezvous with "the old man and the sea." Leo Burnett USA, Chicago, handles for the unit of General Motors Corp.

Eurocom threatens HDM partnership

By Jon Lafayette and Laurel Wentz

French communications giant Eurocom could pull out of HDM if its demands for a larger stake of the $2.6 billion joint venture agency network aren't met.

Friction between Young & Rubicam and Eurocom has been reported almost since the joint venture—with third partner Dentsu—was assembled in 1987, and late last week a French daily newspaper reported Eurocom was negotiating to buy back its European holdings in HDM.

Le Figaro said Eurocom offered its two partners a total of about $50 million for its interest in HDM offices across Europe, but Dentsu and Y&R wanted close to $120 million. In response to the story, Eurocom denied that "any agreement to dismantle the HDM network has been finally adopted at this time."

Officially, the HDM partners expressed hope that the network's operations would continue.

"I don't think we want to get out" of HDM, a Eurocom spokeswoman in Paris said. "We have an agreement to agree that things must be done differently. Voila."

The Eurocom statement explained the discussions as redefining "the international equilibrium of this network."

"What we're not discussing is shutting down the agencies," said R. John Cooper, exec VP-general counsel of Young & Rubicam in New York. "All that we're discussing is the ownership issue and potential realignment of that ownership."

Y&R is developing contingency plans for operating HDM in the event of a Eurocom pullout, a Y&R source said.

Eurocom already owns a 51% interest in

(Continued on Page 76)

LAST MINUTE NEWS

Sears shuffles execs

CHICAGO—Sears, Roebuck & Co. Chairman Ed Brennan realigned management of the corporate and merchandise groups. Matthew A. Howard was named senior VP-marketing from senior exec VP, succeeding Thomas E. Morris, 43, who resigned as VP-marketing. Eric D. Saunders, 48, was named VP-home fashions group from senior exec VP, succeeding VP-Home Fashions Group Jerry A. Hand, 50, who resigned. Under the restructuring, officers in charge of the six merchandise categories report to President-Retail Laurence E. Cudmore, 54; previously, they reported to Messrs. Howard and Saunders. Mr. Brennan said the restructuring is "part of an ongoing companywide effort to reduce expenses."

Saatchi nixes buybacks

NEW YORK—Saatchi & Saatchi Co. Chief Executive Robert Louis-Dreyfus last week rejected buyback bids from two subsidiaries, Yankelovich Clancy Shulman, Westport, Conn., and Siegel & Gale here. Yankelovich Chairman Kevin Clancy said that after a meeting last week, "It's clear to us we would not be able to make an offer so good [Mr. Louis-Dreyfus] would let us go." Mr. Clancy said the research company's management has been seeking a buyout for more than a year. Separately, Alan Siegel, chairman of design company Siegel & Gale, said Mr. Louis-Dreyfus initiated the buyout talks but rejected an offer for less money than Saatchi paid for the agency. Mr. Siegel said he

(Continued on Page 8)

INSIDE

Countdown to Christmas

Starts after Page 48

Greg King

MCI reviews $50M account at WRG Page 2 • **Sales promotion pioneers stepping down** Page 60

NEWS SUMMARY

■ **Clay Timon** resigned as VP-director of worldwide advertising for Colgate-Palmolive, reportedly because of differences with top management over ad strategy. 1

■ **Eurocom** is demanding a larger stake in HDM, the joint venture it shares with Young & Rubicam and Dentsu, and could pull out if its demands aren't met. 1

■ **The Big 3 TV networks** are cutting prices for some of their fourth-quarter inventory as some advertisers appear hesitant to place orders. 3

■ **USA Today's** hopes for its first profitable year are fading because of an industrywide ad sales slump. 3

■ **Bugs Bunny** was rated the most popular licensed cartoon character in a national survey of adults. 3

■ **Eveready Battery Co.** has launched a new series of Energizer Bunny parody commercials, but continues to lose market share to Duracell. 4

■ **Visa USA's** fall marketing program includes sponsorship of a 40-week national tour of the musical, "A Chorus Line." 4

■ **Foote, Cone & Belding** is seeking an agency partner in Japan, so far without success. 6

■ **Procter & Gamble's** food division has returned to profitability, and now the company is moving quickly to strengthen key food brands with line extensions. 16

■ **TVSM's board** has approved plans to nationally expand its *TV Time* listing guide to compete with *TV Guide*. 18

■ **Cosmair** provides a new elegant setting in ads for Ralph Lauren's Safari fragrance, which will be joined later by a line of bath and body items. 19

■ **Luxury car sales** are up 8% for the first eight months of 1990 compared with the same period last year. 20

■ **Hyundai** will heavily promote its Scoupe subcompact and Sonata midsize sedan in the fourth quarter. 20

■ **Zenith Electronics** has begun a TV campaign touting its brands over imports. 21

■ **Ben Johnson,** the Canadian sprinter, will resume competition after his two-year ban for testing positive to steroids ends this month, and his new manager is seeking commercial endorsements for him. 56

■ **Montgomery Ward & Co.** indicated it will move quickly to select an agency in its $15 million account review. 75

■ **Anheuser-Busch** today begins its first image campaign for Bud Dry, a beer the company introduced nationally last April and says is selling well. 76

■ **Chrysler Corp.** previewed 1991 model advertising for its dealers last week; much of it continues to make comparisons with competing makes. 76

■ **Dow Jones & Co.** named four executives to key marketing and ad sales posts, and plans further expansion in the U.S. and overseas. 78

DEPARTMENTS

Ad Review	78	International News	56
James Brady	44	Letters	42
Brady's Bunch	64	MediaWorks	62
Classifieds	68	NewsWatch	12
Con-Sid-erations	34	People Moving	63
Corrections & Clarifications	42	PeopleWorks	63
Editorials	34	Photo Review	66
For the Record	73	Retail Marketing News	58
Forum	36	Sales Promotion News	60
Global Gallery	52	The Next Trend	44
Index to Advertisers	78	Joe Winski	44

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MCI connects review

$51M account may be split; WRG pitches

By Jon Lafayette

NEW YORK—Wells, Rich, Greene might be able to hang onto at least some of MCI Communications Corp.'s $51 million ad account, which could be broken into two parts after a review.

MCI decided to place the account up for review "just to look and see whether there are additional minds and tools available to use in the marketplace," Senior VP Judy Ranzer said last week.

She said the company has been focusing on increasing both residential and business customers, and suggested MCI might consider assigning a different agency to each segment, as it did in the mid-1980s.

"The two parts of our business are important to us, and we will be looking closely at both parts," Ms. Ranzer said. "It used to be you either dealt primarily in the consumer segment or the business segment. Now we compete in all segments at the same time."

She also praised WRG, which has handled the account since 1987, and didn't rule out the possibility the agency could hang onto a piece of the business when the review winds up in early November.

WRG will participate in the review along with Hill, Holliday, Connors, Cosmopulos, Boston; and Grey Advertising and Levine, Huntley, Schmidt & Beaver, both New York, sources said. Grey owns a majority stake in Levine Huntley.

WRG executives contended recent changes at MCI played a role in deciding to review the account.

"There's new management at the company," said a WRG executive. "They didn't pick us, and they want to see what's out there."

Earlier this year, MCI Senior VP-Corporate Affairs Howard Crane, who handled advertising, became president of the Pacific division. Responsibility for advertising was shifted to Daniel Akerson, exec VP-chief financial officer, and Kevin Sharer, exec VP-sales and marketing, who joined MCI from General Electric Co.

"Those guys have never worked with an agency before," an agency source said. "But they know that AT&T has a slew of agencies and will want to know why they've been working with only one."

While there's been some turnover on the client side, WRG has had nearly constant turnover on its side of the account, agency sources said.

"AT&T has a slew of agencies, and [MCI's new management] will want to know why they've been working with only one."

Both MCI and AT&T have been gaining share at the expense of US Sprint and have taken to sniping at one another in their advertising, some of which has led to legal action.

On Oct. 10, 1989, MCI filed suit in U.S. District Court in Washington, charging AT&T with "falsely and deceptively" representing MCI's services in ads. It was prompted by a letter AT&T sent Oct. 3, to CBS in which AT&T called MCI ads "false and misleading."

Attached to MCI's suit were several examples of AT&T print and TV ads created by N W Ayer, New York, that MCI found objectionable. One print ad claimed "other long-distance companies take up to 30% longer than AT&T to set up the average call." TV spots showed people were dissatisfied at not getting the savings they thought they would get from AT&T competitors.

The ads claimed "Every week, over 100,000 customers switch to MCI." AT&T responded with a counterclaim Oct. 26, charging MCI "has falsely and deceptively advertised and promoted its services."

MCI has a 12% share of the $55 billion long-distance market, compared with 70% for AT&T and 8% for Sprint.

The review comes at a difficult time for WRG.

The agency has been struggling to save Philip Morris Cos.' $80 million Benson & Hedges account and only recently got its first campaign for Continental Airlines approved, seven months after being hired for the $40 million to $50 million account.

In addition, WRG is now in the final throes of a review for a project from Chase Manhattan Corp. and is still getting used to the departure of founder Mary Wells Lawrence.

In March, Mrs. Lawrence turned over her chairman-ceo title to Kenneth Olshan and sold a large minority stake in the company to Paris-based BDDP Holdings.

But the agency appears to be finally putting out a fire at Philip Morris, which had been unhappy at WRG's inability to put together a campaign for Benson & Hedges.

WRG had kept Benson & Hedges in January after a review, but a campaign originally scheduled to break this fall has been pushed back until next year.

In the meantime, Philip Morris is introducing a denicotinized version of the brand, which will be backed by advertising from Leo Burnett USA, Chicago (AA Sept. 10). Sources say Burnett has also executed a campaign for the main Benson & Hedges brand.

A Philip Morris executive denied that, however. □

Pier 1 hunts new agency

By Christy Fisher and Jennifer Lawrence

Pier 1 Imports last week dismissed the Richards Group, Dallas, and put part of its estimated $26 million account in review.

The decorative home furnishings chain is inviting agencies to pitch the broadcast portion of its account, which may or may not include media buying. Print work, and possibly media buying, will move in-house.

Pier 1 wants to expand its media mix and "create more awareness," said John Himelfarb, VP-director of marketing.

In the past, the chain has relied on ads in newspapers and Sunday supplements with some national magazine advertising. It also tested TV spots in the summer of 1989, its first such effort in more than 10 years.

The Richards Group, Pier 1's agency since 1985, hasn't been invited to pitch but will continue to do work through the end of the year.

The agency created the specialty retailer's "A place to discover" campaign, which helped position Pier 1 as a serious retailer of contemporary home furnishings, rather than the funky knickknack store of the '60s and '70s.

"The Richards Group has served us well for five years. They helped us with our image, a campaign that has been one of the best for many, many years," Mr. Himelfarb said. "There is no animosity [between Pier 1 and the agency]. We just wanted to look at new things—new ideas and new creative."

"In today's [retail] environment, if things aren't broke they will be. We need to take a fresh approach. . . ."

"In today's [retail] environment, if things aren't broke they will be," he said. "We need to take a fresh approach to the ways we have been doing things in the past."

The company is moving the print portion of the account and possibly media buying in-house for more control, flexibility and cost savings, he said.

The change comes as Pier 1, which has 531 stores in 43 states and Canada, continues to expand aggressively. It plans to have 1,000 stores by the year 2000.

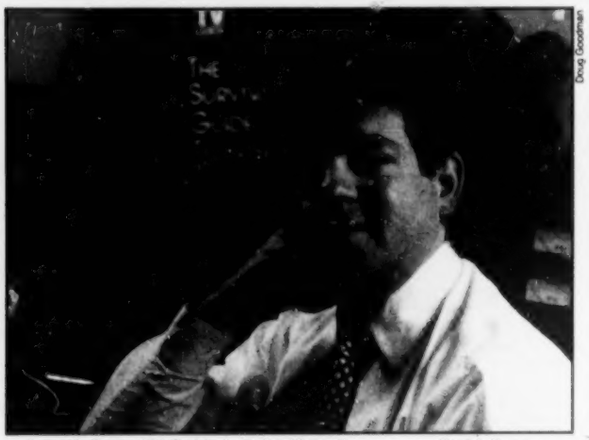
Pier 1 recently reported its eighth consecutive year of record sales. Sales jumped 25% to $516.9 million for the fiscal year ended March 3. Earnings rose 17% to $25.3 million.

However, Pier 1, like most retailers, has begun to feel the effect of the Mideast crisis. Sales for the second quarter, ended Sept. 1, were below expectations, the company reported, with August sales down 7% to 8% from the same period a year ago.

Stan Richards, principal at the Richards Group, stressed the parting was amicable and Pier 1 had no reservations about the agency's work. He cited economics as the reason for the move.

Mr. Himelfarb denied the moves were to cut costs.

Mr. Richards doesn't anticipate any layoffs from the account loss. He said he hoped to reassign agency staffers to other acounts at the shop, which is estimated to have billed $130 million last year. □


Doug Goodman

Joseph Cece: *TV Guide* is "significantly more profitable" now.

Cece hits stride at 'TV Guide'

Rupert Murdoch's News Corp. stunned the publishing world in August 1988 with the news that it would acquire Walter Annenberg's Triangle Publications, including crown jewel TV Guide, *for a record $3 billion.*

In the two years since, TV Guide *has been battling increased competition, ad page declines and a falloff in circulation. The weekly is now going on the offensive—expanding the number of cable system-specific editions, creating "themed" packages for advertisers and, perhaps the most challenging move of all, planning to test a larger-size edition.*

ONE ON ONE

TV Guide *President-Publisher Joseph Wm. Cece talked about the magazine's past, present and future in his Radnor, Pa., office with* Advertising Age *Editor Fred Danzig and Reporter Scott Donaton.*

Advertising Age: *What's your assessment of where the magazine is today, and can you tell us where it's going?*

Mr. Cece: The one thing that's crucial, we feel, is that the circulation of the magazine is stabilized.

The single-copy sales environ-

(Continued on Page 71)

Seeing red again

Hopes fade for profitable 1990 at 'USA Today'

By Janet Meyers

USA Today's high hopes of having its first profitable year in 1990 appear to have been dashed by the industrywide ad sales slump.

Through Sept. 7, the national daily's ad pages were off 8.5%, to 2,312, vs. the same period a year ago. Ad revenue was up 2% for the period, while circulation has increased 4.5% to 1.82 million. How *USA Today* fares in the crucial fourth quarter will determine whether it can break even for the year.

"We're still hoping for profitability," said Tom Curley, *USA Today* president. "This is about as difficult a time to predict what will happen as any I've ever seen, between world events and the economy."

Red ink has been on the decline for *USA Today*, which lost $4.5 million in 1989, down 82% from $25 million in 1988. At the start of 1990, analysts anticipated the paper could post a profit of close to $2 million this year. That was before the bottom fell out of the newspaper ad market.

C. Black

Mr. Curley said *USA Today's* ad sales were "reasonably firm through April," but pages and revenue fell from May through early August. Ad pages bounced back in August, said Publisher Cathie Black, when the daily carried seven more ad pages than in August 1989.

Though usually an optimist, Ms. Black isn't counting on a turnaround for the rest of the year. Having a strong fourth quarter "is somewhat unlikely," she said.

Mr. Curley, more positive in his outlook, still believes the fourth quarter could put *USA Today* in the

(Continued on Page 74)

TV scatter prices down

But 4th-quarter weakness may not signal trend

By Wayne Walley

The Big 3 TV networks are slashing prices for selected prime-time inventory to try to get the market for fourth-quarter scatter sales moving.

Some ad units in prime time and sports were selling last week for as much as 30% below prices paid in upfront sales in what could be a one-time-only set of circumstances, media buyers say.

"Unless the economy goes to hell in a hand basket, this will just be a fourth-quarter phenomenon," a high-ranking network executive said. "Buyers might be licking their lips, but all the networks are well-sold in the first quarter. What has happened is some advertisers have delayed spending, or they are hesitant to get in during the fourth quarter."

While some buyers are snapping up what they believe to be opportunistic buys, others are waiting, not sure the market has reached bottom.

"This is a waiting game," said Bart McHugh, senior VP-director of national radio/TV programming for DDB Needham Worldwide, New York. "There does not seem to be the tightness we've experienced the last three or four quarters, and we are watching the market day to day."

A number of factors led to the soft market. But many industry experts specifically cited the ratings guarantee issue that surfaced during the upfront selling season.

The Big 3 adopted a uniform viewer-counting plan, devised by NBC, that would reduce their liability for make-goods to advertisers.

"The big players, like General Foods, Procter & Gamble, Bristol-Myers and others, looked at other opportunities in syndication and cable with ratings guarantees, or

(Continued on Page 73)

Adults favor classic 'toons in their ads

By Kate Fitzgerald

When it comes to using licensed characters in ads appealing to adults, the hare beats the turtle.

A survey conducted for *Advertising Age* by the Gallup Organization showed adults favor classic animated characters.

GALLUP SURVEY

Bugs Bunny topped the list of most popular characters, and he came in first again when top-of-mind recall was measured. The Teenage Mutant Ninja Turtles were the least favorite cartoon or animated characters.

Marketing spending in support of both Bugs and the Turtles has been heavy this year.

Warner Bros. and its LCA Entertainment licensing arm developed tie-ins with dozens of companies that spent an estimated $100 million on programs supporting Bugs' 50th birthday this year.

When the 1,000 adults were asked to name the first ads that came to mind among those featuring cartoon/licensed characters, the winner was Holiday Inns. The lodging chain ran a summerlong promotion tied to Bugs' birthday with network TV support.

In popularity, Bugs finished ahead of Walt Disney Co.'s Mickey Mouse, who celebrated his 60th birthday in 1988 with a marketing blitz. Warner's Road Runner was third, followed by Disney's Donald Duck and United Feature Syndicate's Garfield the Cat. Fox Broadcasting

(Continued on Page 73)

Who do they love

It's Bugs Bunny's year. Celebrating his 50th birthday, Bugs emerges the clear winner in the popularity poll. Last month, 1,000 adults were asked: "Which one is your favorite cartoon or animated character?"

Rank	Character	Share of votes
1	Bugs Bunny	20.5%
2	Mickey Mouse	10.3%
3	Road Runner	5.9%
4	Donald Duck	3.8%
5	Garfield the Cat	3.6%
6	Bart Simpson	1.7%
6	The Flintstones	1.7%
8	Popeye	1.6%
9	Daffy Duck	1.4%
9	Winnie the Pooh	1.4%

Source: Gallup Organization

Who do they hate

Survey respondents were asked to name their least favorite cartoon or animated characters. Answers tended to differ significantly depending on respondents' sex.

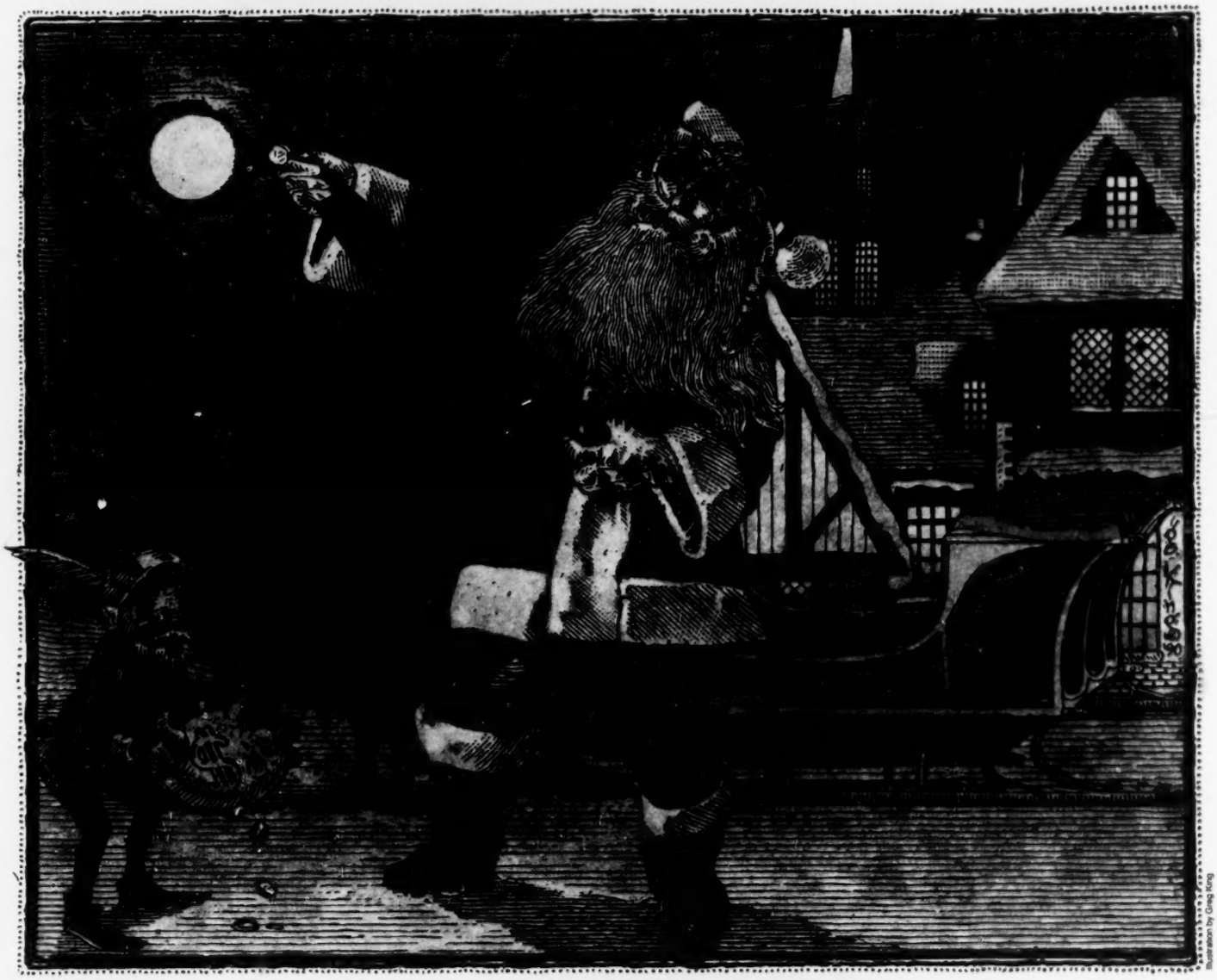
Men	Women
Teenage Mutant Ninja Turtles	Teenage Mutant Ninja Turtles
Smurfs	Road Runner
Bart Simpson	Bart Simpson
He-Man	The Simpsons
Popeye	Smurfs
Road Runner	He-Man
Garfield	Beetlejuice
The Flintstones	Popeye
Woody Woodpecker	Garfield
The Simpsons	Donald Duck

Who do they remember

Of all advertising containing cartoon/animated characters that you have seen in the last 30 days, which advertising for a particular product or service first comes to mind?

Rank	Advertiser/agency	Character
1	Holiday Inns/Young & Rubicam	Bugs Bunny
2	Walt Disney World/In-house	Mickey Mouse, etc.
3	Metropolitan Life/Young & Rubicam	Snoopy
4	Nestle's Butterfinger/Lintas:New York	Bart Simpson
4	McDonald's/Leo Burnett USA	Dick Tracy
6	Burger King/Saatchi & Saatchi	Ninja Turtles
6	Embassy Suites/Tracy-Locke	Garfield
8	California Raisins/Foote, Cone & Belding	California Raisins
8	Disneyland/In-house	Mickey Mouse, etc.
8	Ralston's Teenage Mutant Ninja Turtles cereal/Noble & Associates	Ninja Turtles

Countdown to Christmas



Grinch is back; Santa tightens belt

By Adrienne Ward

Even as it confronts a boycott led by Operation PUSH, Nike continues telling consumers to "Just do it." The problem is, most people aren't listening—not to Nike, not to anyone.

Instead of just doing it, consumers have adopted an attitude for the fourth quarter that's more along the lines of "Don't do it."

Don't eat out as much.

Don't take that big vacation.

Don't buy as many Christmas gifts.

Fears of fighting in the Middle East and uncertainty about the economy are making consumers and marketers alike extremely cautious about Christmas.

In an *Advertising Age*/Gallup Organization poll of 1,000 adults, 70% of respondents say it's likely the U.S. will enter a recession within the next six months. *(See chart on Page S-8.)*

If that happens, most respondents say they will cut back on travel, dining out, going to the movies, buying major appliances and—what could be worse?—gift giving.

"Consumers are very uncertain," says David Stewart, a professor of marketing at the University of Southern California in Los Angeles. "At this point people are taking a wait-and-see attitude."

He predicts consumers will trade down in many categories throughout the fourth quarter. "But if we're celebrating a military victory," he says, "things could go the other way."

"The consumer mindset right now is 'Don't do it.' Everybody's cautious," says John Byington, president of the NPD Group's Syndicated Services division. He predicts categories that rely heavily on fourth-quarter sales—toys, apparel, consumer electronics and sporting goods—will remain flat or decrease slightly.

"The country's at risk. There's a guilt thing about frivolous spending," adds Allan Mottus, a cosmetics industry consultant.

"Plus, people feel poorer. Their real estate values have gone down the drain, stock portfolios are suffering. . . . Luxury items across the board are going to be hurt," he says.

Others say that rather than cutting back too

(Continued on Page S-8)

INSIDE THIS REPORT

Consumer surveys, market analyses, budget shifts and fearless fourth-quarter forecasts.

Retail	Page S-2
Liquor and cigarettes	Page S-3
Cosmetics and toys	Page S-4
Automotive and consumer electronics	Page S-5
Food and restaurants	Page S-6
Package goods	Page S-7
Travel and airlines	Page S-8

Retail

Sales gains of 4% 'likely' as many go easy on gift buying

By Alison Fahey

"It's probably the most unpredictable I've ever seen it," says one economist, referring to the retail industry's fourth-quarter sales outlook.

That sentiment from Bob Salerno, a partner at Coopers & Lybrand, is being echoed throughout the retail industry.

Kurt Barnard, publisher of *Retail Marketing Report*, says the fourth quarter is likely to be considerably affected by the turmoil in the Middle East, "which comes on the heels of a great deal of consumer conservatism and frugality."

According to the *Ad Age*/Gallup poll, 61% of survey respondents say they will pull in the reins on gift giving if the U.S. falls into a recession.

Holiday sales will be up 4% to 6% vs. the same period last year, Mr. Salerno says, although "4% is more likely." In 1989, fourth-quarter retail sales were up about 5% over those of 1988.

Rosalind Wells, chief economist for National Retail Federation, is projecting fourth-quarter retail sales gains of 5%. She previously had predicted gains of 5.5%.

"Originally, I figured we'd have a better Christmas this year than last because in 1989 we had the industry turmoil with the bankruptcies like Campeau," she says. "As this year shaped up, the economy wasn't great, but it was holding up.

"Now I think we're headed into, if we're not already in, a recession. Unemployment is up, inflation is up and real income will be down. . . . We don't have the makings for a very good Christmas," she says.

Carl Steidtmann, VP-chief economist, Management Horizons, is more optimistic, forecasting a "fair" holiday selling season for retailers, with sales gains of about 6% over last year.

Industry observers point to soft goods such as apparel as a potential savior for retailers this Christmas. But poor sales of durables, such as home appliances, should offset some apparel gains.

The *Ad Age*/Gallup poll indicates 65% of consumers surveyed say they will reduce spending on appliances in a recession.

While the jury is out on retail sales performance, many observers agree retailers' profits could be up from last Christmas if they avoid the price slashing that cut into their companies' bottom lines last year.

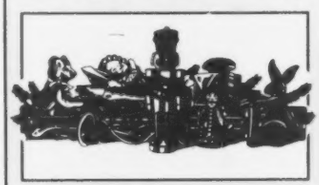
"Retailers have held off on buying and have [reduced] their inventories," Mr. Salerno says. "Their profits will be up even if their sales aren't that much."

However, with consumer confidence on the wane, retailers could be forced once again to offer store-wide bargains.

The problem now, Mr. Barnard says, is that "we have a situation which compels consumers to pay more money at the gas pump and, come October and November, on heating, etc., and that means less money left for discretionary spending for Christmas."

The *Ad Age*/Gallup survey revealed some good news for department stores: 41% of respondents say they will do most of their holiday shopping there. Only 8% say they will favor specialty stores; 22% will shop at discounters; 13% will frequent mass-market merchants; 8% will use catalog retailers; 6% don't know; and 2% did not answer. □

Ad Age/Gallup survey



Retail

At which source do you expect to do most of your holiday shopping?

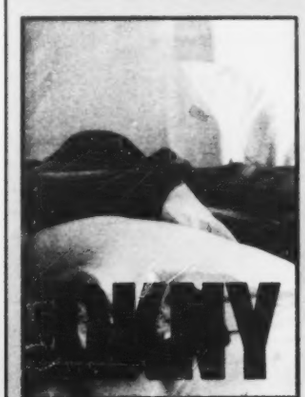
Department stores	41%
Discounters	22%
Mass merchants	13%
Specialty stores	8%
Catalogs	8%
Don't know	6%
Refused to answer	2%

Source: The Gallup Organization

What the experts think

- The U.S. is "migrating to more difficult economic times."
  John Blair, VP-marketing services and new ventures, Quaker Oats Co.
- "We've been in a recession for a year in housing and new cars."
  Lee Iacocca, chairman, Chrysler Corp.
- "There's been a general slowing of sales in the [fast-food] industry and that's going to intensify, and so is competition."
  Larry Krueger, exec VP-marketing, Arby's Franchise Association
- "It's not like we like tough times, but our industry is recession-proof. Consumers put off purchasing a car but they don't put off washing their hair."
  Howard Bernick, president-chief operating officer, Alberto-Culver Co.
- "We don't have the makings for a very good Christmas."
  Rosalind Wells, chief economist, National Retail Federation
- "It's going to be a tough holiday season no matter how you cut it. Consumers are going to be careful, but unless they're on the bread line, Americans buy Christmas presents."
  Annette Green, executive director, Fragrance Foundation
- "The country's at risk. People feel poorer. There's a guilt thing about frivolous spending."
  Allan Mottus, cosmetics consultant
- "It looks like death."
  Edward Starkman, PaineWebber travel industry analyst
- "In a recession, cigarette marketing is a good place to be."
  Manny Goldman, PaineWebber tobacco industry analyst
- "It's going to be one of the worst years for toy sales."
  Allen Bohbot, president, Bohbot Communications

WHAT'S IN



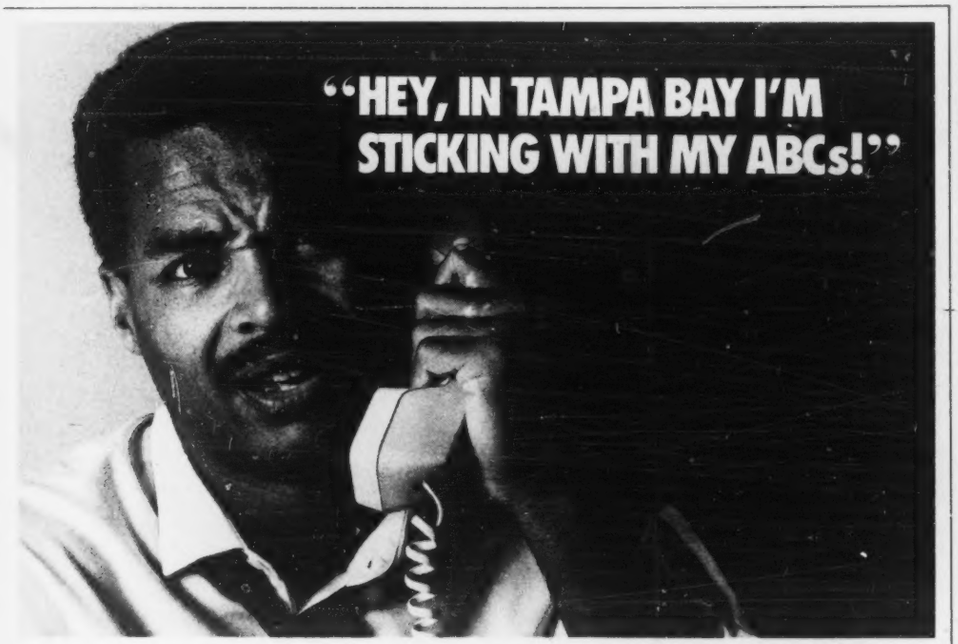
Consumers pay a price when slipping into DKNY jeans.

- **Wearing it on their sleeves:** Not only do consumers want their MTV, they want to wear it, too. So do fans of Paramount, Harley-Davidson, Hanna-Barbera and Disney's Minnie Mouse as branded fashion takes off.
- **The Limited:** Looks like more *Un*-limited growth for Leslie Wexner's chain of specialty stores.
- **Inching toward the top:** Wal-Mart Stores is poised to take over the No. 1 spot in retail.
- **Smarter than ever:** Revamped, restocked and redesigned, J.C. Penney Co. has reinvented itself for the better.
- **Cheaper by design:** The champions of *haute couture* are coming down a few notches with secondary lines. DKNY, Emporio Armani and Mr. Beene from Geoffrey Beene are allegedly affordable. But when a wool jacket and skirt can cost $1,000, retailers are wondering how affordable this clothing really is.
- **Patriotic dressing:** Fashion collections from Americans like Calvin Klein, Ralph Lauren, Donna Karan and other made-in-the-USA designers are as popular as ever.
- **Thrown away in the USA:** When Wal-Mart started its "green" marketing push, competitors followed fast.
- **These boots were made for walking:** Low-heeled, thigh-high boots are making strides.
- **Faux furs:** Fake, colorful furs are filling fashion ads and women's closets.
- **A spirited return:** Let's see what kind of life Susie Tompkins breathes into Esprit.
- **Accountability at the top:** Sears gives Edward Brennan the go-ahead to fix what his merchandise head Michael Bozic couldn't. Can he do it?

WHAT'S OUT

- **On the other hand:** Former wunderkind Michael Bozic begins climbing down the giant's beanstalk.
- **Surviving at the bottom:** Robert Campeau, the Donald Trump of retail, is climbing down the Campeau ladder.
- **Minding the store:** Merger mania cools off as retailers try to fix the problems within their four walls.
- **Too much hype:** Hypermarkets are too big, too far away and too pricy.
- **Pad fad:** Fashion retailers are swapping big, bulky shoulder pads for more feminine, rounded ones.
- **Oversized is overdone:** Big, baggy, boxy women's clothes are getting outnumbered by a more feminine, tailored look.

Whisper when you say "everyday low prices" to Michael Bozic.



Someone trying to throw you into a crock of alphabet soup? ADI. MSA. DMA. GRP. When it comes to buying newspapers in Tampa Bay — just stick with your ABCs. Audit Bureau of Circulations reports.

Times daily circulation is 341,363. And, 437,654 on Sunday. Compare that with the Tampa Tribune's numbers — 265,988 and 360,251, respectively. The new '89 ABC audit confirms that the Times is Tampa Bay's largest newspaper . . . and has been since 1971! That's the bottom line.

Next time, just remember. The Times is Tampa Bay's largest newspaper. It's as simple as ABC.

St. Petersburg TIMES
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Ad Age/8-20-90

Alcoholic beverages

Sobering thoughts about holiday sales

By Patricia Winters

There's a wives' tale that when the economy takes a downturn, consumers drown their woes in liquor.

Unfortunately for the liquor industry, it's just a wives' tale.

"I wish [it] were true," says ck Shea, director of external afrs for Heublein Inc., the nn's No. 2 liquor company. "Hisy doesn't show that the [liquor] dustry takes a nose dive in ressions. Nor does it show that peoe went crazy and drank more, spite what we like to think."

As the threat of recession looms over the fourth quarter, industry marketers are cautious about the outlook for liquor sales.

"The economy is slowing, and it will definitely affect holiday liquor sales," says Ernest Capria, director of marketing services at Carillon Importers, marketer of Absolut vodka and other superpremium brands.

The timing couldn't be worse for the industry: Some distilled spirits realize 25% to 40% of annual sales in the fourth quarter.

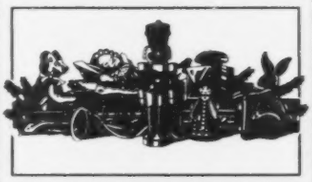
The *Ad Age*/Gallup poll had some good news and some bad news for liquor marketers.

Of those surveyed, 25% say they would continue to buy preferred brands if the U.S. were to enter a recession within the next few months. Only 9% say they would switch to less-expensive products.

The bad news: 18% say they would quit purchasing alcoholic beverages altogether in the event of a recession, and 39% say the question is "not applicable."

Mr. Capria says superpremium brands, such as Absolut vodka and Chivas Regal scotch, will continue to garner sales from image-conscious and affluent consumers who are more resistant to a recession than other consumers.

Ad Age/Gallup survey



Alcoholic beverages

If there is a recession, which of these statements best describes your probable spending behavior in this category?

I would purchase less expensive products	9%
I would continue to purchase preferred brands	25%
I already purchase the least expensive products and would continue to do so	8%
I would quit purchasing them altogether	18%
Not applicable	39%

Source: The Gallup Organization

Also helping the superpremium category is the prospect of consumers trading up in liquor because they're cutting back on other, more pricy luxury items.

"People have found that if you can't buy that new car or that washing machine, [they] tend to reward themselves by eating or drinking better, and they may upgrade a bit," says John C. Maxwell Jr., beverage analyst with Wheat, First Securities.

During tough economic times, other consumers switch to lower-price brands such as Glenmore Distilleries' Skol vodka.

Glenmore, which markets primarily low- and value-price brands, is already benefiting from a slow economy, says Bruce McDonnell, VP-marketing. Its case volume increased 4% for the year ended June 30.

The segment of the market that has no cause for celebration is the middle tier, which analysts say suffers as consumers either trade up to an "affordable luxury" in the premium and superpremium market or trade down for price.

Making matters worse is that mid-price brands already have been hit hard by the industry's decade-long decline.

"The place I wouldn't want to be is in the middle," says Mr. McDonnell.

A decline in mid-price brands could hurt overall ad expenditures, analysts say. While the mid-price brands don't get the kind of high-test ad support allotted to premium and superpremium brands, the profits from those often foot marketing expenses for a company's entire brand portfolio. □

WHAT'S IN

- **The Kamikaze:** This vodka drink popularized in the 1970s is making a big comeback.
- **Stayin' alive:** And you thought the white wine spritzer went the way of fern bars and discos.
- **Boozeless breakthrough:** After several stumbles, non-alcoholic beer finally is catching on.
- **Virgin anything:** From Mary to strawberry daiquiris, this one fits the no-alcohol, health-conscious trend.
- **Classic cocktails:** Manhattans and martinis are among the few "hard" alcoholic drinks left anymore. Plus, the glassware and shakers are definitely *de rigeur*.
- **Margaritas:** Mexico's national drink is as hot as ever.
- **Eire go bragh:** The Black & Tan, one part Bass Ale topped by one part Guinness, is one place where the Irish come out on top.
- **Springing forth:** Sparkling water is in—but skip the Perrier. Now it's trendier to ask for the regional or imported brand of your choice, from Italy's San Pellegrino to Calistoga from California.

WHAT'S OUT

- **Getting moldy:** The Jell-O Shot, last year's hot trend, will be next year's joke.
- **Sex on the Beach:** Not in today's cautious society.
- **Buy American:** Sales of imported beers are slumping.
- **Bourbon and rye:** Save it for your parents, but they probably aren't drinking it either.
- **Cheap stuff:** If you can't serve a name brand, stick with soft drinks. □

America's losing interest in Sex on the Beach.

Cigarettes

'Worried people smoke more'

By Judann Dagnoli

Recession may drag down most consumer marketers, but it keeps cigarette companies in good cheer.

Cigarette consumption increases in times of recession, industry observers y. "When people are worried, ey smoke more," says Wheat, rst Securities analyst John C. axwell Jr.

"In a recession, cigarette marting is a good place to be," adds ineWebber analyst Manny ldman.

Although there's no evidence a cession could help stem the conuing decline in cigarette conmption, Mr. Maxwell says that ring the 1983 economic downrn consumption dropped 4.5% t rebounded and was actually 0.5% the following year from hat it was before the drop.

More recently, tobacco conmption had been dropping 2% nually, a tumble that accelated to 5% last year, some anats say.

"Tobacco is one of the few marts that tend to remain unafcted by recession," says Philip orris USA VP-Marketing David ngoor. He notes the cigarette arket trends upward in a recession because "smoking for people is a pleasure—a friend" in tough times.

Although the $36 billion industry as a whole "wouldn't blink" in

(Continued on Page S-7)

WHAT'S IN

- **You've come a long way, baby:** More women smoke than men, and many are smoking brands designed just for women.
- **Low-smoke smokes:** If you can't beat it, reduce it.
- **Covering all the bases:** Virginia Slims Superslims, low-smoke cigarettes for women, is an idea whose time appears to be right.
- **Value price:** Giving generics a brand name helps stomp out the plain-wrapper stigma.
- **Old Joe:** The latest ad effort featuring the Camel spokesthing is two years old and still smokin'.
- **Boxed in:** Cigarette boxes are giving soft packs a hard time.
- **Still riding high:** Marlboro, again and always.
- **Highly targeted cigarettes:** As long as the company doesn't openly admit whom they're targeting.

How slim is slimmer than slim?

WHAT'S OUT

- **Highly targeted cigarettes:** As long as the company admits whom they're targeting.
- **Like a cigarette shouldn't:** RJR's Winston is now decidedly uncool.
- **De-clining:** Philip Morris' Next DeNic—because less nicotine means less taste.
- **Identity crisis:** Generic cigarettes illustrate the power of a brand name.
- **The Jammie Man:** As Wells, Rich, Greene tries to come up with a new execution for Benson & Hedges, consumers are still wondering what happened to the Jammie Man.
- **Tried and TRUE:** New brand names fade as marketers see wisdom of sticking with line extensions. □

Toy dealers who ignore New York's Hispanic consumers are just kidding themselves.

In 1988, New York's Hispanics spent more than $35 million on toys and games.

Want to reach these buyers? Advertise on WNJU 47—New York's #1 Spanish-language television station. It's as simple as that!

WNJU 47
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For more information, call Rosemarie Lieberman (212) 492-5603

Source: Arbitron, May 1989, sign-on to sign-off. AGB 1988 Telemundo Product Usage Study, New York ADI.

Toys

The 'have-not' toymakers may take it on the chin

By Kate Fitzgerald

Only a handful of toy marketers will rejoice this Christmas if widespread predictions of a gloomy toy-selling season prove correct.

The weakening economy plus an overemphasis on the videogame segment and the red-hot Teenage Mutant Ninja Turtles have created havoc for the majority of toy marketers.

The winners will be few this fourth quarter, which traditionally accounts for 60% of toy marketers' annual sales. Nintendo, Sega and other videogame software marketers will rack up big sales.

Another sure winner is Playmates Inc., whose lean, green creatures from the sewer continue to snare profits as the Teenage Mutant Ninja Turtles craze enters its third year.

Less-fortunate rivals with action figures whose popularity has waned, such as Hasbro Inc.'s G.I. Joe, Kenner's Ghostbusters characters and Starting Lineup sports heroes, will limp through another season with lackluster sales.

Overall, toy industry sales are expected to remain flat for the year, hovering around $13 billion, with an additional $3.5 billion in videogame sales.

"It's going to be one of the worst years in recent history for toy sales," says Allen Bohbot, president of Bohbot Communications, the New York-based media buying agency specializing in toy advertising. "There's just nothing really hot out there, except for videogames and the Turtles."

Despite that gloomy picture, certain marketers such as Mattel Inc. and Tyco Toys are anticipating stronger sales, thanks to surprising strength in the girls' segment.

Tyco Toys has stolen the spotlight among marketers targeting girls this Christmas, building on the surprisingly strong performance of its Oopsie-Daisy doll. When the season is over, it expects to post a 17% sales increase over last year to $450 million.

"We're definitely the exception to the rule for most marketers in the toy industry this year, because we didn't even try to fight the war in the boys' action figure area," says Jim Alley, senior VP-marketing at Tyco.

This year Mattel, Hasbro and Tonka copied Tyco's strategy, bringing out additional baby dolls with special features such as crawling, crying and "wetting" their diapers, but Tyco still has the lead in the baby doll niche.

"It's pretty clear, even looking at the competition, that we made a good move last year. We saw openings in the girls' toy area nobody else was exploiting," Mr. Alley says.

Tyco's lead item this Christmas is My Pretty Ballerina, which comes equipped with music the doll "dances" to. Support includes a $5 million network and national spot TV campaign via Bozell, New York.

Tyco's competition in the doll niche includes Mattel's perennially popular Barbie, along with its new baby doll line called the Magic Nursery; Hasbro's Baby Uh-Oh; and Tonka's Hush Little Baby.

"There's competition but we're not worried, because we already have a lot of momentum in the doll area—at least for this year," Mr. Alley says. □

WHAT'S IN

■ **Sewer savvy:** Fresh from the sewers, the Teenage Mutant Ninja Turtles continue their awesome sales. Action figures, accessories, vehicles and licensed merchandise—all will sizzle this Christmas.

■ **Hands-on:** Hand-held videogames—Nintendo's Game Boy, Acclaim and Tiger Electronics—offer alternatives for videogame fans who want something portable and more affordable. Watch for more expensive Game Boy models to land under the Christmas tree and competitors' less expensive versions to be stuffed into stockings.

■ **Nintendo software:** If they've got a Nintendo Entertainment System, they simply want more, more, more software to go with it. Pricy new cartridges ranging from $25 to $50 will top the lists of most videogame fans, with movie-inspired titles such as Acclaim's new "Narc" and "Total Recall" titles fanning the fever.

Boys—Turtles; girls—baby dolls such as Tonka Products' Hush Little Baby.

■ **Licensed characters:** Hanna-Barbera's Jetsons and Flintstones characters are experiencing a new wave of popularity among both kids and plenty of adults, driving sales of everything from T-shirts to plush toys. Disney pals such as Peter Pan and Ariel ("The Little Mermaid") also are in demand.

■ **Baby boom:** Little girls are clamoring loudly for baby dolls this year, especially if they didn't get Tyco's Oopsie-Daisy last year. This year the crawling, crying baby's back, with competition.

WHAT'S OUT

■ **Dick Tracy:** The hero who told us "I'm on my way" is on his way out fast, after licensed merchandise enjoyed fleeting popularity around the June release of the Warner Bros. film.

■ **No fun in the playhouse:** Pee-Wee Herman, the man who brought us lines like, "I know you are, but what am I?" has faded. Hey Vern, It's Ernest! and Ed Grimley dolls also have plummeted.

Pee-Wee doll says: "Aargh." Now, so does its marketer.

■ **Not a bumper crop:** When Coleco went bankrupt, Hasbro bought Cabbage Patch Kids, the line of homely dolls that was a major hit in the mid-1980s. Despite attempts to bring back the fad, it's history. □

Cosmetics & toiletries

Gift-with-purchase likely to provide holiday cheer

By Adrienne Ward

Americans will likely put their best face forward for Christmas this year.

The fragrance and cosmetics industry is expected to post slight increases for the holidays despite consumer caution, industry insiders say.

"I think it will be a good Christmas for cosmetics and fragrances," says Susan Babinsky, manager-consumer products consulting practice for Kline & Co. "Consumers have concerns regarding the economy and the Middle East—they are cautious. But this may mean good news for cosmetics and fragrances. People will hold off on buying a VCR, but fragrances are an affordable luxury item and good for gift giving."

The *Ad Age*/Gallup poll backs this assertion. In the event the U.S. enters a recession, one-fourth of those surveyed say they would trade down to less-expensive cosmetics and toiletries, while 45% say they would continue to purchase their preferred brands.

However, Diana Temple, VP at Solomon Bros., says consumer caution could hurt upper-end fragrances. When retailers mark down apparel, which they already are doing, sales of fragrances in stores suffer, she says.

"Value will be very important this Christmas; the more consumers can get for their money, the better. If they can get a sweater for $20 at markdown, they may decide on that rather than a fragrance."

To that end, Annette Green, executive director of Fragrance Foundation, advises marketers to emphasize value and quality in their holiday marketing efforts. She says gifts-with-purchase will be important selling tools for fragrances, and that classic scents like Chanel No. 5 will be especially strong.

"It's going to be tough no matter how you cut it. Consumers are going to be careful," she says. "But unless they're on the bread line, Americans buy Christmas gifts."

While some marketers will be forced to cut ad spending, others are moving in the other direction.

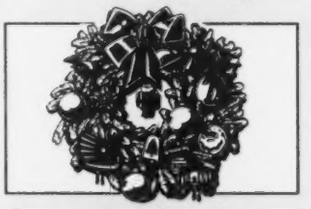
Josef Schreick, VP-marketing and creative services at Aramis, says the division of Estee Lauder Inc. is increasing its fourth-quarter ad-promotion budget 35% over the same period last year.

At Chanel, the fourth quarter ad budget is about 30% higher than last year's, according to Steve Kaputo, executive director of marketing services.

Chanel reallocated its 1990 budget to heavy up in the crucial fourth quarter. A new spot for Chanel No. 5, created in-house, will air frequently in 20 major markets throughout the holiday season. Media was bought by DDB Needham Worldwide, New York.

"Life goes on, holidays still happen, businesses still run. The world doesn't come to a stop," Ms. Babinsky says. "Given that, there is a good opportunity for this business to perhaps flourish to a certain degree." □

Ad Age/Gallup survey



Cosmetics & toiletries

If there is a recession, which of these statements best describes your probable spending behavior in this category?

I would purchase less expensive products:	25%
I would continue to purchase preferred brands:	45%
I already purchase the least expensive products and would continue to do so	21%
I would quit purchasing them altogether	5%
Don't know	1%
Not applicable	3%

Source: The Gallup Organization

WHAT'S IN

■ **Back to nature:** There's nothing ghoulish about "green" makeup. Taking a cue from England's successful Body Shop, U.S. cosmetics marketers are toning up their use of botanicals, recycled packaging, refill packs and non-animal testing methods. Even chi-chi Estee Lauder has joined the green team with its Origins line.

■ **Making scents:** To spiff up fragrance sales for fall, marketers are unleashing several new scents. Revlon leads the pack with Unforgettable, Guess and three scents from fashion designer Bill Blass: Nude, Basic Black and Hot.

Claudia Schiffer dresses in her Sunday best.

■ **Cross-smelling:** "Unisex" fragrances are the latest trend in perfumes.

■ **Claudia Schiffer:** Guess who's working at Chanel and elsewhere?

■ **Bubble, bubble:** Fragrance marketers are finding growth and prosperity in line extensions for the bath.

■ **False eyelashes:** Did Tammy Faye Bakker leave a lasting impression or are women just nostalgic for the '60s?

■ **The eyes have (lots of) it:** Cleopatra-like eye makeup is in vogue this fall . . . but only if you're wearing pale lipstick.

WHAT'S OUT

■ **Hollywood overdose:** With all the celebrity scents around today, fragrance counters are beginning to look like "Hollywood Squares."

■ **Bic:** These fragrances didn't flick our Bics.

■ **Deep, dark tans:** Americans are finally learning the definition of melanoma.

■ **Now you see it:** Clear mascara is getting covered up by false eyelashes.

Automotive

Carmakers stuck in low gear

By Raymond Serafin

For auto marketers, the question of a recession isn't whether there will be one but, rather, how long it will continue.

"We've been in a recession for a year in housing and new cars," says Chairman Lee Iacocca of Chrysler Corp.

Mr. Iacocca predicts "slow movement for another six to 12 months for sure" in the automotive industry.

For the first seven months of 1990, car and light-truck sales were off 3.3% compared with the same period in 1989, to just under 8.5 million. And 1989 itself was a less-than-banner year, as total calendar-year sales fell 5.9% from 1988—a decline of more than 900,000 vehicles.

The oil crunch that has shaken consumer confidence has only added to the industry's problems. About 20% of consumers polled in an earlier *Ad Age*/Gallup survey say they are reducing their driving since the Middle East crisis began. If gas prices keep climbing, an even greater number say they will cut back on non-essential travel.

Industry reports say North American manufacturers have scaled back third-quarter production plans from their earlier targets, indicating industry officials are pessimistic about any recovery in the fourth quarter.

The sales slump has put downward pressure on ad budgets, but competitive realities have kept auto companies from decreasing their spending, resulting in an overall flat trend expected to continue through yearend.

"I don't see any more pulling in [of ad budgets], just a general uneasiness," says Richard O'Connor, chairman-ceo of Lintas: Campbell-Ewald, Warren, Mich., agency for GM's Chevrolet division, GMAC finance subsidiary, Delco Electronics and AC-Delco. "I've heard nothing in conversation with clients that they're going to hold back as a result of the current situation."

Thomas Wagner, VP-general manager of Ford Motor Co.'s Ford division, says he hasn't downgraded expectations for fourth-quarter sales, although he says Ford dealers report shoppers have been expressing concern about the general economy.

Ross Roberts, VP-general manager of Ford's Lincoln-Mercury division, says the division isn't changing any fourth-quarter marketing strategies as a result of consumer fears. "There's no point in retrenching at this point. We're going forward with our initial plans," Mr. Roberts says.

He and others who market luxury cars fear they will be the first hit by a downturn if the stock market continues to falter, causing potential luxury-car buyers to postpone purchases.

"In a normal kind of recessionary cycle, the luxury segment doesn't go down as fast," says John Grettenberger, VP-general manager of GM's Cadillac division. "Normally, the guy working to meet a car payment is the first to feel it—when he gets laid off, or his friend gets laid off, or orders are down at the factory."

Slow sales mean marketers will face continued pressure from dealers to prop up sales with consumer incentives, such as low interest rates and rebates. □

Ad Age/Gallup survey

Automotive

About 20% of Americans polled say they already have reduced their driving since Iraq invaded Kuwait. But if gasoline prices don't fall soon, an increasing percentage of people say they will cut back on non-essential travel. . .

For social outings	64%
For dining out	42%
For vacation travel	41%
For entertainment	38%

Source: The Gallup Organization

Sunny Capri

Terrarium Trans Sport

WHAT'S IN

- **Mercury rising:** With California dealers asking as much as $3,000 over sticker, the Mercury Capri could turn out to be this year's Mazda Miata.
- **Lexus:** It proves you don't have to be German to make a mark in the luxury-performance field.
- **Under the scope:** Launch of General Motors Corp.'s first Saturn cars will be inspected and dissected by public and press.
- **Fuelish neglect:** After a decade of being ignored, EPA mileage ratings are about to become a copy point in auto ads, thanks to events in the Middle East.
- **New ideas:** Alternative-fuel vehicles gain interest. An electric-powered prototype like the GM Impact is expected to be in production by mid-decade.
- **Tomahawked:** Ford's Explorer sport utility truck is making a dent in Jeep Cherokee sales.

WHAT'S OUT

- **Yugo:** It's back, but why?
- **Chink in the armor:** Infiniti proves being Japanese isn't a sure-fire ticket to success in the U.S.
- **Lost franchise:** The cost of acquiring land, hiring and training personnel and stocking parts is getting prohibitive for new franchises.
- **Daring and speed:** After safety groups pressured Nissan to withdraw its Ridley Scott-directed spot in which a 300ZX outraces a fighter jet, other advertisers will think twice about investing in any similar productions.
- **Gas guzzlers:** How many oil crises will it take to kill them off?
- **Fading Silhouette:** Best suggestion so far for what to do with the enormous dashboard space on the futuristic-looking GM minivans: Use it as a terrarium. □

Consumer electronics

Wary of a power crunch

By Ira Teinowitz

Consumer electronics companies wish they could rewind the tape back to last year.

After experiencing record sales in 1989, electronics marketers already were eyeing 1990 warily. Recent concerns about consumer purchasing ability have only heightened their uncertainty about fourth-quarter sales, which account for roughly 40% of annual sales.

The Electronics Industries Association as early as January predicted flat sales of VCRs and only slight growth in TVs. Although projection TV unit sales are up an estimated 7.5% and camcorders are expected to post double-digit growth over last year, this year's first-half results prompted concern even before the recent energy price increases.

"We have seen a softening in the color TV market," says Tom Lauterback, VP-communications for the association.

Mr. Lauterback says the group now believes the electronics industry may not hit last year's sales of 21.7 million TV sets and that VCRs will remain flat.

Yet he and some other industry sources suggest the industry may be "recession proof."

They say consumers who cut back on outside entertainment spending stay home and watch TV or listen to music, which may lead them to upgrade their equipment.

If the economic situation in the U.S. worsens during the fourth quarter, consumers will be staying home. For example, the *Ad Age*/Gallup poll shows 57% of those surveyed will cut back on going to the movies.

"I could paint a scenario where fuel prices keep them home and focus their attention on inadequacies in their systems," Mr. Lauterback says.

James Harper, manager-PR for Thomson Consumer Electronics, marketer of RCA and GE brands, says his company still foresees gains in most categories.

"In the past in an economic

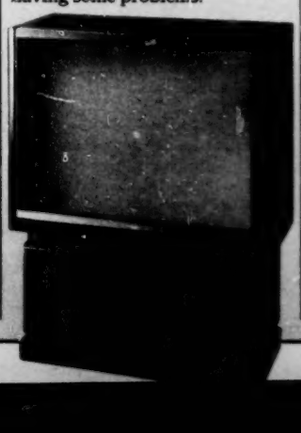
(Continued on Page S-7)

WHAT'S IN

- **For posterity:** Baby watching and price cuts are pushing camcorders to the forefront.
- **Bigger the better:** Despite being part of a shrinking industry, 27-inch-plus TVs and projection sets continue to grow.
- **Smaller the better:** Sales of the smaller-format 8mm tapes continue to grow.
- **Home theaters:** Rooms with high-tech TVs and stereos are hot.
- **Home economics:** Fax machines are expanding beyond business and moving to the home front. And they're coming down in price.

The big picture

- **Personal growth:** Home personal computers sales are booming at consumer electronics dealers even as computer dealers are having some problems.



- **Sound choice:** Digital audio tapes have finally arrived.
- **Calling season:** Lower prices and more covered areas help fuel the boom in cellular phones.

WHAT'S OUT

- **Shrinking market:** Sales of smaller TV sets (19 inches and under) are fading.
- **Stuck in passe:** With many homes now VCR-equipped, sales have started to peak.
- **Broken records:** This could be the year the record dies. As music stores continue shrinking record departments to make room for CDs, record sales are skipping too many beats. □

Electronics dealers who ignore New York's Hispanic consumers are in for a shock.

In 1988, New York's Hispanics spent more than $200 million on electronics, including $40 million on TV sets, $16 million on VCRs and $17 million on camcorders.

Want to reach these buyers? Advertise on WNJU 47—New York's #1 Spanish-language television station. It's as simple as that!

WNJU 47
Telemundo in New York

For more information, call Rosemarie Lieberman (212) 492-5603

Source: Arbitron, May 1989, sign-on to sign-off.
Lee Slurzberg Research, Inc.
New York Retail Study, January 1989.

Dining out

High prices gnaw at Arby's exec

Larry Krueger has guided restaurant chains through many tough fourth quarters during more than 20 years in the business.

Recently named exec VP-marketing for the Arby's Franchise Association, the marketing arm of Arby's, Mr. Krueger, 51, had served since 1980 as the chain's senior VP-marketing. Prior to that, he held the VP-marketing posts at Kentucky Fried Chicken Corp. and Burger King Corp.

Chicago Bureau Chief Scott Hume spoke to him recently about the challenges facing the $65 billion quick-service restaurant industry through the end of 1990.

Advertising Age: *The restaurant business has endured a tough first half in 1990. What are the prospects through the third and fourth quarters?*

Mr. Krueger: I'm concerned for Arby's, and I think there's reason to be concerned for the industry.

There have been big price increases because when sales get soft there's a tendency to raise prices. That works for a while, but not the long term.

We're starting to overprice ourselves. Some of that is artificially high prices you can discount, but then it gets like list prices with cars, and you get stuck in discounting. You lose menu integrity when that happens.

ONE ON ONE

"When prices rise, the first thing the consumer gives up is a drink. They can get a Big Gulp for less at 7-Eleven."

—Larry Krueger

AA: *Are you feeling the recession?*

Mr. Krueger: We watch the Consumer Price Index, and when food-away-from-home prices rise faster than food-at-home, as they are now, we run into trouble. When prices rise, the first thing the consumer gives up is a drink. They can get a Big Gulp for less at 7-Eleven or coffee or a soft drink at work or home.

AA: *Do you expect concerns about oil prices and the Middle East to affect business?*

Mr. Krueger: I don't think we'll see an impact until later this year.

I think we'll encounter a "scared consumer," and that's bad, because a scared consumer does lots of unpredictable things.

He avoids going into debt. He starts making changes in discretionary spending. That impacts on us. Maybe he takes his lunch.

AA: *Are you making changes in anticipation of that?*

Mr. Krueger: We've had to. We've rethought the whole fourth-quarter marketing plan.

December traditionally has been a good month for us, our No. 2 or 3 month in sales. We always run a "Holly Glass" promotion during the quarter and we will this year. But we used to just run a free standing insert for it and sit back and collect the money.

But not this year. We're going to have to fight. A glass may not be enough.

AA: *What does the revised marketing plan include?*

Mr. Krueger: It's not business as usual.

We're going to run the glass promotion earlier, in November, but we'll also be running promotions and new products from September through the end of the year.

We've given franchisees a choice of several: a 99¢ promotion on some of the classic roast beef sandwiches; a "5 for $5" deal on sandwiches; a French Dip combo; a whole arsenal.

We were going to do one new product, the Albuquerque Turkey sandwich, but now we're giving franchisees a choice of promoting that or a Triple Cheese roast beef sandwich.

We don't want franchisees saying, "You didn't give me something to fight with."

AA: *How tough will that fight be through the rest of the year?*

Mr. Krueger: Very. There's been a general slowing of sales in the industry, and that's going to intensify, and so is competition.

McDonald's is not going to sit around. They'll get aggressive. And you can be as smart as you want, but when the big guys start swinging, you're going to get hit. □

Ad Age/Gallup survey

Dining out

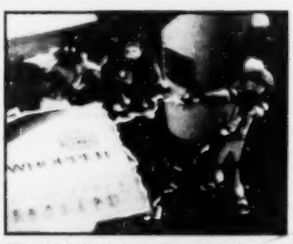
If the U.S. enters a recession in the next six months, would you reduce spending in this category?

Yes	69%
No	27%
Don't know	2%

Source: The Gallup Organization

WHAT'S IN

- **On the front burner:** Grilled food sounds healthier and has lower cholesterol than that nutritional profanity, "fried."
- **Drink it in:** You loved the movie, now drink from its promotional glass. David Lynch's quirky "Wild at Heart" must be the only major movie without a restaurant tie-in promotion.
- **Oh tannenbaum:** McDonald's has been making tree ornaments a key fourth-quarter promotional premium for a few years, and other chains are expected to jump on the sleigh.
- **Join the club:** The success of Burger King's Kids Club proved McDonald's hold on the children's market isn't as rock-solid as everyone in the industry believed.



BK's Kids Club is a whopping hit.

WHAT'S OUT

- **Something fishy:** Burger King quietly deep-sixed the curiously named "Fish Tenders" this summer. And when was the last time McDonald's advertised its Filet-O-Fish? McSwordfish, anyone?
- **Stone throwing:** In the past year, Arby's, KFC and Pizza Hut have run ads carefully mocking Ronald and No. 1. But the industry slump has hit even Big Mac, so why bother bashing McDonald's when you're down, too?
- **In the bag:** Most kids' meal boxes end up in the garbage, which is bad environmental public relations, so chains are moving toward bagging kids' meals.
- **Nasty habits:** Everyone hates coupons and discounts but can't seem to shake the habit. Still, chains are looking for any kind of "value-added" promotion as an option to price cutting. □

Food

Trade-offs, multi-use foods gain

By Julie Liesse

Consumers aren't stocking up on Spam yet, but grocery-store marketers are bracing for recessionary changes.

"Corporate earnings reports are showing lackluster or declining sales and profits; we're seeing more unemployment," says John Blair, VP-marketing services and new ventures at Quaker Oats Co. "As all of this gets talked about more and more, a consumer mindset begins to develop."

The last major recession in the mid-'70s caused "a dramatic shift of economic purchases toward fundamental food values," Mr. Blair says.

"The consumer makes food-buying decisions based on a tripod of cost, food value and convenience," he says. In tough economic times, consumers will make some trade-offs, and "cost and basic food values take on greater importance."

The *Ad Age*/Gallup poll shows 51% of consumers would continue to purchase their preferred grocery brands during a recession, while 27% would opt for less expensive products.

Historically, as consumers modify their shopping lists, more frivolous and junk foods "tend to drop out," Mr. Blair says.

As convenience takes a back seat to economy, single-serve items and foods "with the appearance of being overpackaged" are less attractive to shoppers. And consumers might not be willing to pay premium prices for items such as pet food.

On the other side of the ledger, foods offering basic nutritional value at relatively low prices per serving are staples during troubled economic times. Also, multiple-use foods—mixes that "transcend a meal occasion" and can be used at breakfast and dinner—likely will benefit.

Quaker, for instance, watched sales in two of its categories—pancake mix and hot cereal—grow 4% to 10% during the mid-'70s recession, Mr. Blair says. "That's pretty good growth in the food business, especially for more mature, basic food products. I think we'll see categories like those grow again."

But he says the current slowdown differs from that of the '70s, particularly as a result of the growth in two-income families.

"That won't make shifting food choices go away, but it will have a moderating effect," he says. The food industry won't feel the effects of a recession or consumers' recessionary attitude immediately, Mr. Blair says.

"Food usually trails, because it remains a necessary purchase. But shifts will occur—probably 18 months to two years out." □

Ad Age/Gallup survey

Food

If there is a recession, which of these statements best describes your probable spending behavior in this category?

I would purchase less expensive products	27%
I would continue to purchase preferred brands	51%
I already purchase the least expensive products and would continue to do so	20%
Don't know	1%
Not applicable	1%

Source: The Gallup Organization

WHAT'S IN

- **Fat-free food:** When Entenmann's told Americans they could eat cake, Americans listened. So did the competition.
- **General Mills:** Big G stands for great as far as cereal success goes.
- **Healthy Choice:** Likely to make ConAgra as well known as Pillsbury.
- **Kids foods:** Who has time to make every meal for the children any more? My Own Meal, Kid Cuisine and others prove "do-it-yourself" is possible without parental guilt.
- **Non-supermarket pet foods:** Nothing but the best for Fido.
- **Pillsbury Doughboy:** Now a mature man of 25, he's blossoming into a corporate spokesman the likes of Tony the Tiger.
- **Olive oil:** Bertolli ads have triggered a rush for low-guilt cooking.
- **Bite-size foods:** Zappetites and cookies and crackers from Keebler and Nabisco are making it big by downsizing.

Pillsbury Doughboy on a roll

- **Ad agency consolidation:** Sara Lee, Ralston and Campbell have streamlined the process; is Kraft General Foods next?
- **Database marketing:** Quaker Direct leads the way to a new way of selling package goods.
- **ConAgra's Mike Harper:** He survives a heart attack, sells Right Co[illegible]e with a religious verve and builds ConAgra into the biggest "unknown" company.
- **Old bags:** Shoppers are acting enviro-friendly by using and reusing string and cloth shopping bags.

WHAT'S OUT

- **Oat bran:** Enough is finally enough!
- **Kellogg:** As market share goes soggy, it can't buy a new-product winner.
- **The caffeine buzz:** Regular coffee has found a bitter enemy in its spartan cousin.
- **Supermarket pet foods:** Only the best for Fido.
- **Bill Cosby:** We've had just about enough Jell-O talk from the Coz.
- **Full-calorie salad dressings:** Not in today's fat-free society.
- **Tastes bad, less filling:** The consumer has caught on to microwaveable food—Taste is more important than time. □

Package goods

Recession-proof, but nervous

By Laurie Freeman

"It's not like we like tough times, but [the package-goods] industry is recession-proof," says Howard Bernick, president-chief operating officer, Alberto-Culver Co. "Consumers put off purchasing a car but they don't put off washing their hair."

In the *Ad Age*/Gallup poll, 48% of respondents say they would continue purchasing their preferred brands in a recession; 25% would buy less expensive products; and 26% say they already purchase the least-expensive products.

Mr. Bernick says Alberto-Culver's "biggest problem is wanting to ship more product. Stores are keeping a much tighter rein on inventory."

Although rising oil prices inflate the cost of virtually all goods, package-goods companies remain optimistic they can pass along those increased costs to maintain profit margins without hurting brand loyalties.

"I don't expect the bottom [of the economy] to fall out," says David Webb, president-ceo, Lever Bros. "I lived through the last energy crisis . . . and strong businesses are able to cope with situations like that."

Unlike the last recession in the early 1980s, marketers don't believe consumers will turn to the plain-labeled generic products that became more popular during the difficult times then.

In many cases, the generics did not live up to the quality of the national brands, says Frank Blod, principal of New England Consulting Group.

"Consumers may trade down modestly . . . but consumer-goods companies are not going to be hurt too badly, if at all," he says.

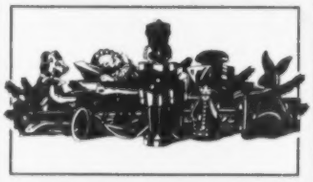
Colgate-Palmolive Co. says it's already seen some changes in consumer buying behavior worldwide in the area of high-ticket items.

"But overall it's been a healthy year globally," says Clay Timon, VP-worldwide advertising. "I can't say we're seeing much negative impact from this global recession."

Mr. Timon says companies, including Colgate, in the past several years made concerted efforts to trim expenses, and now are positioned to invest more in advertising.

"A recession is not the time to cut advertising," agrees Mr. Bernick. "We try as much as we can to increase, not cut, advertising and promotion spending," he says. "We continue to support our brands, even the ones that are struggling, to come out stronger at the end [of a recession] than at the beginning." □

Ad Age/Gallup survey



Package goods

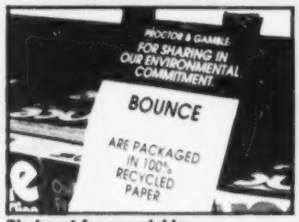
If there is a recession, which of these statements best describes your probable spending behavior in this category?

I would purchase less expensive products	25%
I would continue to purchase preferred brands	48%
I already purchase the least expensive products and would continue to do so	26%
Don't know	1%

Source: The Gallup Organization

WHAT'S IN

■ **Earth-friendly:** Anything green is good as gold as enviro-friendly products and refill packs become the industry rule, not the exception.



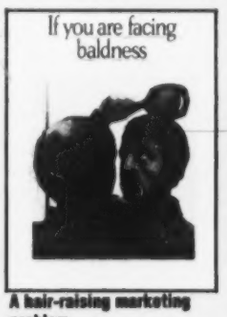
Big boost for recyclables.

■ **Lightening up:** Colgate-Palmolive, Lever and P&G are taking some of the weight out of doing laundry with superconcentrated detergents, which can average 25 washloads from a 63-oz. package. With boxes made from recycled paper and plastic scoops and handles that can be recycled, superconcentrates are also eco-friendly.

■ **Gesundheit:** Because colds and the flu have different symptoms, why use a cold remedy to treat the flu? Enter the flu remedy. On the heels of Sandoz's TheraFlu, Johnson & Johnson's McNeil Consumer Products Co. is introducing Tylenol Cold & Flu, also a lemon-flavor powder to be mixed with hot water.

■ **From small things . . . :** Packaged in recyclable containers that feature its Little People, Fisher-Price's new hair and skincare line for kids has taken off.

■ **The bottom line:** Cloth diapers are beginning to reappear on supermarket shelves as an alternative for parents who don't want to contribute to the 18 billion disposable diapers heading into landfills annually.



A hair-raising marketing problem.

WHAT'S OUT

■ **Thinning potential:** Upjohn's Rogaine baldness remedy is in a rough spot. Although the marketer says sales momentum is building for the twice-daily topical drug, balding men have not flocked to doctors to regain their youthful hair.

■ **Hefty complaints:** Now that the government has cracked down on Mobil for overstating the benefits of Hefty biodegradable bags, consumers and companies appear to be toning down their enthusiam for them.

■ **Stamped out:** Companies appear to be shying away from signing up for programs handing out "Green Seals" that identify eco-friendly products. □

Value-price cigarettes up

(Continued from Page S-3)

a recession, it could mean a further shift among consumers from full-price cigarettes to "value-price" or generic-price smokes, says a former Brown & Williamson Tobacco executive. "It could hurt some full-margin brands," he says.

The value-price cigarette category already has been on the upswing, so much so that all of the six major tobacco marketers sell both value-price and full-price smokes.

Mr. Maxwell says value-price cigarettes accounted for 18% of all cigarettes sold in the second quarter of 1990, up from 11.4% for all of 1988.

Because the price-value concept was only in its infancy during the most recent recession no precedent supports the theory that low-price cigarette sales would increase.

> The market for cigarettes trends upward in a recession because "smoking for people is a pleasure—a friend" in tough times.

But Mr. Dangoor thinks they will. "It's almost definitely the case that value-price cigarette sales would be on the uptick" in a recession, he says.

So far, the advent of value-price cigarettes has not been a major boon to advertising. Most value brands are introduced with big ad schedules in the first year, but afterward support usually drops to point-of-purchase.

For example, PM spent $27 million to advertise the repositioning of its Alpine cigarette to value-pricing in 1989, but its older, more established value brand, Cambridge, received only $3 million in ad support the same year, according to LNA/Arbitron Multi-Media Service.

Should value-price sales rise even more in a recession, marketing budgets of full-price brands almost certainly would increase, industry watchers say, but the jury is still out over whether the bulk of the increase would be in advertising or promotion. □

Consumer electronics

(Continued from Page S-5)

downturn the consumer electronics industry has fared well," he says.

Not all are as positive.

David Lachenbruch, editorial director of newsletter *Television Digest*, sees 1990 being the first year in a decade that TV sales won't be at record levels.

> "A color TV and VCR are highly postponable purchases."

"A color TV and a VCR deck are both highly postponable purchases," he says. "The only reason that TVs will not set a record this year is because of the economy."

He says manufacturers are more concerned about the economy this year than are consumer electronics retailers.

"The retailers say that when the Persian Gulf news came out there were a couple of bad days, but then everybody came back to the stores. The manufacturers are very cautious. They are keeping inventories down and there is lot of concern."

High-level products—those with the greatest profits—will continue to sell, says Mr. Lauterback. Bottom-level products including accessories will also continue to move off shelves. "It's the middle that drops out," he says.

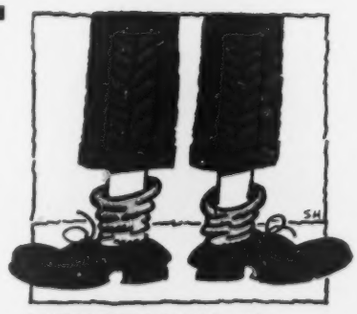
Clark Johnson, VP of NPD Group, a research service, however, suggests that one reason fewer TVs are being sold this year is some of the changes in consumer buying behavior already have occurred.

"My impression is that the recession has already started to hit people with less discretionary income. A worsening would exacerbate it, but wouldn't be a radical change," he says.

Some smaller appliance marketers also are worried about the fourth quarter.

"I expect that we will continue to see a relatively soft retail environment in the third and fourth quarter," says John Beggs, president of Norelco Consumer Products. "In a depressed economic environment, people grow more cautious]" □

Department stores that ignore New York's Hispanic consumers are selling themselves short.



In 1988, New York's Hispanics spent more than $600 million in department stores.

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Source: Arbitron, May 1989, sign-on to sign-off.
Lee Slurzberg Research, Inc.
New York Retail Study, January 1989.

Travel

Air carriers landing at lousy time for fare hikes

By Jennifer Lawrence

Airlines are in for an even tougher fourth quarter than usual.

Carriers are getting caught by the uncertainty of the Middle East crisis, flat domestic travel demand and the traditionally slow fall selling season.

"It's not the time to raise prices when you're in a relatively weak economy," says Michael Gunn, senior VP-marketing at American Airlines. "There will be an intensified share fight."

Yet major carriers reluctantly are hiking fares 5.3% by Oct. 1 to recover escalating jet fuel costs.

Consumers likely will not take kindly to that. Already nervous about the prospect of a fourth-quarter recession, most say they will cut back on travel if the economy gets any worse, the *Ad Age*/Gallup poll finds.

"It looks like death," says Edward Starkman, PaineWebber analyst. "Advance bookings are soft. Domestic travel has been down the last few months, but the international side is looking good."

Increased operating costs and little demand may mean that airlines will cut back ad spending as bottom-line pressures mount, suggests John Pincavage, analyst at Transportation Group.

"If the price of oil continues to go up, the airline industry is in real trouble," he says.

While American believes it is well-positioned competitively, the prospect of a recession has made the carrier cautious in its plan for the rest of the year.

That fight is likely to be fought on price, says James O'Donnell, marketing consultant with Seabrook Marketing. "There will be intense pressure for uneconomic fare cutting because of overcapacity, an economic slowdown and rising fuel prices.

"Strong carriers can weather the storm. Weaker airlines will lower fares and try to get out of the problem by maximizing volume," he says.

"If this situation holds, we will see a lot of price advertising and dramatic cutbacks on budgets for 1991," Mr. O'Donnell predicts.

United Airlines, the No. 2 carrier, so far has made no plans to alter its advertising, says John Ruhaak, VP-advertising and promotion. Northwest Airlines will actually increase image advertising in November, according to Judy Mitchell, senior director of marketing communications. □

Ira Teinowitz in Chicago contributed to this story.

Ad Age/Gallup survey

Travel

If the U.S. enters a recession in the next six months, would you reduce spending in this category?

Yes	66%
No	30%
Don't know	3%

Source: The Gallup Organization

WHAT'S IN

■ **Faring poorly:** Price battles will emerge as the way to revive sagging consumer demand this fall.

"100 Days" campaign flies

■ **Class struggle:** Business class is one-upmanship at its best to lure the higher-paying executive traveler.

■ **Flying again:** Ogilvy & Mather, New York, re-entered the airline business after gaining Eastern's $45 million account; Wells, Rich, Greene, New York, was selected by Continental for its $50 million account after it lost Pan Am's business in late 1988.

Business-class boogie

■ **Continental appeal:** Federal judge appoints former Continental President Martin Shugrue to run Eastern.

■ **Whale of an airline:** Southwest Airlines is still a low-cost, short-haul carrier that has fun flying not one but two planes painted like Shamu, the killer whale.

WHAT'S OUT

■ **Merge purge:** Merger mania is over. Just ask Frank Lorenzo, who is back on the ground after selling a majority stake in Continental to SAS.

■ **Just the facts:** Corporate-image ads put on the back burner until financial pressures ease.

■ **Grounded:** Lintas:New York is on the prowl for an airline account after losing Eastern; N W Ayer, New York, also is hoping to get airborne after splitting from Continental.

■ **Triple mileage:** Ancient history for frequent fliers.

■ **NAAG, NAAG, NAAG:** Attorneys general air-fare ad guidelines falter as courts rule states can't regulate airline price ads.

■ **Departing on the Department of Transportation:** On-time ads lose luster in the contest to determine who best massages DOT numbers. □

Travel

Trying that 'come hither' look

By Ira Teinowitz

Consumers will put the skids on travel if the U.S. sinks into a recession within the next six months.

According to the *Ad Age*/Gallup poll, 66% of those surveyed say they would cut back on travel.

Recognizing this dilemma, U.S. resorts and hotels are looking beyond the home front for the fourth quarter by targeting consumers in Europe, Japan and elsewhere.

The dollar's decline makes the U.S. a very affordable travel destination for outsiders.

"We are addressing people internationally," says Mike Lindgren, director of management reporting at ITT Sheraton. "It's our experience that for people in Germany it's a whole lot cheaper to get to the U.S. than [other popular destinations]."

The U.S. Travel & Tourism Administration recently predicted the amount spent by U.S. visitors would exceed the amount spent by U.S. citizens abroad by $1.2 billion this year. The agency estimates 36.6 million visitors will come to the U.S. this year, an increase of 42% from four years ago, and will spend $44.5 billion—double what was spent in 1985.

"The dollar is low, people can afford to come and it's a good buy to come to the U.S.," says Jill Collins, the agency's public affairs director. "A European family can come to Florida and spend a week there for less than it costs to go to Monaco.

"People have a great desire to see this country. The Japanese in particular want to see what they've been seeing in the movies," she says.

Mr. Lindgren says Sheraton sees luring foreign travelers as an alternative to a depressed U.S. market. "We are expecting the third quarter to be down slightly vs. 1989," he says. "There has been a little bit of a decline in conventions and a little bit in business travel. We've had some cancellations in conventions due to the economy."

He says leisure travel has remained fairly constant.

Mr. Lindgren says Sheraton is most concerned about 1991.

"I don't think business travelers will be affected by a $10 increase [in air fares], but there is a chance of it having a negative impact when companies budget for next year," he says.

Ms. Collins says it's too early to assess the impact of the Middle East crisis, but she hopes it might help bring more people to the U.S. "I don't know if they have resorts in Kuwait, but if they have to go someplace else, maybe they will go to Disney World," she says. □

Grinch is back for holidays

(Continued from Page S-1)

much, consumers will start to hoard essential items as well as holiday gifts.

"In a time like this, there is an impulse to rush out and buy the things that may be short later, especially with regard to Christmas. . . . The tug of children and their not having goods for Christmas is very powerful, so Americans may rush to go out and buy Christmas gifts for their children," says Joseph Margolis, a Washington psychoanalyst who specializes in consumer psychology and the economy.

Even so, when asked if they would cut back on gift giving if the U.S. enters a recession within the next few months, 61% of those surveyed responded yes.

However, there is often a dichotomy between what consumers say in times of recession and what they actually do.

This is evident in consumers' responses to the Gallup poll. While a majority say they will cut back on gift giving if the economy worsens, many answered otherwise in response to another question.

In the survey, conducted by telephone in mid-August, consumers also were asked how much they spent on the holiday season last year compared with how much they plan to spend this year. Most consumers said they would make no changes.

"Consumers will say they're trying to save and are prepared for the worst, but what they say doesn't always correspond to what they're doing," says Ernest Dichter, chairman of Dichter Institute International, a consumer behavior research company.

"The logical answer is 'I'm saving.' But in reality, people get tired of living in miserable times, so they counteract their feelings of misery with purchases," often of luxury, high-quality goods, he says.

Dr. Dichter says the result could be a stronger fourth quarter than anyone expected.

"Many people have been sitting on the sidelines, worried about the oil crisis and the economy, and they think maybe this is a good time to buy because things won't come down in price," he says. "In previous recessions, contrary to what the economists were predicting, people got off the sidelines instead of waiting for things to improve." □

Ad Age/Gallup survey

The economy

How likely is it the U.S. will enter a recession within the next six months:

Very likely	29%
Somewhat likely	41%
Not likely	25%
Don't know	5%

Source: The Gallup Organization

Ad Age/Gallup survey

Gift giving

If the U.S. enters a recession in the next six months, would you reduce spending in this category?

Yes	61%
No	37%
Don't know	1%

Source: The Gallup Organization

Ad Age/Gallup survey

Approximately how much did you spend during the Christmas season last year?

Less than $100	8%	$401 to $500	12%
$101 to $200	11%	$501 to $750	12%
$201 to $300	13%	More than $750	29%
$301 to $400	9%	Don't know	6%

Approximately how much do you expect to spend during the Christmas season this year?

Less than $100	8%	$401 to $500	11%
$101 to $200	12%	$501 to $750	11%
$201 to $300	12%	More than $750	29%
$301 to $400	9%	Don't know:	8%

Source: The Gallup Organization

Scatter TV rates fall

(Continued from Page 3)

ey bought what they considered ner 'safe' network dayparts like ytime, news or late night," said al Liebowitz, president and under of KSL Media, New York. hat helped leave a huge soft- ss in prime time, and we can ke advantage of the market nditions."

Network sources say expanded twork sports inventory, in- eased availabilities on Fox oadcasting Co. with five nights prime-time programming and neral economic uncertainties e also factors.

"Clients have money, but they ll only release it closer to air- ne," another network executive d. "They have to worry about rporate profits in the fourth arter."

Network officials dispute yers' contention that scatter rket rates are 30% below up- nt prices.

"Near-term scatter is lower- iced than upfront, but when encies say 30% less, you have to k at what's being compared," the twork sales executive said. "An front package has a price range, d if you compare the top price to low-end buy in scatter, it looks e a big spread. But if you com- re the prices in the same show, it's re like a 10% difference."

The softness is selective. Day- ne, news, late-night and Satur- y morning dayparts are all ht, with scatter time selling at above upfront prices, agency urces say.

Top prime-time shows are also mmanding big scatter prices. gency and network executives ted ABC's "Roseanne" at the p with an asking price near 00,000 for a 30-second spot, ile NBC's "The Cosby Show" d ABC's "America's Funniest me Videos" could get more an $375,000 for a :30.

The asking price for a :30 in x's "The Simpsons" could go as high as $350,000 once original episodes start airing Oct. 11.

Most of the fourth-quarter bargains, media buyers say, are available on CBS and ABC, while NBC and Fox have less inventory to sell and can keep prices higher.

Fox is concentrating on advertisers seeking the 18-34 age group, said Jon Nesvig, senior VP-sales, and fourth-quarter prime-time scatter inventory is selling above upfront prices.

Agency buyers say syndicators are reaping about 20% more for time sold in scatter vs. upfront, while cable TV networks are also "better sold" than last year.

If fourth-quarter network business doesn't pick up and advertisers keep making deals well below upfront costs, some agency executives say, they might consider exercising cancellation options and then use the money on another network at a better price.

The networks generally frown on that practice but buyers say old, unwritten standards and practices are changing.

"Ten years ago, you wouldn't even think of something like that," an agency executive said. "But there's no gentlemen's agreement anymore. Selling time at less than upfront prices is a sure way to bring in cancellation options, and the networks can't say there are unwritten rules against it if they gouge you with prices at the beginning."

Network executives warn that prices are likely to go up in other quarters and say future advertiser/network relationships would suffer.

"If business is good and they cancel, you don't consider it fair play," a third network executive said. □

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Cartoons

(Continued from Page 3)

.'s Bart Simpson tied for sixth th Hanna-Barbera Productions' ntstones.

King Features Syndicate's Popeye s No. 8, while Warner's Daffy ck tied with Disney's Winnie the oh character for ninth.

The long-term equity of classic aracters increases every year d is reinforced by advertising, d C. Woody Browne, president the International Licensing In- stry Merchandisers' Associa- n and VP-marketing and li- nsing at Tyco Toys.

"The licensing industry's hot ght now on the strength of wer characters, like the Teen- e Mutant Ninja Turtles and the mpsons, but classic characters ve longer, stronger ties with ults," Mr. Browne said.

"Bugs Bunny has been a top- ted TV show since adults were ds," he said, "and kids who ew up reading 'Peanuts' are out nking about life insurance, so e characters are ingrained in ults' thinking."

Licensing fees and retail sales licensed materials last year to- led $62 billion, and licensed erchandise sales are said to be 8.5% to 10% this year.

So it's somewhat surprising that Teenage Mutant Ninja Turtles, one of the strongest-selling licensed character names, was by far the leader when it came to adults' least favorite characters.

The Turtles are the hottest-selling toy in the U.S. and still are attractive as marketing tie-in partners. Pizza Hut this month launched a major Turtles promotion coinciding with the release of "The Teenage Mutant Ninja Turtles" movie on videocassette.

The Smurfs were second while the Road Runner was third. Bart Simpson finished fourth, followed by the He-Man superhero character. Fox's Simpsons family ranked sixth, followed by Popeye, Garfield and characters from the animated TV show "Beetlejuice."

The Flintstones tied with Merchandising Corp. of America's Woody Woodpecker for No. 10.

The survey revealed gender differences. For example, 81% of those who said Popeye was their favorite were men; 93% of those who named Winnie the Pooh were women.

Men accounted for 61% of those who favored the Road Runner, while women represented 79% of those who said the character was their least favorite.

And of those who listed the Smurfs as their least favorite character, 69% were men.

Classic characters also helped drive ad recall.

When asked which products or services using animated or licensed characters in ads seen in the past 30 days first came to mind, adults most often named Holiday Inns. Ads for Walt Disney World—featuring Mickey and the whole gang—placed second, with Metropolitan Life Insurance Co.—whose ads feature characters from the "Peanuts" comic strip—No. 3.

Nestle Foods Corp.'s Butterfinger candy bar and McDonald's Corp. tied for fourth, followed by Burger King Corp. and Embassy Suites, which tied for No. 6.

Eighth was a three-way tie between the California Raisin Advisory Board's dancing raisins, Disneyland and the Turtles.

The random phone survey was conducted in July. The margin for error is plus or minus 3.1%. □

FOR THE RECORD

TOSHIBA AMERICA Information Systems' Computer Systems Division, Irvine, Calif., is reviewing its $15 million account. Eight southern California agencies are involved, including incumbent Ayer Tuttle and Della Femina, McNamee, both Los Angeles, and Chiat/Day/Mojo, Venice.

MICHIGAN BELL TELEPHONE CO., Detroit, is reviewing agencies for its estimated $20 million account. Incumbent Ross Roy Inc., Bloomfield Hills, is included. Others invited to pitch are Southfield agencies BBDO Worldwide, Campbell-Mithun-Esty, W.B. Doner & Co. and Mars Advertising; DDB Needham Worldwide, Troy; Young & Rubicam, Detroit; and Bayer Bess Vanderwarker and Tatham-Laird & Kudner, both Chicago.

RALSTON PURINA CO., St. Louis, named **DDB Needham Worldwide**, Chicago, as agency for Beech-Nut Nutrition Corp., succeeding Sherwood & Schneider, New York. Before Ralston bought the unit last year, spending was about $8 million.

K MART CORP. is updating its logo as part of a $2.3 billion, five-year renewal program. The red and turquoise logo is being phased out by a new symbol consisting of a bold red "K" with the word "mart" scripted inside in white letters. A page ad ran in national newspapers last week and is expected to appear in magazines. Calet, Hirsch & Spector, New York, handles.

THE NEW YORKER, New York, on Jan. 1 will increase its rate base 4.3% to 600,000. Ad rates will rise 8% to $22,810 for a b&w page and $36,375 for a color page. Separately, *Elle* will raise its ad rates 9.3% with its January issue to $24,965 for a b&w page and $35,930 for a color page. Rate base remains 825,000.

RINGLING BROS., Barnum & Bailey Circus plans to test several retail stores selling apparel, stuffed animals, circus party kits and other merchandise. A small store opened last week in Vienna, Va., with three full-scale stores due this fall in Fairfax; Farmington, Conn.; and Short Hills, N.J. Advertising and promotion will be handled in-house.

SEARS, ROEBUCK & CO. last weekend added an incentive to its SearsCharge card. Customers who accumulate $200 or more in purchases will get a Bonus Club certificate worth 1% of their balance. Print ads broke Sept. 14; network and spot TV starts Oct. 1. Ogilvy & Mather, Chicago, handles.

NBC AND MCDONALD'S CORP. will give away as much as $35.5 million in 28 days during "McMillions on NBC." McDonald's restaurants will start distributing game cards for a daily $1 million prize nationwide Sept. 21. The first winner will be announced on NBC Sept. 24. Simon Marketing, Los Angeles, handles the promotion.

JUPITER, New York, a joint venture between Hearst Corp. and West Germany-based Burda Publications, was folded after two test issues of the astrology magazine were published. Hearst recently published a second test issue of *American Home* and is evaluating a recent test of *Auto Times Weekly*, a joint venture with West Germany-based Axel Springer.

NEW CAMPAIGNS: Mazda Motor of America last week began its 1991 model-year campaign with network and spot TV commercials emphasizing the "It just feels right" tagline. Foote, Cone & Belding, Santa Ana, Calif., handles. . . . **Florida Lottery** last week ran radio spots urging players to play responsibly as the jackpot topped $100 million. Bozell, Tampa, is the agency.

ACCOUNT ACTION: U.S. Mint, Washington, will decide by yearend on a $2.6 million assignment to promote a coin commemorating the 50th anniversary of the completion of Mount Rushmore in 1991. Proposals are due later this month. . . . **Ronzoni Foods**, New York, to **Pedone & Partners** from Cliff Freeman & Partners for its $3 million account. . . . **Gannett Outdoor Group**, New York, to **Kirshenbaum & Bond** from in-house for its $1 million account. . . . **Hardee's Food Systems**, Rocky Mount, N.C., to **Earle Palmer Brown Cos.**, Bethesda, Md., for creative on the conversion of Washington area Roy Rogers Restaurants to Hardee's units. Hardee's national agency Ogilvy & Mather, New York, will buy media. EPB was Roy Rogers' agency before Hardee's bought the chain.

OBITUARIES: James R. Elszner, 63, chairman of CPC International, Englewood Cliffs, N.J., died Sept. 11 in New York of complications from cancer. He had been CPC's ceo for nearly six years before resigning that post last month due to his illness. . . . **Robert L. Liddel**, 61, a senior VP-associate media director at TBWA, New York, died Sept. 10 in Riverside, Conn., of pancreatic cancer.

WORTH NOTING: Grey Advertising, New York, agreed to buy a minority stake in Davies Ireland-Smith, a $11 million London agency specializing in healthcare. The agency, to be renamed Davies Ireland-Smith Grey, will be the U.K. arm of a healthcare agency network Grey plans to build. . . . Deadline for entries in the Direct Marketing Creative Guild of New York's **John Caples International Awards** contest is Sept. 30. Phone: (203) 964-9090.

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NEWSPAPER

Advertising Age

September 24, 1990

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LAST MINUTE NEWS

Maybelline sets $35M review

MEMPHIS, Tenn.—Maybelline is reviewing its $35 million cosmetics account now at DDB Needham Worldwide, Chicago. Sources said the company, recently bought by Wasserstein, Perella & Co., is expected to contact D'Arcy Masius Benton & Bowles, Cliff Freeman & Partners and J. Walter Thompson USA, all New York. President-CEO Gary Mulloy resigned last week, and a successor is expected to be named in mid-October.

Bozell inks Czech agency affiliation

PRAGUE—Bozell last week signed an exclusive affiliation agreement that could lead to an equity or joint venture arrangement with Rapid, the largest Czechoslovakian ad agency. This follows similar agreements in Poland and Hungary (AA, Aug. 20). Sources said New York-based Bozell will announce in about 10 days a deal to expand into the Soviet Union. Under the Czech agreement, Bozell will make available to Rapid market research studies, group policy

(Continued on Page 8)

Hearst clamps down on rate negotiations

By Scott Donaton

NEW YORK—Hearst Magazines President D. Claeys Bahrenburg is taking a hard-line stance against rate negotiation.

At a recent meeting of Hearst publishers, Mr. Bahrenburg instructed them to protect their rate cards at any cost, even if it means losing business for the magazine company.

He told publishers to concentrate on selling ad pages at the highest possible price, even if it means walking away from deals with advertisers that insist on deep discounts.

The bold move comes as publishers prepare to negotiate 1991 schedules with advertisers during a general downturn in page sales that industry analysts expect to deepen next year.

"He was trying to give us the courage to stand up for what we believe in, to hold the line as best as we can," said Katherine "Kitty" Mountain, publisher of Hearst's *Victoria*.

Mr. Bahrenburg and several other Hearst publishers declined comment on the Sept. 14 meeting.

The Hearst Corp. division's 15 titles also include *Cosmopolitan, Good Housekeeping, Esquire, Harper's Bazaar, House Beautiful, Redbook* and *Town & Country*. Mr. Bahrenburg took the reins of the division in April.

With advertisers expected to tighten their belts several more notches next year, most magazines will be fighting to maintain and increase market share by cutting rates and offering other concessions to build volume. Mr. Bahrenburg's instructions were to focus less on market share and more on increasing magazine ad revenues and profits-per-page.

"I don't think there's a shift. Market share's always going to be important to the magazines at Hearst," Ms. Mountain said. But "we want to be as profitable as we possibly can. It is tight, and we need the encouraging words that [Mr. Bahrenburg] gave us . . . to have the courage to stand up

(Continued on Page 58)

Y&R taps Spivak for 'small' spark in creativity

By Jon Lafayette

NEW YORK—Young & Rubicam, hoping to capture some small-agency creative magic, last week tapped Helayne Spivak as executive creative director of its flagship office here.

Ms. Spivak, 38, who wrote award-winning ads at Ally & Gargano and Ammirati & Puris before becoming executive creative director at Hal Riney & Partners in 1988, wants to help restore the giant agency's tarnished creative reputation.

"This was a very important search for Young & Rubicam. They said they wanted to make a strong creative statement. . . . They wanted a breath of fresh air."

"They want their reputation not just to be that they are successful and that they have wonderful clients, but that they do good work," she said. "They want to do great work and be recognized for it. I'm just a copywriter trying to do her job on a slightly larger scale."

Ms. Spivak completes the new management team put in place at Y&R in April when agency Chairman-CEO Alex Kroll named Joe De Deo president of Y&R Advertising and put Chairman John McGarry and President Tim Pollak in charge of the New York office.

Their first order of business was to find a creative director to improve the agency's creative work and reputation. Since 1987, Y&R had divided the responsibility for its creative department among several creative directors.

Helayne Spivak's goal is to make Young & Rubicam "like a small shop."

"This was a very important search for Young & Rubicam," said Bonnie Lunt, president of Bonnie Lunt Management, the executive search company that contacted Ms. Spivak for Y&R. "They said they wanted to make a strong creative statement. They didn't want someone just because they came from a big agency. They wanted a breath of fresh air."

Ms. Lunt said she recommended Ms. Spivak in April, when Y&R first told her what it was looking for.

After looking at about 20 reels of clips and interviewing three or four other candidates, Y&R management concluded that Ms. Spivak "was the most original, exciting, young talent in town and would

(Continued on Page 58)

Interpublic adds network with Lowe buy

By Jon Lafayette and Laurel Wentz

Interpublic Group of Cos. last week became the first agency holding company to establish a third agency network, acquiring London-based Lowe Group and stealing the thunder of the big British holding companies now loaded with debt.

New York-based Interpublic will pay about $165 million in cash and stock for the remaining shares of Lowe, which has grown quickly to billings of about $1.6 billion since its founding in 1981.

"We're a little contrary at this point by expanding," said Philip H. Geier Jr., Interpublic chairman-ceo. "In the 1980s, there was a lot of expansion. A lot of the prices paid were too high, and there wasn't enough management to manage things. Now [the industry] is going through a period of disinvestment."

Interpublic has had a financial relationship with Lowe for seven years and last year increased its stake to 35.4% in a deal that turned Interpublic's Lowe Marschalk over to Lowe Group. Last week's deal is for the remaining 64.6%.

"IPG is buying themselves a good agency and at quite an attractive price," said Mark Shepperd, an analyst at U.K. stockbroker UBS Phillips & Drew. With share prices so low, "good quality agencies can be bought cheaply."

London-based holding companies Saatchi & Saatchi Co. and WPP Group currently are wrestling with low stock prices and debt caused by acquisitions. Interpublic's longtime agency networks are McCann-Erickson Worldwide and Lintas:Worldwide.

"They're buying [Lowe] for less

(Continued on Page 58)

Interpublic's three networks

Where offices are located around the world.

Agency	U.S.	Europe	Asia/-Pacific	Other
McCann	14	63	26	47
Lintas	17	69	26	35
Lowe	1	13	1	1

Source: Interpublic Group of Cos.

Exclusive DDB study on lifestyles P. 24 A jolly time for catalogers After P. 38

NEWS SUMMARY

■ **Hearst Magazines** President D. Claeys Bahrenburg has told Hearst publishers to protect their rate cards, even at the cost of lost business. 1

■ **Interpublic Group of Cos.** acquired full ownership of London-based Lowe Group for an estimated $165 million. 1

■ **Young & Rubicam** named Helayne Spivak as executive creative director of its New York office. 1

■ **Nielsen Media Research** is being pressed to improve its audience measurement system by the Big 3 TV networks, which haven't yet renewed their Nielsen contracts. 3

■ **Kal Kan Foods** will introduce Expert superpremium dog and cat food next year to counter pet food sales growth in specialty outlets. 3

■ **Public Broadcasting Service** seeks viewers in its first-ever network and cable TV ad campaign. 4

■ **Owen Lipstein's** new partner in New American Magazine Co., Seiichi Hasumi, said his goal is to revitalize the company and eventually expand it. 6

■ **Aramis Inc.** plans a 40% increase in ad spending during the holiday season for its Tuscany men's fragrance. 16

■ **A U.S. House subcommittee** approved weakened tobacco legislation without many of the proposed advertising restrictions. 20

■ **European TV viewers** are watching more commercial satellite programs. The number of viewers is up 70% over last year, a survey found. 39

■ **Magazine ad pages** in August were up 0.5% over a year ago, the first monthly gain this year. 41

■ **Auto sales** to the Hispanic market declined in the 1989 model year, a reversal of recent trends. 42

■ **Zerex** antifreeze will get a 50% boost in ad spending this season to challenge market leader Prestone. 49

■ **RCA** will bring back its symbol, the dog Nipper, to help introduce its new upscale line of electronics. 53

■ **Archer Daniels Midland Co.'s** "clean air" commercial for ethanol was one of seven challenged by the National Advertising Division last month. 53

■ **Five Star Buy,** an experimental project to sell national ads in Sunday supplements appearing in five major newspapers, has been scaled back because of sluggish ad sales. 54

■ **Kent cigarettes** will be positioned as a "classic" brand in a new ad campaign. 54

■ **Eastman Kodak Co.** unveiled its Photo CD system that will be on the market in 1992. 54

■ **Advertising deductibility** is under discussion again in Washington, this time in a proposal that may force life insurance companies to amortize ad spending. 55

■ **Cutty Sark scotch** will be backed with a three-year $60 million marketing program starting next month. 57

DEPARTMENTS

Ad Review	60	Index to Advertisers	60
James Brady	34	International News	39
Brady's Bunch	46	Letters	32
Classifieds	50	Marketing to Hispanics	42
Con-Sid-erations	28	MediaWorks	41
Consumer Ad Linage	40	NewsWatch	12
Rance Crain	34	People Moving	46
Editorials	28	Photo Review	48
For the Record	55	The Next Trend	34
Forum	30		

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Colgate aftershock

Advertising strategy changes looming

By Laurie Freeman

The unexpected departure of Clay Timon as Colgate-Palmolive Co.'s VP-director of worldwide advertising is likely to produce a dramatic shift in its advertising strategy.

Sources inside Colgate say it will move away from the global focus Mr. Timon championed and to a country-by-country approach said to be favored by top management.

Mr. Timon differed with Senior Exec VP-Chief Operating Officer William Shanahan, said a Colgate executive who asked to remain anonymous and who called the problem "deep philosophical differences in Colgate's ad strategy."

A second Colgate executive who spoke only on condition of anonymity said Messrs. Timon and Shanahan had fundamentally differing views on how the company should advertise.

This source said Mr. Shanahan prefers localized, individualized campaigns that stress reasons to buy a particular Colgate brand. Mr. Timon preferred a softer, non-traditional package-goods approach, which has characterized Colgate's advertising for the past five years.

Localized advertising was the norm at Colgate for years, largely because it was a collection of companies before Colgate Chairman-CEO Reuben Mark began the globalization process.

Mr. Timon last week declined comment; Mr. Shanahan didn't return phone calls.

One executive said Colgate's global marketing strategy will remain intact, but its global advertising strategy will be set aside. The comeback of local, country-by-country ad campaigns will result in Colgate losing its overall global advertising voice, this source said.

The source indicated that Colgate executives worldwide are concerned about the change, which comes as Colgate is stressing more than ever the global marketing approach.

"It seems to fly in the face of everything you know about global marketing," this insider said.

It remains to be seen how soon Mr. Timon's departure will affect the company's ad strategies, its $450 million worldwide ad budget and its relationship with Foote, Cone & Belding Communications and Young & Rubicam, Colgate's two major global agencies.

A company memo signed by Mr. Shanahan and issued the week of Sept. 10 said Colgate's "centralized

The comeback of local, country-by-country ad campaigns will result in Colgate losing its overall global advertising voice.

Advertising Management Functions are no longer necessary." Mr. Timon's post and that of Ariel Allen, VP-creative services, were eliminated (AA, Sept. 17).

It couldn't be determined whether plans to restructure the advertising department were completed with the elimination of those positions or whether Ms. Allen's new post has been determined. A Colgate spokesman didn't return calls last week.

Other sources said Mr. Timon, previously an agency executive with Doyle Dane Bernbach, will be missed at Colgate's shops.

"Clay came from agencies. . . . He knows how they operate and how to pull the best out of them," said one source, adding that Mr. Timon's leaving "will change how [Colgate] deals with their agencies, but I don't know how yet."

The elimination of a centralized advertising department, one Colgate executive predicted, means the company's agencies will once again compete against each other for new assignments.

But a Colgate agency executive didn't expect much change.

"Agency relationships are basically founded across a broad spectrum of people," he said. Since Mr. Timon's departure, he added, it's "business as usual" between his agency and Colgate.

A company spokesman said earlier that supervision of advertising would be in the hands of top management, regional management and product managers.

Mr. Mark has been stressing profitability rather than volume or share gains at the package-goods marketer since 1987. But it's unclear whether the profitability push will contribute to the expected de-emphasis on global advertising.

Mr. Mark declined to comment on Mr. Timon's departure and Colgate's strategy.

Colgate has thrived on its global marketing strategy and has long been praised for the creative fire behind the global advertising approach of Messrs. Mark and Timon.

It's doubtful Colgate will cut spending now that Mr. Timon is no longer on staff.

"In fact," said a source, "there may be some incremental spending. This is a company that believes in advertising."

"The place where Clay interfaced with the agency was in the international area," said Stanley Katz, chairman of FCB/Leber Katz Partners, New York, who added that Mr. Timon "made the agency report-card presentations for Colgate." He said Ms. Allen was involved with the agency on the U.S. business.

Ms. Allen didn't return phone calls at press time. □

Contributing to this story: Judann Dagnoli, Gary Levin and Jon Lafayette.

BSB not for sale: Saatchi

By Laurel Wentz

LONDON—Saatchi & Saatchi Co. last week denied plans to sell Backer Spielvogel Bates despite a breakdown in Saatchi's attempts to move its U.K. agency to Canary Wharf. Speculation was that the collapse of that deal might increase pressure on the agency to raise money elsewhere.

"We have had informal approaches to see whether we are interested in selling BSB," a Saatchi spokesman said, referring to contacts the agency has had with Paris-based agency groups RSCG Group and Eurocom. "We are not interested in selling BSB, and we have made that clear to all who have inquired."

Jean-Michel Goudard, RSCG International president, denied reports that RSCG has tried to buy Backer. But sources close to Saatchi previously have said an informal approach was made and turned down earlier this year.

Eurocom has approached Saatchi at least once about buying Backer and appears to still be interested. A member of the U.K. financial community said he believes Eurocom has hired a U.S. bank to evaluate possible deals. Eurocom executives wouldn't return phone calls last week.

To alleviate its financial problems, including current debt of more than $400 million, Saatchi is believed to be quietly seeking new investors, sources close to the company say.

ANALYSIS

Saatchi had hoped to interest Canary Wharf's owners, Olympia & York, in making an investment in the Saatchi holding company, sources say. But the Canadian developer decided it didn't want to be in the advertising business.

Even the deal to move to Canary Wharf fell apart when negotiations reached an impasse.

"It didn't make sense for O&Y and Saatchi & Saatchi to enter into a lease at Canary Wharf," an Olympia & York executive said. "It's more important for Saatchi to resolve its overall corporate problems before entering a lease."

If completed, the deal would only have brought Saatchi an estimated $20 million to $30 million in Olympia & York payments for the long leases on the buildings Saatchi would have vacated in the move.

"[Canary Wharf] was never going to save the company," said Mark Shepperd, an analyst at U.K. stockbroker UBS Phillips & Drew. "It would have been helpful but not a panacea for the company's problems."

Saatchi is also believed to have talked to Eurocom about taking an equity stake in the Saatchi holding company. But Eurocom appears to be more interested in acquiring advertising holdings, preferably ones that can be merged into its Paris-based Eurocom WCRS Della Femina Ball network.

Eurocom is currently exploring three options, none of which appears to have been definitely cho-

(Continued on Page 58)

SPECIAL REPORT

Direct Marketing: Catalogs

Edited by Therese Kauchak

Tales from the front S-2
Battle-hardened veterans offer solutions for fighting the postal rate monster.

Copy master S-6
John Peterman proved it's possible to sell cowboy clothes to city slickers.

Grass is greener S-8, S-9
Inmac and Austad's—two companies that took catalog techniques overseas.

Lookin' for adventure S-10
Ever wonder what catalog company execs shop for? See Out of Left Field.

Catalogs high on yule list

By Alison Fahey

Industry touts growth curve, has visions of sugarplums for fourth quarter

Catalog marketers are going to have a much jollier holiday than retailers this year.

In spite of tough economic conditions, catalog sales growth is expected to outpace retail sales during the fourth quarter.

The catalog industry isn't recession-proof, but a Gallup Organization survey commissioned by *Advertising Age* shows consumers won't be trimming catalog shopping this Christmas *(see charts at right)*.

"Catalogers are still on the growing part of the curve, and retail is more mature," says Bob Salerno, a partner at consultancy Coopers & Lybrand. "Sales growth [in retail] will be minimal."

Specialty catalog companies may grow at a slower rate than other catalogers because of increased competition, he says. "The individual catalog share of the market is shrinking."

While catalogers aren't immune to consumer reticence, "[the fourth quarter] looks pretty strong," says Jay Walker, chairman of Catalog Media Corp., a marketing and promotion company for catalog companies. "The fundamentals favor the catalogs and that [means] people have less time to shop."

Buying by mail "is increasingly becoming an accepted way of life," says Maxwell Sroge, president of the catalog consultancy that bears his name. He says the growing degree of acceptance will help carry catalogs through the fourth quarter.

Mr. Sroge projects overall catalog sales in the fourth quarter will be up about 10% to 12% from the same period a year ago. That compares with industry predictions that overall retail sales will be up 4% to 6% during the same period.

Last year, overall catalog sales were up about 12%, says Mr. Sroge, due in part to high fourth-quarter sales rather than new players. That was almost double the sales gains made at retail cash registers, according to industry figures. The surge prompted some catalog companies, including Spiegel Inc., to say it was their best Christmas ever.

This year, the postal rate hikes expected to go into effect in February are another big factor leading to projected sales momentum, say industry sources. Catalogers will try to beat rate hikes by mailing huge volumes of catalogs this year to acquire customers at a lower cost.

That increased mailing will lead not only to more customers but more sales, says Mr. Sroge.

"We're expecting a strong fourth quarter . . . in spite of everything that's going on," says Sara Wong, PR coordinator for Sharper Image.

Industry sources claim the convenience of shopping from home and improvements in catalogers' customer service are keeping shoppers out of crowded stores.

To accommodate a trend of late shopping, several catalogers last Christmas introduced quicker delivery service and overnight delivery, moves many catalogers say helped lift last-minute orders.

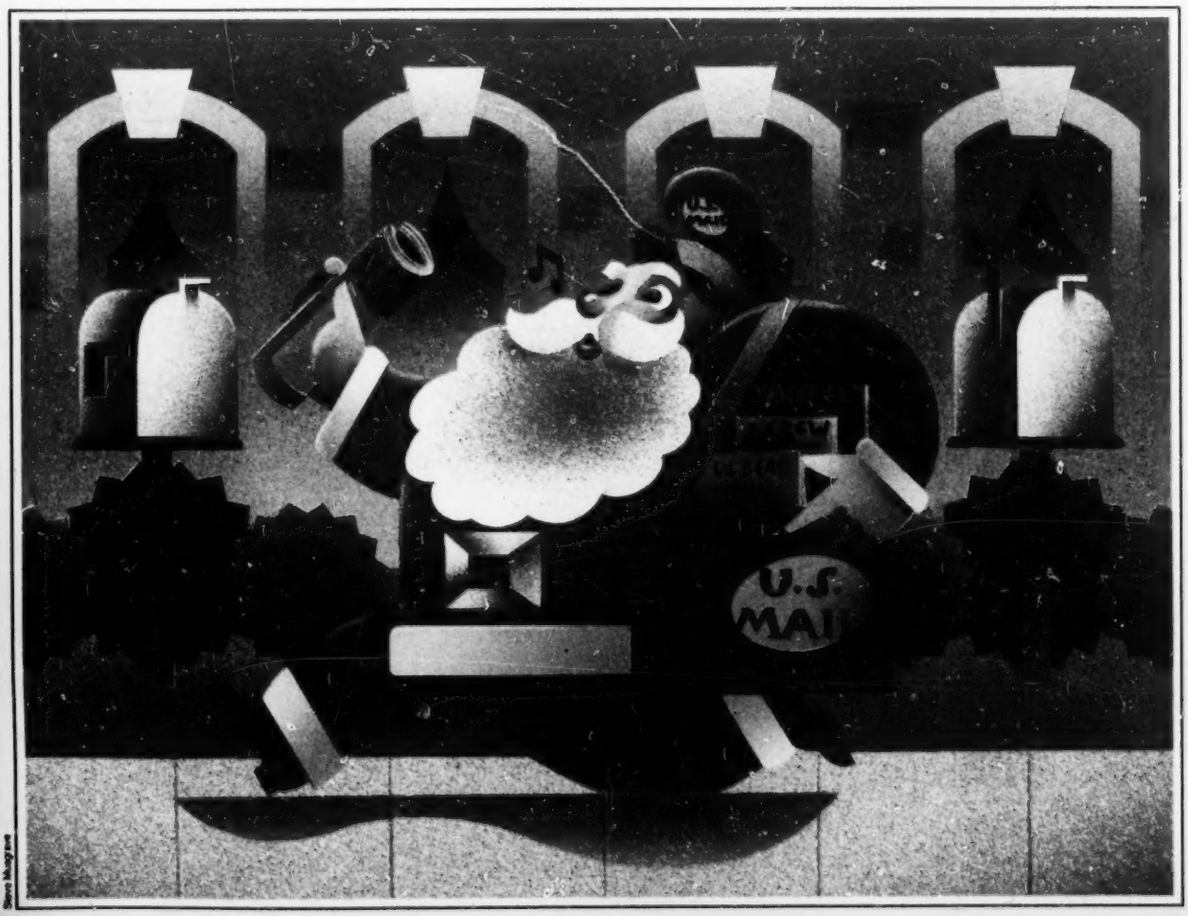
J.C. Penney Co. attributed its "double-digit" sales gains last year to improvements in order-taking by phone and a 48-hour delivery service.

"Promotions like [those] with Federal Express will be very aggressive this year because they tested so well last year," says Mr. Walker.

"The services offered by our catalog make it tough [for our stores] to compete," says another retail executive.

Penney's, like other catalogers, expects a

(Continued on Page S-10)



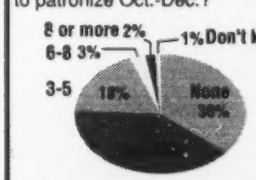
Steve Mangione

BAROMETER

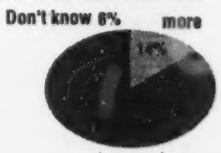
Gallup Poll

According to a Gallup/*Advertising Age* survey, holiday catalog shoppers will purchase from a select few catalogs, but run up hefty tabs.

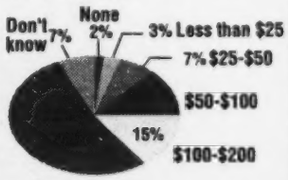
How many catalogs do you expect to patronize Oct.-Dec.?



Is this more, less or about the same as Oct.-Dec. 1989?



How much are you planning to spend on catalog purchases from Oct.-Dec. ?



Is this more, less or about the same as Oct.-Dec. 1989?

Which best describes why you plan to shop from catalogs?

Chart Your Success

Looking for a unique and effective way to increase sales? **Slide-Charts** are tailor-made for your business. They're a compact communication system that your customers can always keep a hand on.

To find out more just Fax this ad along with your business card, and we'll send you our **Free Catalog and Samples.**

AMERICAN Slide-Chart

American Slide-Chart Corp., P.O. Box 111, Wheaton, IL 60189
708-665-3333 800-323-4433
Fax 708-665-3491

Catalog execs bare their weaknesses

By Kathy Martin

Aficionados of the latest J. Crew or Wolferman's Good Things to Eat know an essential truth about catalog marketing: it's habit-forming.

And who's more likely to be a mail-order junkie than the head of a catalog company?

Advertising Age asked executives at catalog companies about their most recent purchase from a catalog other than their own.

David Brownlee, ceo, Company Store

Mr. Brownlee's most recent purchase was a Lands' End shirt he bought for his brother.

"I've been an avid catalog buyer for years—that's not just part of my business," he says.

Mr. Brownlee usually orders apparel from J. Crew and Lands' End.

Lillian Vernon, ceo, Lillian Vernon Corp.

Ms. Vernon buys "antiques and gifts and frills" on her own during her world travels, she says.

But for the basics, she turns to catalogs. Her most recent purchase was a pair of white sneakers from L.L. Bean, which she says is her favorite catalog.

Gun Denhart, president-ceo, Hanna Andersson

Ms. Denhart recently bought swimming goggles for herself from Roberta Fortune's Almanac catalog.

Wayne Somers, senior VP, Harry & David

"Odd things" were the order of choice for Mr. Somers, who is busy fixing up a new house.

"We order quite a bit from catalogs, most recently some lighting fixtures from Kemp & George and Lightolier, home accessories and furnishings from Williams-Sonoma," he says. "My wife frequently buys clothing through the mail from Neiman Marcus, Lands' End and Bergdorf Goodman."

"When you live in Medford [Ore.], shopping is not one of the attributes," he says. "We find it necessary to shop by mail and are probably doing more mail-order now, as we just moved here and are doing work on our house.

"We support the industry where we can, but a lot of it is dictated by location."

Wayne Badovinus, ceo, Eddie Bauer

Gourmet cookware was the last purchase the recently married Mr. Badovinus made from a catalog. He bought several large cooking and kitchen utensils from the Spiegel catalog. □

Kathy Martin is a frequent contributor to Special Report.

Renewed success.

Kard Karrier® is a proven success for subscription renewals. Two-way mailer looks like an envelope, unfolds simply to involve prospects. Apply address label directly to tear-off reply card thru open window. Eliminates insertion costs! Send for Kard Karrier®. See how success unfolds!

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YES, I want greater success with renewals. Send free Kard Karrier® idea kit.

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STATE ZIP
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WHEN RESULTS COUNT
TENSION
ENVELOPE CORPORATION
11 Plants Nationwide. Sorry, no foreign inquiries. 815 E. 19th St., Kansas City, MO 64108

Postal carrier's nightmare

Estimated number of catalogs mailed in billions

Source: Direct Marketing Associates
Advertising Age graph: John Smither

SAMPLE 800,000 FASHION BUG SHOPPERS

JOIN "SPECIAL SELECTIONS" SPRING 1991

Now you can reach value-conscious women who will use your product again and again.

NO-WASTE, POINT-OF-SALE DISTRIBUTION MARCH / APRIL 1991

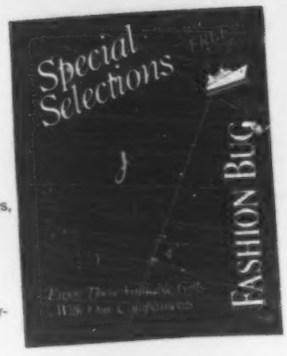
"Special Selections" is an attractive poly-bag sample package that's personally handed to over 800,000 women nationally at 1100 Fashion Bug Stores and Fashion Bug Plus Stores, one of the largest women's specialty clothing chains in America.

COMPELLING DEMOGRAPHICS

"Special Selections" is an excellent way to showcase your product and build brand loyalty among promotionally-responsive women, typically aged 18 - 35, who shop for quality fashions and products at value prices.

VALUABLE DATA FOR YOUR OWN MARKET RESEARCH

Information about the product sample's usage and future purchase intent of sample recipients is provided to participating advertisers, along with randomly selected names of women who received the "Special Selections" package.



Get all the facts now about "Special Selections" and other product sampling opportunities to the young family and female teen markets by writing or calling Chris Hulse at (212) 370-5009.

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Yule list

(Continued from Page S-1)

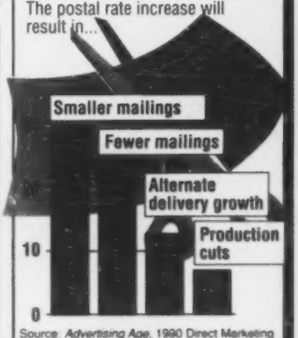
slightly different scenario in 1990.

"Our [overall] gains will be less than we had anticipated this year," says J. Duncan Muir, Penney's PR manager. "Our economists pointed out in the late spring that we were going into a slowdown, and the whole Middle East thing has shaken consumer confidence."

The company has lowered its hopes for the fourth quarter but still expects lower-to-middle single-digit increases overall. Mr. Muir will not release specific sales projections for catalogs.

Fading prospects

The postal rate increase will result in...



Source: *Advertising Age*, 1990 Direct Marketing Agency Survey; responses indicate % of agencies selecting most likely reaction.
Advertising Age graph: John Smither

Catalogers may be in trouble if retailers start slashing prices. Retailers are expected to hold off on price promotions, seeking to avoid the discounting frenzy that lowered profits last year.

But current consumer attitudes and spending patterns lead some to predict holiday discounting will be back with a vengeance.

"Retailers have more flexibility," says Mr. Sroge, which gives them an advantage over catalog marketers that can't respond to changing situations as quickly. □

Christy Fisher contributed to this story.

Europe's satellite TV viewers soar

By Elena Bowes

LONDON—The number of viewers tuning into European commercial satellite TV has soared by 70% in the past year to 42.9 million, according to the fourth annual Pan-European Television Audience Research survey published this month.

Average weekly viewing per person of commercial satellite TV has more than doubled to 7 hours, 2 minutes this year from 3 hours, 18 minutes in 1989, according to the industry group's study.

Viewers are finally accepting satellite TV as an entertainment option, said Julian Pounds, chairman of PETAR's technical committee. "It's a question of gaining people's confidence," he said.

Increased satellite TV viewing is also due to more homes gaining access through their cable operators and more TV viewing in general, Mr. Pounds said. The potential audience for commercial satellite TV in the 11 largest cabled European countries is 53.7 million, up 24% over 1989.

CYNTHIA WATSON

The PETAR survey, conducted in the 11 biggest cabled markets in Europe, is projectable to 70% to 80% of all cabled homes. It includes 106 channels, 46 of which are satellite delivered.

The satellite stations have done a good job building their networks, Mr. Pounds said. SAT 1 and RTL-Plus, two West German channels, increased their audience in Switzerland, Austria and Germany, he said. MTV Europe has tripled its European audience with particular success in Germany, where viewership increased ninefold since 1989. CNN International's penetration of Western Europe increased 184%, with the biggest subscriber gains in Norway, Sweden and the Netherlands.

Although the stations are rapidly gaining viewers, advertiser interest has been slow because the channels are still considered experimental. Rupert Murdoch's Sky Channel, the first and one of the most ambitious, is still losing money after eight years.

"There's a lot more [advertising] now than when we first started, [but] not as much as the medium merits," Mr. Pounds said. "We hope this year we get an upturn in advertisers' interest. It's not a flash in the pan; it's obviously a developing market."

Commercial satellite TV's share of audience is growing at the expense of network TV, whose share of total audience in Europe dropped to 60% from 78%, according to PETAR.

Conducted by Nielsen Marketing Research, Oxford, England, the study asked 4,003 individuals to keep a diary of what they watched from April 2 to April 29.

Those funding the survey are McDonald's Systems of Europe, Financial Times Television, French-language channel TV5-Europe, BBC TV Europe, CNN International, MTV Europe, Italian state TV network RAI, RTL-Plus, SAT 1, Sky Television, Super Channel, W H Smith TV and the U.K.'s Independent Broadcasting Authority. □

Daiko mulls staffing Grey Europe

By David Kilburn

Daiko Advertising, Osaka, is examining possibilities of placing staff in Grey Advertising's European offices.

Japan's No. 5 agency and Grey already have a Tokyo joint venture, Grey-Daiko, that billed $78 million in 1989.

Last year, John Shannon, Grey Europe chairman-ceo, and other Grey executives made a presentation to Daiko executives about their European operation.

"They asked me to come and take a look, which I did in August [1990]," said Shojiro Nishio, Daiko president (AA, Aug. 20). "My impression was that they were doing very well" in Europe.

Compared with HDM and Lintas:Worldwide—both with well-established Japanese ties—Daiko currently handles little Japanese business in Europe.

"Although agencies like HDM, Lintas and Hakuhodo are already well-established working with Japanese advertisers in Europe, they can't handle all of them," Mr. Nishio said. "It is not really possible for agencies in Europe to handle multiple competing accounts as is done in Japan. So we feel there is certainly room for Grey and Daiko to get involved."

A first step would be opening offices in one or more European cities—London, Paris or Brussels—next year.

"We will probably start off by stationing Daiko executives in Grey offices in one or more countries," Mr. Nishio said.

"We'll see what business opportunities we have and how they develop," he said. "At that stage, we'll discuss how best to develop our relationship with Grey. Essentially, we are talking about a cooperative arrangement.

"We've not discussed this with our clients in Japan yet. However, we'd hope that there might be some opportunities for us to work with Panasonic and Mazda in Europe," he added.

"I think I would say given our long and successful relationship in Japan, the obvious next step seems to be to extend this into a European market that [with the single European market in 1992 approaching] offers some tremendous opportunities," Grey's Mr. Shannon said.

Grey and Daiko executives have discussed contacting Japanese companies both in Europe via Grey and in Japan via Daiko for European accounts, he said.

There could also be opportunities to work with local dealers and distributors for Japanese companies in Europe. Local dealers and distributors often use small local agencies, working independently of one another.

"Many Japanese advertisers use different agencies in each country. After 1992, there is likely to be more interest in achieving a wider coverage than purely local agencies can achieve. This presents opportunities for Daiko and Grey," Mr. Nishio said.

In 1989, Daiko billed $1.2 billion, 99% from within Japan, Daiko executives said. In 1989, Grey Europe billed $1.3 billion. □

Elena Bowes contributed to this story.

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t·f·b INTERNATIONAL

WORLD NEWS ROUNDUP

■ **London—U.K. Department of Energy** early this month broke a $38 million campaign about the $8 billion to $10 billion sell-off of 12 regional electricity companies. WCRS handles.

■ **Duesseldorf—CMA,** a West German association for the promotion of agricultural products, moved its estimated $10 million TV buying and poster account to Grey's Mediacom. HDM Eggert previously did TV buying; Linnebach & Scholta, Munich, handled posters.

■ **Melbourne—Victorian Tourism Commission** split its new $6 million account between Grey Advertising, Sydney, and Scali, McCabe, Sloves here.

■ **London—Time's** Atlantic edition—covering Europe, the Middle East and Africa—invited WCRS, BBDO, KHBB and GGK to pitch its first pan-European consumer ad campaign.

■ **Brussels—Banque Bruxelles Lambert** moved its $3 million account to Young & Rubicam from Publicis FCB.

■ **Madrid—G.D. Searle & Co.** plans to launch Canderel sweetener pending government approval. Young & Rubicam handles.

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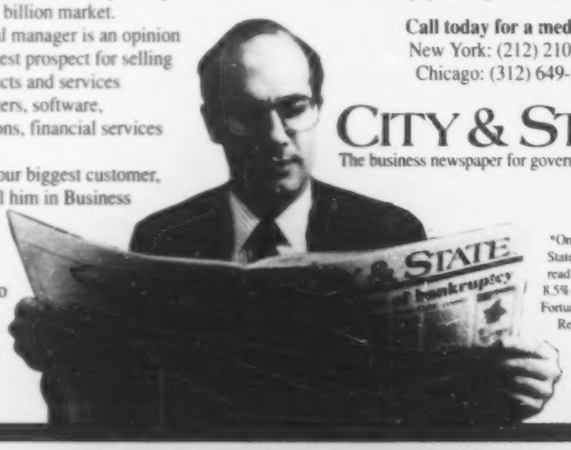

*Only 17% of City & State's readers regularly read Business Week. Only 8.5% regularly read Fortune. Mediamark Research Inc., Ju' 1990

CONSUMER MAGAZINE AD LINAGE

	August 1990	August 1989	Year-to-date 1990	Year-to-date 1989
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	125.6	149.1	1,186.9	1,271.2
Automobile Magazine	67.0	55.8	516.7	472.9
Car & Driver C.	118.3	90.5	839.4	864.0
Car Collector & Car Classics	14.5	18.8	121.5	135.4
Car Craft	68.3	69.0	562.5	618.7
Circle Track	73.6	89.4	664.7	705.5
Cycle	35.4	32.7	337.5	368.5
Cycle World	32.2	34.5	372.1	341.0
Dirt Rider	38.1	28.8	337.3	266.6
Dune Buggies & Hot VWs	79.0	72.4	571.9	552.0
Family Motor Coaching	169.2	163.8	1,338.3	1,451.2
4 Wheel & Off-Road	89.7	80.4	654.7	661.7
Four Wheeler C.	91.5	83.0	663.6	667.8
Hot Rod C.	67.8	79.9	550.2	740.6
Motorcyclist	32.6	33.6	352.2	356.0
Motor Trend C.	107.0	64.5	601.9	679.7
Motorhome	94.2	91.8	765.5	766.7
Rider	26.7	27.1	276.7	288.1
Road & Track C.	95.2	84.5	734.3	822.6
Trailer Life	90.1	79.3	731.4	741.6
Total Group	**1,516.1**	**1,428.9**	**12,179.4**	**12,771.8**
% change	**6.1%**		**-4.6%**	
■ Boating & yachting				
Boating	78.4	98.5	1,011.4	1,202.9
Chesapeake Bay	36.5	44.5	349.1	421.3
Cruising World	101.4	92.2	855.8	877.5
Lakeland Boating (11X)	56.5	75.2	637.5	733.8
Motor Boating & Sailing	72.0	86.9	974.3	1,185.6
Sail	91.7	13.4	868.0	923.7
Trailer Boats (11X)	27.5	40.3	509.1	588.0
Western Boatman	—	—	195.5	189.8
Yachting C.	103.5	126.9	1,061.4	1,095.3
Total Group	**567.6**	**577.8**	**6,462.1**	**7,217.8**
% change	**-1.8%**		**-10.5%**	
■ Civic/fraternal				
Elk (10X)	17.3	16.0	110.6	106.0
Kiwanis	16.6	16.3	118.1	113.0
Lion (10X)	—	—	33.7	35.1
Rotarian	12.6	10.7	121.8	93.3
V.F.W. (11X)	31.0	28.7	195.8	175.8
Total Group	**77.5**	**71.7**	**580.0**	**523.2**
% change	**8.1%**		**10.9%**	
■ General				
American Health (10X) C.	—	—	298.2	467.0
American Heritage (8X) C.	—	—	198.7	221.0
American Legion	31.7	23.2	274.0	245.0
American West (5X)	36.0	21.7	105.5	126.2
Art & Antiques (10X) C.	—	—	476.2	431.7
ARTnews (10X)	—	—	721.2	682.8
The Atlantic A. C.	31.1	26.6	397.9	369.3
Bon Appetit A. C.	67.2	60.3	653.6	630.0
Cable Guide C.	22.7	33.3	209.7	276.4
Caribbean Travel & Life (6X)	—	—	162.1	130.6
Changing Times C.	53.8	31.4	426.4	381.7
Conde Nast Traveler C.	60.1	53.0	636.3	549.3
Connoisseur C.	24.2	27.5	420.9	525.1
Consumers Digest (6X) C.	—	—	98.5	92.2
Cooking Light C.	—	—	237.3	199.9
Ebony C.	74.4	89.5	702.4	784.3
European Travel & Life (10X) C.	33.8	—	308.0	282.4
Food & Wine C.	38.9	42.3	429.6	456.8
Games (6X) C.	—	—	34.1	62.2
Golden Years (6X)	—	—	132.9	196.7
Gourmet C.	56.7	50.9	752.7	707.3
Harper's Magazine A. C.	24.5	21.7	242.8	235.2
Harrowsmith (6X)	27.3	47.1	188.7	229.8
Islands (6X)	—	—	243.0	247.7
Let's Live	50.0	45.0	392.0	360.0
Life C.	25.8	46.7	422.2	493.9
Longevity C.	37.0	24.3	278.2	149.2
Mature Outlook (6X) C.	—	—	140.6	143.3
Modern Maturity (6X) C.	38.5	43.1	148.1	157.1
Money C.	76.1	75.5	784.0	786.0
Mother Earth News (6X) C.	—	—	243.9	305.4
National Geographic C.	19.8	8.1	173.9	153.5
National Geographic Traveler (6X) C.	—	—	184.2	116.0
Natural History C.	28.8	24.9	317.9	312.5
New Choices C.	20.4	26.2	214.1	274.0
Prevention C.	32.1	37.3	366.8	404.5
Reader's Digest A. C.	64.9	69.0	680.6	687.8
Saturday Evening Post (9X) C.	—	—	183.5	217.1
Smithsonian C.	52.0	53.5	598.2	616.2
Town & Country C.	74.0	84.9	875.2	894.9
Travel-Holiday C.	26.1	35.9	289.8	296.9
Travel & Leisure C.	65.5	65.5	855.7	903.3
Travelhost	1,216.9	1,299.0	10,304.1	10,236.0
Vanity Fair C.	75.5	81.8	763.7	762.3
Yankee C.	52.5	50.2	476.5	464.4
Total Group	**2,538.1**	**2,599.1**	**27,044.2**	**27,265.1**
% change	**-2.3%**		**-0.8%**	
■ Home				
Architectural Digest A. C.	219.0	104.0	1,195.5	1,113.6
Better Homes & Gardens C.	83.2	77.1	807.9	904.0
Colonial Homes (6X) C.	27.3	47.1	188.7	229.8
Columbus Monthly-Homes (4X)	—	—	88.9	96.5
Country Home (6X) C.	40.6	43.7	228.4	268.7
Country Living C.	84.6	67.3	702.6	708.0
Family Handyman (10X) A. C.	—	—	242.0	333.6
Florida Home & Garden	34.5	52.8	499.0	675.6
Flower & Garden (6X) C.	—	—	154.1	162.3
Home C.	29.4	45.6	414.6	452.8
Home Mechanix C.	—	32.8	339.5	375.2
Homeowner (10X) C.	—	33.0	165.9	219.7
Horticulture	28.3	25.8	351.5	313.4
House Beautiful C.	53.1	51.8	464.8	503.2
House & Garden C.	49.9	40.0	619.1	539.9
Metropolis	—	—	358.7	426.5
Metropolitan Home C.	90.7	82.9	724.7	765.1
Midwest Living C.	63.1	53.1	277.8	260.8
1,001 Home Ideas C.	40.6	42.4	451.9	451.9
Organic Gardening (9X) C.	—	—	265.8	302.6
Phoenix Home/Garden	41.7	60.0	486.9	541.1
Practical Home-owner (9X) C.	50.6	43.0	254.2	174.2
San Diego Home/Garden	68.2	56.0	572.5	570.1
Southern Accents (6X) C.	—	—	438.6	399.0
Southern Living C.	65.4	72.7	821.0	876.5
Sunset Magazine A. C.	98.3	74.9	984.8	1,011.7
Workbench (6X)	—	—	142.7	166.2
Total Group	**1,168.3**	**1,105.9**	**12,242.0**	**12,842.0**
% change	**5.6%**		**-4.7%**	
■ In-flight & other passenger				
Aboard Group (6X)	—	—	166.3	152.0
Air Group One:				
Delta Sky C.	59.6	60.4	553.2	578.9
TWA Ambassador B.	31.2	—	296.8	—
Alaska Airlines	59.8	62.3	574.7	491.2
America West Airlines	66.2	57.5	624.0	519.8
American Way (24X) C.	112.1	116.9	1,101.8	1,137.6
East/West Network:				
Continental Profiles	45.8	46.2	403.4	465.6
Eastern Review	35.0	29.7	256.1	410.2
Pan Am Clipper	36.0	59.3	358.6	411.6
Southwest Spirit	55.3	51.8	424.8	510.7
United Vis`A Vis	68.5	72.9	545.0	670.0
Pace Communications:				
US Air Magazine	64.6	50.6	491.4	439.8
Spirit of Aloha	37.8	23.8	276.7	189.6
Total Group	**640.6**	**631.4**	**5,778.0**	**5,977.0**
% change	**1.5%**		**-3.3%**	
■ Men's				
Esquire A. C.	89.7	66.8	747.8	724.6
Firehouse Magazine	41.4	66.5	312.4	319.2
Gentlemen's Quarterly A. C.	152.2	151.3	1,108.9	1,237.9
M Magazine C.	69.0	61.0	468.6	492.8
Men's Health (6X)	—	—	76.4	—
Muscle & Fitness C.	98.7	116.0	834.9	1,048.0
Penthouse A. C.	37.1	38.0	407.2	383.9
Playboy A. C.	41.0	46.0	442.0	490.2
Salute (10X)	—	—	289.3	213.5
Total Group	**529.1**	**545.5**	**4,687.5**	**4,910.0**
% change	**-3.0%**		**-4.5%**	
■ Metropolitan				
Aloha (6X)	—	—	179.6	152.0
Atlanta	93.2	60.6	571.2	493.0
Baltimore	49.5	56.8	459.2	524.8
Boston	100.5	140.9	798.3	1,055.9
California C.	53.1	55.7	483.2	455.7
Chicago	62.7	85.4	669.6	819.3
Chicago's North Shore	88.1	67.5	709.5	759.0
Cincinnati	34.4	34.4	301.1	364.7
Cleveland	31.2	47.8	349.5	415.7
Columbus Monthly	37.1	58.5	465.6	533.4
Connecticut	63.7	100.8	659.4	791.3
D/Magazine	51.0	61.5	438.7	545.8
Detroit Monthly	45.6	55.8	421.0	435.9
Grand Rapids	27.3	26.3	263.1	305.5
Honolulu	100.8	87.0	444.6	424.3
Houston Metropolitan Magazine	58.5	50.1	498.9	468.9
Inside Chicago (8X)	—	—	110.8	146.0
Los Angeles	159.2	190.3	1,096.8	1,184.3
Louisiana Life (6X)	—	—	122.5	103.4
Madison	38.0	32.0	322.0	316.0
Memphis	117.0	120.0	473.0	544.0
Mid Atlantic Country	49.4	53.3	367.1	324.7
Milwaukee	55.8	53.8	435.7	399.7
Minneapolis/St. Paul	87.7	115.2	786.4	851.1
Minnesota Monthly Magazine	61.4	55.2	503.4	380.6
Nashville	16.5	12.8	110.6	175.5
New England Monthly	24.4	26.7	297.7	362.8
New Jersey Monthly	73.9	98.6	532.2	717.5
Ohio	43.0	44.9	411.5	395.8
Orlando	76.3	93.5	740.3	758.9
Pacific Northwest	36.8	38.4	375.7	367.2
Palm Beach Life	23.9	47.2	469.2	546.9
Palm Springs Life	41.5	48.7	846.5	864.2
Philadelphia	157.9	156.6	1,008.9	1,063.9
Phoenix	43.1	37.1	290.2	361.4
Pittsburgh	54.7	54.3	516.8	517.3
Rhode Island Monthly	61.5	53.5	471.0	443.4
Sacramento Magazine	48.7	59.1	456.4	436.5
St. Louis	40.9	30.7	400.5	364.1
San Diego	153.2	140.4	1,039.9	1,057.7
San Francisco Focus C.	96.0	110.9	734.1	797.6
Sarasota	—	—	592.0	600.0
South Florida Magazine	47.9	84.2	659.6	852.4
Texas Monthly C.	89.6	121.5	857.9	817.4
Washington (10X)	—	—	211.2	291.0
Washington Dossier	31.3	41.1	295.7	280.2
The Washingtonian	112.2	136.8	998.3	1,235.1
Total Group	**2,738.4**	**3,045.6**	**24,066.4**	**25,949.5**
% change	**-10.1%**		**-7.3%**	
■ Music/entertainment				
Audio	75.6	74.9	652.7	711.2
Dance Magazine	35.7	39.6	431.0	426.8
Playbill	32.2	44.6	347.7	375.9
Video Magazine	61.6	52.6	514.7	447.4
Total Group	**205.0**	**211.8**	**1,946.1**	**1,961.3**
% change	**-3.1%**		**-0.8%**	
■ Outdoor & sport				
Alaska	33.7	33.7	315.8	312.7
The American Handgunner (6X)	—	—	228.0	207.0
American Hunter	22.2	29.4	145.0	147.8
American Rifleman	31.0	27.4	186.9	173.5
Backpacker (7X) C.	35.1	30.6	173.6	154.4
Bass Master (10X) A. C.	—	—	490.4	588.5
Bicycling (9X) C.	75.2	86.9	796.3	879.4
Cross Country Skier (5X)	—	—	73.6	70.5
Ducks Unlimited (6X)	—	—	103.1	106.0
Field & Stream C.	37.7	41.0	518.2	597.0
Fishing World (6X)	—	—	179.1	161.6
Florida Sportsman	99.2	92.9	1,024.5	1,045.7
Golf Digest C.	78.8	77.1	926.9	948.2
Golf Illustrated C.	47.9	44.7	413.9	374.6
Golf Magazine C.	59.0	40.2	826.1	879.8
Gun Dog (6X)	33.8	39.1	133.5	162.0
Guns	38.0	43.0	310.0	291.0
Guns & Ammo	41.0	35.8	356.1	326.7
In-Fisherman (7X)	—	—	403.5	483.5
Outdoor Life C.	47.6	55.6	514.2	637.8
Outside Magazine	47.4	48.5	499.0	493.1
Petersen's Hunting	63.0	47.4	325.1	319.8
Runner's World (12X) C.	37.4	36.4	291.1	312.1
Salt Water Sportsman C.	64.4	59.5	827.6	1,020.4
Shooting Times	37.5	34.9	241.6	252.0
Sierra (6X)	—	—	131.8	177.1
Ski (8X) A. C.	—	—	292.8	336.4
Skiing (7X) A. C.	—	—	230.0	216.4
Skin Diver C.	122.3	111.4	991.8	949.6
Southern Outdoors (9X)	—	—	267.1	332.3
Sport Magazine C.	27.9	24.3	231.5	282.7
Sports Afield C.	78.1	41.0	516.2	504.7
Surfing	75.4	89.0	581.6	759.2
Tennis C.	46.1	55.9	483.3	526.1
Waterski (9X)	63.0	63.2	513.9	556.1
Western Outdoors (9X)	26.0	27.9	222.2	271.2
Wildfowl (6X)	17.5	18.5	52.6	56.2
WindRider (8X)	47.5	37.8	428.9	309.6
Wing & Shot (6X)	8.9	15.4	54.9	63.5
World Tennis C.	26.5	30.0	287.9	374.6
Total Group	**1,468.8**	**1,418.1**	**15,589.7**	**16,660.8**
% change	**3.6%**		**-6.4%**	
■ Photography				
American Photo (6X) C.	—	26.7	193.8	245.4
Petersen's Photographic	18.3	19.1	193.4	207.7
Popular Photography C.	97.6	90.2	802.9	658.8
Total Group	**115.9**	**135.9**	**1,190.1**	**1,112.0**
% change	**-14.7%**		**7.0%**	
■ Science/electronic/mech				
Discover C.	27.3	25.8	265.4	310.2
Home Office Computing C.	32.2	31.7	357.0	347.5
Omni C.	45.5	43.7	389.3	445.1
Popular Mechanics C.	63.4	52.9	518.2	628.2
Popular Science C.	41.8	41.5	491.5	674.6
Scientific American C.	33.9	24.8	302.6	304.4
Spectrum C.	49.6	37.3	408.5	427.1
Total Group	**293.7**	**257.8**	**2,732.5**	**3,137.0**
% change	**13.9%**		**-12.9%**	
■ Woman/fashion/service				
Bride's Magazine (6X) A. C.	584.0	647.8	2,354.9	2,373.9
Cosmopolitan A. C.	132.6	144.9	1,344.8	1,484.9
Elle C.	151.4	147.3	1,255.4	1,253.7
Essence C.	68.4	64.5	575.1	576.9
Family Circle (17X) A. C.	99.0	135.8	1,032.6	1,234.1
Glamour C.	141.7	163.5	1,146.7	1,263.5
Good Housekeeping A. C.	108.9	94.7	1,051.5	976.0
Harper's Bazaar C.	88.6	92.8	771.2	765.5
Health C.	—	27.7	253.1	256.7
Imagen	94.6	71.4	764.9	678.5
Ladies' Home Journal C.	91.4	105.9	936.6	982.2
Lear's C.	41.9	—	398.9	359.6
Mademoiselle C.	134.2	139.5	948.5	1,054.9
McCall's C.	55.6	82.5	615.9	725.5
Military Lifestyle (10X)	—	—	614.2	351.1
Mirabella	56.7	46.8	597.0	248.8
Modern Bride (6X) C.	540.8	511.8	1,892.4	1,835.8
New Woman C.	63.8	63.9	585.4	665.2
Parents Magazine A. C.	104.5	98.4	903.0	937.2
Redbook C.	68.4	68.9	710.3	723.4
Savvy C.	—	30.2	229.3	348.2
Self C.	76.9	82.5	789.7	828.7
Seventeen C.	191.6	251.6	879.0	967.6
Shape C.	50.0	54.7	423.9	508.2
Soap Opera Digest (26X) C.	18.8	35.2	248.9	300.6
Teen Magazine	74.8	84.5	388.3	378.6
True Story A. C.	47.9	60.9	421.4	428.0
Vogue C.	232.5	221.2	1,682.3	1,832.6
W Magazine (26X) C.	117.3	140.2	826.1	897.7
Weight Watchers C.	32.6	32.3	272.8	263.0
Woman (10X) C.	18.0	27.2	182.3	224.1
Woman's Day (15X) A. C.	64.7	101.5	899.1	1,087.2
Worldwoman	20.4	21.7	154.6	166.3
Working Mother C.	56.1	60.2	465.0	537.2
Working Woman C.	57.6	55.7	590.7	660.9
Total Group	**3,685.7**	**3,967.6**	**27,205.6**	**28,178.4**
% change	**-7.1%**		**-3.4%**	
■ Youth				
Boys' Life C.	13.0	13.3	125.7	137.9
Campus Life (10X)	—	—	232.4	239.7
Total Group	**13.0**	**13.3**	**358.1**	**377.6**
% change	**-1.9%**		**-5.2%**	
■ Business/national				
Barron's	111.7	109.0	1,111.5	1,136.3
Black Enterprise C.	96.9	50.1	647.6	622.5
Business Month C.	23.4	17.5	267.8	243.2
Business Week (52X) A. C.	186.1	192.8	2,499.1	2,728.1
Entrepreneur C.	140.6	130.7	1,313.2	1,212.9
Financial World (26X) C.	67.2	48.1	670.9	488.9
Forbes (26X) C.	126.7	150.9	2,210.6	2,069.8
Fortune (26X) C.	121.5	157.2	2,015.9	2,185.7
Frequent Flyer	30.2	30.0	300.8	312.0
Futures	39.5	39.8	325.9	345.0
Inc. Magazine C.	85.0	75.4	677.8	734.0
Income Opportunities	—	—	456.7	502.6
Industry Week (23X) A.	67.8	76.3	698.8	721.4
Nation's Business (12X) A. C.	19.5	37.4	193.3	290.2
Total Group	**1,116.1**	**1,115.1**	**13,389.8**	**13,592.5**
% change	**0.1%**		**-1.5%**	
■ Business/regional				
Advantage-Nashville's Bus. Monthly	21.4	33.9	183.1	264.2
Arizona Business Gazette	47.3	45.5	362.0	455.5
Bus. First of Buffalo	62.5	63.9	570.2	613.0
Bus. Jrnl.-Milwaukee	114.8	131.3	1,124.8	1,158.3
Bus. Jrnl.-Sacramento	109.1	88.1	724.8	638.2
Bus. North Carolina	47.8	51.7	330.0	358.2
Capital Dist. Bus. Review (52X)	63.3	72.4	547.2	565.1
Caribbean Business	166.7	179.5	974.1	1,039.7
Corporate Report Minnesota	51.1	50.5	368.2	445.8
Crain's Chicago Bus. (52X)	125.5	122.5	1,094.2	1,083.9
Crain's Cleveland Bus. (52X)	49.8	61.1	590.0	605.7
Crain's Detroit Bus. (52X)	74.7	65.2	690.1	611.7
Crain's New York Bus. (52X)	56.0	42.0	513.0	423.0
Florida Trend (13X)	31.1	26.9	362.1	432.3
Georgia Trend	20.3	33.8	327.4	362.4
Grand Rapids Bus. Jrnl.	46.2	40.2	427.9	352.5
Hawaii Business	133.3	129.0	465.8	429.8
Houston Bus. Jrnl. (52X)	75.0	70.6	536.7	580.6
Indianapolis Business Journal (52X)	158.8	163.5	1,214.2	1,259.5
New England Bus. (12X) A.	28.2	26.8	244.3	305.5
New Orleans City Bus.	49.1	35.0	435.2	329.6
Pacific Bus. News (52X)	124.8	116.6	850.6	820.3
Philadelphia Business Journal	93.6	146.6	913.7	1,152.0
Pittsburgh Bus. Times (52X)	112.0	97.9	770.4	887.7
Regardie's/Washington	102.0	137.0	1,040.0	1,240.0
St. Louis Bus. Jrnl. (52X)	92.1	88.3	828.8	813.3
Warfield's Monthly Baltimore	48.7	54.5	462.0	473.2
Total Group	**2,105.0**	**2,174.1**	**16,950.9**	**17,700.8**
% change	**-3.2%**		**-4.2%**	
■ National Sunday mags				
Parade (52X) C.	46.4	42.8	444.9	454.1
USA Weekend (52X) C.	46.2	42.6	424.4	394.9
Vista Magazine (52X)	19.8	18.0	150.7	154.5
Total Group	**112.4**	**103.4**	**1,019.9**	**1,003.5**
% change	**8.7%**		**1.6%**	
■ Newspaper Sunday magazine				
Boston Globe	118.7	152.4	1,245.0	1,526.2
Chicago Tribune	90.2	88.5	792.5	824.2
Cleveland Plain Dealer	64.1	45.3	455.5	488.6
The Dallas Morning News	50.2	39.8	400.0	488.0
Detroit Free Press	46.0	31.0	403.0	335.0
L.A. Times C.	54.4	70.7	587.5	769.9
Louisville Courier-Jrnl.	20.0	32.0	190.0	235.0
New York Times Mag. C.	252.4	283.5	2,238.9	2,355.7
Philadelphia Inquirer	60.1	74.6	690.1	674.4
Seattle Times	79.0	74.0	615.0	519.0
St. Louis Post Dispatch	66.3	74.8	585.0	613.8
Toledo Blade Magazine	33.9	41.5	280.5	261.9
Washington Post	76.8	97.0	803.0	996.9
Total Group	**1,012.0**	**1,105.1**	**9,286.0**	**10,088.6**
% change	**-8.4%**		**-8.0%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	205.1	195.7	1,137.4	1,215.9
Army Times Military Group:				
Air Force Times (52X)	110.7	135.1	1,158.1	1,234.6
Army Times (52X)	109.3	131.4	1,154.9	1,192.8
Navy Times (52X)	122.9	154.7	1,223.9	1,368.0
Capper's (26X)	18.2	35.3	228.9	252.1
Commonweal (22X)	3.0	2.0	66.0	52.8
Golf World (40X)	116.8	80.7	1,102.6	936.7
Grit (52X) A.	27.0	24.1	289.3	265.0
National Journal (50X) C.	26.0	15.0	424.8	449.0
National Review (25X)	17.3	12.2	198.0	188.7
New Republic (48X)	13.7	24.1	285.9	314.7
New York Magazine (50X) C.	157.8	171.0	1,546.6	1,793.4
New Yorker C.	113.8	122.6	1,269.0	1,238.7
Newsweek (52X) A. C.	130.8	112.9	1,326.6	1,435.1
People (51X) C.	226.6	193.6	2,151.4	2,315.7
Rolling Stone (25X) C.	151.4	150.8	1,161.2	1,220.2
Sporting News (52X) C.	39.2	37.0	335.1	388.5
Sports Illustrated (52X) A. C.	152.4	162.0	1,560.9	1,826.4
Time (52X) A. C.	149.6	124.3	1,568.9	1,634.2
TV Guide (52X) A. C.	143.5	150.8	1,740.2	1,954.4
US Magazine (26X) C.	43.7	59.3	450.7	478.3
U.S. News & World Report (50X) A. C.	122.8	136.0	1,162.3	1,194.6
Total Group	**2,201.4**	**2,230.8**	**21,542.6**	**22,949.9**
% change	**-1.3%**		**-6.1%**	

NOTES: Linage is given in paid ad pages. (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Incomplete report not included in group total and % change. C. Figures supplied by Publishers Information Bureau. All other figures are supplied by the magazines. *Ad Age* makes no attempt to verify figures and is not responsible for inconsistencies or errors. Compiled by Kathy Wylie.

MEDIAWORKS

AUGUST AD RESULTS

Cars drive first ad gain

By Scott Donaton

A sharp upturn in automotive spending brought magazines a modest gain in ad pages last month, the first monthly increase this year.

August ad pages totaled 11,345.8, up 0.5% from the same month last year, Publishers Information Bureau reported. But pages still were down 3.1% for the first eight months from a year earlier, totaling 106,889.

The increase was sparked by a 56.5% jump in automotive revenues to $66.5 million, the second consecutive monthly gain for magazines' largest ad category. Still, for the first eight months, automotive revenues were down 2.5% at $557.8 million.

Cigarette/tobacco spending continued its downward spiral. Revenues were down 34.3% last month to $19.8 million. For the first eight months, the category was off 27.5% to $198.4 million.

Sixty-eight of the top 100 magazines tracked by PIB posted declines for the first eight months; 30 posted gains. Family Media's *1,001 Home Ideas* was flat with 451.86 ad pages. And Time Warner's *Entertainment Weekly* made its first appearance in the ranking with 523.72 ad pages through August. The title was launched in February.

Business Week remained the ad page leader for the first eight months of 1990 with 2,499.13 pages, an 8.4% drop. *Bride's* was the bridesmaid with 2,354.94 pages, down 0.8%. *Forbes* was third with 2,210.56 pages, up 6.8%, while *Fortune* was fifth with 2,015.9 pages, a 7.8% decline.

Among weeklies, *People, Time* and *Newsweek* all registered modest gains last month. No. 4 *People's* pages were up 17% in August; *Time's* pages rose 20.3%; and *Newsweek* saw pages increase 15.9%. For the first eight months, *People* was down 7.1% with 2,151.41 pages, *Time* was off 4% to 1,568.86 and *Newsweek* dropped 7.6% to 1,326.57.

The New Yorker, which had an exceptional second half last year, was down 7.2% in August to 113.76 pages. But for the first eight months, it was among the few weeklies gaining, reporting with a 2.5% increase to 1,268.96 pages.

Other weeklies remained in a slump. *TV Guide*, with 1,740.22 ad pages through August, was down 11%; *Sports Illustrated* carried 1,560.9 ad pages, a 14.5% decline; *New York Magazine* was off 13.8% to 1,546.6; and *U.S. News & World Report's* pages dipped 2.7% to 1,162.34.

Among beauty and fashion titles, category leader *Vogue* was off 8.2% through August with 1,682.27 ad pages, while *Elle* was up 0.1% to 1,255.35. *Cosmopolitan* carried 1,344.84 ad pages, down 9.4%; *Glamour* was down 9.3% to 1,146.65; and *Mademoiselle*, with 948.53 pages, was off 10.1%.

In the women's service field, *Good Housekeeping* was the only one of the Seven Sisters to register a gain. The Hearst Corp. monthly carried 1,051.51 ad pages in the first eight months, up 7.7%. *Family Circle* followed with 1,032.57 pages, a 16.3% slide. *McCall's* was last among the Seven Sisters with 615.92 pages, down 15.1%.

Conde Nast Publications' *GQ* remained the top book in the men's field despite a 10.4% decline to 1,108.86 ad pages. Hearst's *Esquire* was second with 747.81 ad pages, a 3.2% increase. *Playboy* carried 441.97 ad pages, down 9.8%, while *Penthouse's* 407.21 ad pages put it up 6.1%.

M ended with 468.58 ad pages, a 4.9% dip. The monthly, published by Capital Cities/ABC's Fairchild division, married new purchase *Manhattan,inc.* to create *M Inc.*, which made its debut this month.

The auto spending boost helped the leading monthly auto buff books tracked by PIB, which had been mired in steep declines. *Car & Driver, Road & Track* and *Motor Trend* saw gains of 30.7%, 12.6% and 65.9%, respectively, for the month. But for the first eight months, all three were down. *Car & Driver* carried 839.39 ad pages in the first eight months, down 2.9%; *Road & Track*, with 734.34 ad pages, was down 10.7%; and *Motor Trend* saw pages fall 11.5% to 601.93. □

Wayne Walley coordinates MediaWorks.

Magazine ad page leaders

Publishers Information Bureau figures for January through August 1990.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	2,499.13	(8.4)	140,241,235	(6.2)
2	Bride's	2,354.94	(0.8)	41,814,684	7.2
3	Forbes	2,210.56	6.8	96,144,709	13.7
4	People	2,151.41	(7.1)	203,127,478	2.3
5	Fortune	2,015.90	(7.8)	96,922,094	(1.7)
6	Modern Bride	1,892.42	3.1	30,851,147	8.9
7	TV Guide	1,740.22	(11.0)	188,579,915	(3.0)
8	Vogue	1,682.27	(8.2)	62,222,517	13.4
9	The Economist	1,658.66	17.1	14,385,472	33.0
10	Time	1,568.86	(4.0)	215,242,822	(2.6)
11	Sports Illustrated	1,560.90	(14.5)	196,210,073	(4.5)
12	New York Magazine	1,546.60	(13.8)	25,189,266	(7.5)
13	Cosmopolitan	1,344.84	(9.4)	81,237,289	1.6
14	Newsweek	1,326.57	(7.6)	146,503,883	0.1
15	Entrepreneur	1,313.18	8.3	12,598,038	34.0
16	The New Yorker	1,268.96	2.5	32,856,720	14.5
17	Elle	1,255.35	0.1	37,498,316	8.4
18	Architectural Digest	1,195.52	7.4	31,736,824	14.4
19	U.S. News & World Report	1,162.34	(2.7)	92,751,615	5.2
20	Rolling Stone	1,161.17	(4.8)	43,259,201	1.0
21	Glamour	1,146.65	(9.3)	59,230,310	1.2
22	GQ	1,108.86	(10.4)	27,499,872	(1.0)
23	American Way	1,101.79	(3.2)	15,034,875	20.2
24	Yachting	1,061.35	(3.1)	6,633,615	0.7
25	Good Housekeeping	1,051.51	7.7	99,514,353	15.5
26	Family Circle	1,032.57	(16.3)	84,389,972	(7.8)
27	Skin Diver	991.82	4.4	9,343,613	11.3
28	Sunset	984.80	(2.7)	30,205,047	4.0
29	Mademoiselle	948.53	(10.1)	31,444,895	0.8
30	Ladies' Home Journal	936.63	(4.6)	67,470,321	5.5
31	Golf Digest	926.94	(2.3)	47,346,557	3.1
32	Parents	903.00	(3.6)	36,899,453	0.4
33	Woman's Day	899.06	(17.3)	65,048,544	(17.4)
34	Seventeen	878.95	(9.2)	26,354,396	(5.2)
35	Town & Country	875.19	(2.2)	21,131,533	12.5
36	Texas Monthly	857.92	5.0	9,649,695	7.5
37	Travel & Leisure	855.66	(5.3)	35,143,572	13.6
38	Car & Driver	839.39	(2.9)	32,110,988	(8.0)
39	Muscle & Fitness	834.94	(20.3)	14,315,166	(9.4)
40	Salt Water Sportsman	827.62	(18.9)	5,315,058	(12.6)
41	Golf Magazine	826.12	(6.1)	27,444,081	13.1
42	W	826.07	(8.0)	19,054,513	5.3
43	Southern Living	821.04	(6.3)	41,104,149	1.3
44	Better Homes & Gardens	807.86	(10.6)	90,666,911	(5.3)
45	Popular Photography	802.87	21.9	19,278,218	37.0
46	Bicycling	796.30	(9.5)	11,129,096	6.6
47	Self	789.73	(4.7)	30,392,003	18.0
48	Money	784.04	(0.3)	48,431,193	1.5
49	Harper's Bazaar	771.18	0.7	20,763,874	8.6
50	Vanity Fair	763.72	0.2	27,144,303	23.8
51	Gourmet	752.7?	6.4	20,170,886	17.3
52	Esquire	747.[illegible]	3.2	23,655,189	13.3
53	Road & Track	734.34	(10.7)	21,879,326	(16.0)
54	San Francisco Focus	734.08	(8.0)	4,936,289	3.7
55	Metropolitan Home	724.67	(5.3)	23,013,286	5.5
56	Redbook	710.33	(1.8)	44,989,750	(0.6)
57	Country Living	702.58	(0.8)	28,311,812	2.7
58	Ebony	702.39	(10.5)	24,767,018	(0.8)
59	Reader's Digest	680.55	(1.1)	71,631,112	2.3
60	Inc.	677.76	(7.7)	27,646,929	(0.6)
61	Jet	674.41	(10.1)	11,442,910	(2.4)
62	Financial World	670.88	37.2	15,751,176	66.8
63	Four Wheeler	663.60	(0.6)	5,304,720	8.5
64	Bon Appetit	653.64	3.8	19,842,641	7.7
65	Black Enterprise	647.62	4.0	8,627,906	14.0
66	Conde Nast Traveler	636.34	15.8	17,852,661	38.5
67	House & Garden	619.14	14.7	15,563,821	20.1
68	McCall's	615.92	(15.1)	45,278,286	(7.2)
69	Motor Trend	601.93	(11.5)	21,712,481	(1.8)
70	Smithsonian	598.23	(2.9)	25,706,051	1.3
71	Mirabella	597.04	140.0	9,457,606	249.5
72	Working Woman	590.65	(10.6)	18,294,403	(3.7)
73	New Woman	585.42	(12.0)	14,321,834	(7.3)
74	Essence	575.11	(0.3)	14,482,137	14.0
75	Delta Sky	553.15	(4.5)	13,707,765	(0.7)
76	Hot Rod	550.23	(25.7)	13,222,778	(19.8)
77	Entertainment Weekly	523.72	—	10,998,346	—
78	Popular Mechanics	518.23	(17.5)	16,842,313	(15.8)
79	Field & Stream	518.21	(13.2)	21,850,887	(14.7)
80	Sports Afield	516.22	2.3	9,920,250	10.0
81	Outdoor Life	514.15	(19.4)	15,742,577	(12.5)
82	Popular Science	491.46	(27.2)	13,932,051	(25.3)
83	Bass Master	490.42	(16.7)	9,713,815	(3.6)
84	Premiere	488.63	4.8	8,738,568	28.5
85	Tennis	483.34	(8.1)	15,861,747	39.7
86	California	483.16	6.0	6,919,966	14.9
87	Yankee	476.47	2.6	5,706,788	10.5
88	Art & Antiques	476.23	10.3	2,740,064	20.3
89	M	468.58	(4.9)	5,855,217	6.9
90	Working Mother	465.04	(13.4)	10,836,515	2.2
91	House Beautiful	464.78	(7.6)	16,766,675	0.8
92	1,001 Home Ideas	451.86	0.0	12,710,002	10.4
93	US	450.72	(5.8)	13,204,082	(6.6)
94	Playboy	441.97	(9.8)	29,805,246	0.3
95	Parenting	441.69	18.7	7,820,850	59.5
96	Southern Accents	438.59	9.9	4,384,570	19.0
97	Food & Wine	429.64	(6.0)	10,147,833	(1.4)
98	Changing Times	426.36	11.7	11,158,548	17.9
99	National Journal	424.83	(5.4)	2,867,060	1.6
100	Shape Magazine	423.87	(16.8)	7,904,775	5.0

Percent change compares January-August in 1990 with 1989. Source: Publishers Information Bureau

Men's Health

THE FASTEST GROWING MEN'S MAGAZINE IN AMERICA

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PERSPECTIVAS

Hispanic car buys down as ads surge

By Christy Fisher

Despite dramatic increases in Hispanic-specific auto advertising, Hispanic purchases of 1989 model-year passenger cars declined.

According to an R.L. Polk & Co. study commissioned by Univision Network, Hispanic registrations of 1989 new vehicles in 24 major Hispanic markets dropped 7%, to 228,636 units, from the previous model-year registrations.

Non-Hispanic purchases declined a more moderate 4.2% to more than 2.5 million units.

This reverses recent trends: The previous model year, Hispanic purchases climbed 8.9%, while non-Hispanic purchases fell 2%.

Hispanic light truck 1989 model year purchases took almost as sharp a fall, dropping 4% to 117,968 units, after having surged 10.2% the previous year. Non-Hispanic 1989 model year light truck sales rose 0.5% to more than 1 million units.

Data from J.D. Power & Associates also showed a drop from May 1988 to April 1989, following a three-year climb.

The findings suggest short-term, population growth is less of an influence than the economy on total Hispanic market purchasing power, said Dennis Ricci, marketing director-media and advertising services at J.D. Power. "Hispanics as a group have lower income and could be more affected in tighter times."

However, automotive advertisers targeting Hispanics say they are not alarmed by the numbers.

"The long-term trend for the Hispanic market is up [because of population growth potential]," said Richard Halseth, media manager for Ford Motor Co.

"It looks like what is happening in the general market is magnified in the Hispanic market somewhat," he said. "But we don't think it will continue. We suspect [the numbers] are an aberration."

While purchases fall off, Univision and Telemundo Group report automotive ad spending to be up significantly. Univision reports auto ad revenues are up 70% year-to-date; Telemundo claims a 190% jump.

Greater competition in the auto marketplace helps to explain the ad spending jump, said Chris Roman, Univision's Detroit-based regional sales manager.

"Automotive advertisers can't expect to throw a couple of commercials on and dominate Hispanic media anymore," Mr. Roman said. "More and more players are getting into the market, which is getting more sophisticated. We're seeing more advertising, event marketing, dealer packages and POP."

At Univision, imports are leading the ad surge.

"The import cars are really kicking butt in terms of spending," said Raul Torano, senior VP-director of sales for Univision.

Imports' heavy ad spending has helped them achieve greater unit sales growth than domestics from 1986 to 1989. In that time period, Hispanic purchases of imported cars increased 35.8% vs. a 6.6% decline in domestic car sales, according to Polk.

Univision's top auto advertiser is American Honda Motor Co., followed by Mazda Motors of America, General Motors' Chevrolet Motor Division, Ford Motor Co. and Toyota Motor Sales USA, sources say.

Telemundo is seeing large increases from both domestic automakers and imports, said Don Travis, Telemundo's VP-general sales manager.

Top auto advertisers on Telemundo are Ford Motor's Ford and Lincoln-Mercury divisions, Chrysler Corp., Toyota and Honda.

New auto advertisers on Spanish-language TV in 1990 include American Isuzu Motors; Mazda; Mitsubishi Motor Sales of America; Volkswagen of America; GM's Oldsmobile division; GMC Trucks; and Yugo America. Nissan Motor Corp. USA is also active in the market.

Holdouts include GM's Pontiac and Buick divisions, which reportedly are evaluating the market.

Hyundai Motor America was inactive in 1990. Hyundai experienced the greatest share decline among automakers from 1988 to 1989 model year sales, seeing its share decline from 8.3% to 6.1%.

New auto campaigns breaking in October include:

- An effort from GS&B Advertising, Coral Gables, Fla., for Chevrolet's Camaro, Geo and Cavalier. GS&B grabbed the Chevy account when Lintas:Latina was merged with GS&B following Lintas:USA's purchase of 49% of GS&B.
- A new spot in western markets for Oldsmobile's Cutlass Supreme via Hispanic USA, Albuquerque, N.M.
- New TV, radio and print from La Agencia de Orci, Los Angeles, for Honda's Civic and Accord.
- New TV, radio and print for Toyota Tercel, Camry, Corolla, 4x4 truck and 4x2 truck via Conill Advertising/West, Los Angeles.
- TV and print for Dodge Caravan; Plymouth Voyager and Sundance; and Jeep Cherokee Sport via Montemayor y Asociados, San Antonio, Texas. □

Ford motors ahead

Share of Hispanic market passenger car sales by model year.

Rank	Division	1988	1989
1	Ford	13.2%	14.3%
2	Chevrolet	11.7	11.7
3	Toyota	9.7	10.4
4	Nissan	9.6	9.5
5	Honda	7.9	9.3
6	Hyundai	8.3	6.1
7	Pontiac	5.5	5.8
8	Oldsmobile	4.0	3.9
9	Buick	3.2	3.3
10	Dodge	2.9	2.8

Source: R.L. Polk & Co.

PRODUCT & ACCOUNT ACTIVITY

Box office hit: Home Box Office has awarded a TV and radio project to promote its fall lineup for "Selecciones" to Uniworld/-Hispanic, New York.

Colonel to Orci: Kentucky Fried Chicken has moved its national Hispanic creative and Los Angeles co-op media buying accounts to La Agencia de Orci, Los Angeles.

Great guacamole! California Avocado Commission has named Sosa & Associates, San Antonio, its first Hispanic agency.

Skincare line debuts: Jeval Laboratories, Houston, which is marketing a new skincare line called Jeval to Hispanics, has named Champney & Associates, Dallas, to its account.

Hi-C hits Miami: Coca-Cola Foods, Houston, is running a 30-second TV spot in Miami for its Hi-C fruit juice, representing its first Hispanic effort. GS&B Advertising, Coral Gables, Fla., which absorbed Lintas:Latina, Miami, handles.

Shop grabs slice of Pizza Hut: Pizza Hut of Titusville, Fla., has named Zubi Advertising Services, Miami, as agency for the South Florida Hispanic market.

El rompecorazones.

Nuevo Civic Hatchback

Magico, practico y de personalidad encantadora. El nuevo Civic Hatchback es todo un conquistador.
Por su gran estilo, impactante diseño deportivo.
Por sus cualidades interiores: amplios, comodos y refinado hasta en sus mas pequeños detalles.
Porque es confiable en el manejo, gracias a su suspension de doble brazo en V.
Por su gran valor: economico en la compra y ahorro en la reventa.
Y sobretodo por su gran corazon: potente motor de 16 bites, 89 caballos de fuerza y 81 calidades. El nuevo Civic Hatchback le esta robando los corazones al mundo entero.
Civic Hatchback, un auto a prueba de vida.

HONDA
¡Algo grande está pasando!

Visite a su concesionario Honda para probar uno.

Big budget, big sales

As the tagline says, "something big is happening" at Honda. The leading import advertiser, Honda's share of Hispanic car purchases jumped from 7.9% in model year 1988 to 9.3% in 1989, as Hispanic sales grew from 7.9% to 8.3% of Honda's total sales.

Lintas bounces back with GS&B

By Christy Fisher

Lintas:USA has acquired a 49% interest in Coral Gables, Fla.-based GS&B Advertising. The shop will be merged on Nov. 1 with Miami-based Lintas:Latina, which will be closed.

Lintas:Latina saw half of its $20 million in billings fly out the window when Eastern Airlines sold its Latin American routes to American Airlines in July.

"We found ourselves below threshold level in billings," said Spencer Plavoukos, chairman-ceo of Lintas:New York. "We had to make a move to get more mass."

"We found ourselves below threshold level in billings. We had to make a move to get more mass."

GS&B will provide Hispanic advertising and marketing services to Lintas, as well as other units of parent Interpublic Group of Cos.

The move follows quickly the July 1 dissolution of GS&B's year-old merger with Castor Spanish International, New York.

GS&B Advertising will have estimated billings of $32 million and 60 employees. Heading the shop are GS&B executives Al Garcia-Serra, president-ceo, and Julio Blanco, exec VP-creative director; no Lintas:Latina employees are being laid off as a result of the merger.

GS&B handles Edward J. DeBartolo Corp., Miami Metro Zoo, Miami City Ballet and Pan Am Corp. Lintas brings General Motors Corp. Chevrolet division, Coca-Cola Foods, Lehn & Fink (Lysol products), Carnation Foods, Thomas J. Lipton Inc. and MasterCard International.

FoVa improves relations: Font & Vaamonde Associates, New York, recently added a PR arm. Operated as a separate company, FoVa PR initially will service Warner Bros. and Adolph Coors Co.

FoVa also is hoping to strengthen its Hispanic agency network by turning its ancillary offices in Chicago, Los Angeles, Miami and San Antonio into full-service shops. As part of the changes, Vice-Chairman Luis Wexsler has been named general manager of the northern and southern divisions and Vice-Chairman Rochelle Newman adds the title of western division general manager.

FoVa also picked up the plum network TV buying assignment from Procter & Gamble Co., the Hispanic market's leading network TV advertiser, from D'Arcy Masius Benton & Bowles.

Shop adds Hispanic: Wilshire Newport, Burbank, Calif., has established Dimension Hispana to service the Hispanic market. Frank Betancourt, VP, heads the new division. □

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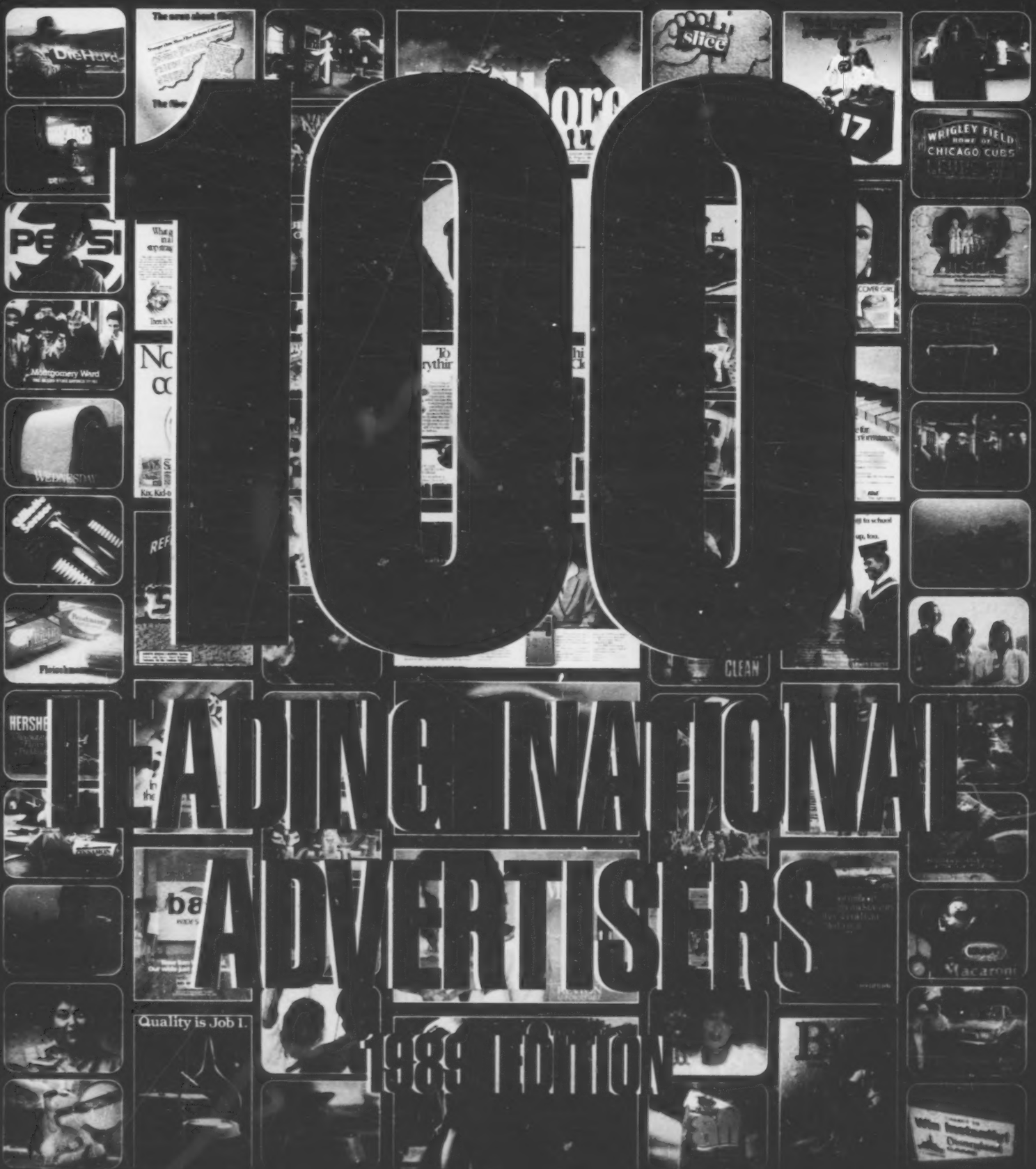

Top 100 boosts ad spending 6.4% to almost $34 billion

Philip Morris again heads the parade; while 30 actually cut ad dollars, many leading marketers lean on line extensions

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By R. Craig Endicott and Kevin Brown

Philip Morris Cos., powered by a heavy investment in advertising and promotion for its Kraft General Foods unit, retained its title as the top U.S. advertiser with expenditures of $2.07 billion in 1989, according to the 35th annual *Advertising Age* 100 Leading National Advertisers report.

Procter & Gamble Co., at $1.78 billion, finished second to Philip Morris for the third consecutive year, although its 7.5% increase moved it closer to PM, whose ad growth rose only 2.2%.

Sears, Roebuck & Co. boosted advertising by 38% to push its "everyday low prices" marketing strategy, and edged out General Motors Corp. for the No. 3 spot.

The top four marketers—the only ones to break the $1 billion advertising barrier—represented almost 20% of the Top 100 total of $33.9 billion, up 6.4%. Price of admission to the Top 100 was $104.3 million, recorded by No. 100 Dr Pepper/Seven Up Cos.

The ad volume increase by the Top 100 dropped slightly from 6.7% growth in 1988. That year, marketers supported only 3.9% more new products than in 1987.

Apart from ad volume, the Top 100's ad efficiency pace-setter was No. 86 Wal-Mart Stores, which generated $203.15 in sales per ad dollar spent. While down 7.2% from the previous year, the total far exceeds the $48.72 from a more diversified Sears, down 11.2%. Wal-Mart's ad expenditure last year was $127.1 million.

Wal-Mart was one of five new entries to the Top 100. Others were No. 81 Circuit City Stores, No. 92 United Telecommunications (US Sprint), No. 96 Daimler-Benz AG and No. 99, Nike Inc.

Dropouts from the Top 100 included American Cyanamid Co., whose sale this year of Shulton USA excludes it from the *Ad Age* tally; BCI Holdings Corp., whose Beatrice food properties are now part of No. 51 ConAgra; and Columbia Pictures Entertainment, now a unit of No. 31 Sony Corp. Ad expenditures for Franklin Mint and Borden Inc. dropped below the 1989 cutoff.

In 1989, new-product growth rebounded, rising 14.2%.

Comparing that new-product volume increase with last year's maintenance-level advance in advertising indicates marketers redistributed dollars within brand lines rather than adding new funds.

National media ad spending accounted for $19 billion, or 56%, of the Top 100 total volume. The remainder was "unmeasured" spending—advertising and promotion not monitored by national tracking services *(see story on Page 2)*.

Network TV accounted for 21.4% of Top 100 spending, growing 2.7% to $7.2 billion. A measure of the Top 100's power in that medium is that 75.8% of all network TV spending came from the group, according to LNA/Arbitron.

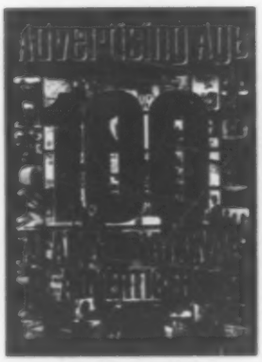
The Top 100 propped up the medium in 1989, when spending for all network advertisers actually declined 0.2%. Network TV's dominance among national measured media is being eroded by dramatic increases in syndicated TV and cable TV, which grew 43% and 27.4%, respectively, nationally.

The Top 100 also are leading a first-half 1990 spending spurt in network TV, which in total is up 10.7% to $5.2 billion. Growth in syndicated TV has slowed to 27.3% and cable TV to 15%.

As in 1988, GM poured more ad dollars into network TV than anyone else, $506.5 million, 37.1% of its U.S. media budget.

No. 6 PepsiCo remained the leading advertiser in spot TV—a primary medium for its big restaurant core of Pizza Hut, Kentucky Fried Chicken and Taco

(Continued on Page 2)



Index to charts

100 leading national advertisers	1
100 leaders' sales per ad dollar	6
Total ad spending by media	8
National ad spending by category	8
Top 25 magazine advertisers	17
Top 25 newspaper advertisers	24
Top 25 Sunday magazine advertisers	31
Top 25 network TV advertisers	36
Top 25 spot TV advertisers	38
Top 25 syndicated TV advertisers	47
Top 25 cable TV advertisers	54
Top 25 network radio advertisers	61
Top 25 spot radio advertisers	64
Top 25 outdoor advertisers	70

Profile index

Company	Page
American Brands	4
American Express Co.	4
American Home Products Corp.	10
American Stores Co.	10
AMR Corp.	14
Anheuser-Busch Cos.	16
AT&T Co.	16
B.A.T. Industries PLC	17
Bayer AG	20
Bell Atlantic Corp.	24
Bristol-Myers Squibb Co.	24
Campbell Soup Co.	31
Campeau Corp.	34
Carter Hawley Hale Stores	36
Chrysler Corp.	36
Circuit City Stores	38
Citicorp	38
Clorox Co.	47
Coca-Cola Co.	47
Colgate-Palmolive Co.	47
ConAgra	51
Continental Airlines Holdings	52
Adolph Coors Co.	52
CPC International	54
Daimler-Benz AG	54
Dayton-Hudson Corp.	61
Delta Air Lines	61
Walt Disney Co.	61
Dow Chemical Co.	62
Dr Pepper/Seven Up Cos.	64
E.I. du Pont de Nemours & Co.	64
Eastman Kodak Co.	64
Ford Motor Co.	70
General Electric Co.	70
General Mills	72
General Motors Corp.	73
Gillette Co.	76
Goodyear Tire & Rubber Co.	76
Grand Metropolitan PLC	76
Hallmark Cards	79
Hasbro Inc.	80
H.J. Heinz Co.	80
Hershey Foods Corp.	82
Honda Motor Co.	82
Hyundai Group	84
IBM Corp.	84
ITT Corp.	86
Johnson & Johnson	86
S.C. Johnson & Son	88
Kellogg Co.	88
K mart Corp.	89
Kroger Co.	90
Levi Strauss & Co.	90
Loews Corp.	90
R.H. Macy & Co.	91
Marriott Corp.	91
Mars Inc.	92
May Department Stores Co.	92
Mazda Motor Corp.	93
MCA Inc.	94
McDonald's Corp.	94
Mobil Corp.	95
Montgomery Ward & Co.	96
Nestle SA	96
News Corp.	97
Nike Inc.	97
Nissan Motor Co.	98
Nynex Corp.	98
Paramount Communications	99
J.C. Penney Co.	100
PepsiCo Inc.	100
Pfizer Inc.	101
Philip Morris Cos.	101
Philips NV	102
Procter & Gamble Co.	102
Quaker Oats Co.	103
Ralston Purina Co.	104
Revlon Group	105
RJR Nabisco	105
Sara Lee Corp.	106
Schering-Plough Corp.	107
Seagram Co.	108
Sears, Roebuck & Co.	108
SmithKline Beecham PLC	109
Sony Corp.	109
Subaru of America	110
Tandy Corp.	110
Time Warner	111
Toyota Motor Corp.	112
UAL Corp.	112
Unilever NV	112
United Telecommunications	113
U.S. Dairy Farmers	113
U.S. Government	114
Volkswagen AG	114
Wal-Mart Stores	114
Warner-Lambert Co.	115
Wendy's International	116
Whitman Corp.	116
Wm. Wrigley Jr. Co.	116

100 Leading National Advertisers

Rank	Advertiser	Ad spending	Rank	Advertiser	Ad spending	Rank	Advertiser	Ad spending
1	Philip Morris Cos.	$2,072.0	35	R.H. Macy & Co.	$312.7	69	Subaru of America	$159.5
2	Procter & Gamble Co.	1,779.3	36	U.S. Government	309.5	70	Mobil Corp.	156.3
3	Sears, Roebuck & Co.	1,432.1	37	Nissan Motor Co.	300.6	71	Hasbro Inc.	151.9
4	General Motors Corp.	1,363.8	38	Honda Motor Co.	298.8	72	Schering-Plough Corp.	150.2
5	Grand Metropolitan PLC	823.3	39	Campeau Corp.	294.9	73	Citicorp	146.3
6	PepsiCo Inc.	786.1	40	Mars Inc.	293.3	74	Loews Corp.	143.0
7	McDonald's Corp.	774.4	41	Hershey Foods Corp.	288.2	75	Paramount Communications	141.2
8	Eastman Kodak Co.	718.8	42	American Express Co.	267.9	76	Hallmark Cards	138.2
9	RJR Nabisco	703.5	43	Colgate-Palmolive Co.	246.3	77	Seagram Co.	136.8
10	Kellogg Co.	611.6	44	General Electric Co.	243.2	78	E.I. du Pont de Nemours & Co.	133.2
11	Nestle SA	608.4	45	Pfizer Inc.	235.3	79	Bell Atlantic Corp.	132.0
12	Unilever NV	604.1	46	Tandy Corp.	232.7	80	Volkswagen AG	131.9
13	Ford Motor Co.	602.1	47	American Stores Co.	220.0	81	Circuit City Stores	131.2
14	Anheuser-Busch Cos.	591.5	48	MCA Inc.	219.9	82	AMR Corp.	131.0
15	Warner-Lambert Co.	585.9	49	Montgomery Ward & Co.	213.6	83	News Corp.	128.9
16	AT&T Co.	567.7	50	Hyundai Group	212.8	84	ITT Corp.	128.5
17	Time Warner	567.5	51	ConAgra	211.3	85	UAL Corp.	127.3
18	K mart Corp.	561.4	52	U.S. Dairy Farmers	205.9	86	Wal-Mart Stores	127.1
19	Chrysler Corp.	532.5	53	American Brands	204.2	87	Carter Hawley Hale Stores	126.6
20	Johnson & Johnson	487.1	54	SmithKline Beecham PLC	203.2	88	Kroger Co.	125.5
21	General Mills	471.0	55	Adolph Coors Co.	201.0	89	Wm. Wrigley Jr. Co.	124.3
22	American Home Products Corp.	456.1	56	IBM Corp.	196.9	90	Levi Strauss & Co.	123.1
23	Bristol-Myers Squibb Co.	451.6	57	Campbell Soup Co.	196.7	91	Wendy's International	122.4
24	Ralston Purina Co.	429.5	58	Revlon Group	196.5	92	United Telecommunications	121.3
25	Toyota Motor Corp.	417.6	59	B.A.T. Industries PLC	196.4	93	Nynex Corp.	120.7
26	J.C. Penney Co.	407.5	60	Mazda Motor Corp.	196.3	94	Continental Airlines Holdings	119.6
27	May Department Stores Co.	385.7	61	Gillette Co.	185.1	95	Delta Air Lines	116.0
28	Coca-Cola Co.	385.3	62	Philips NV	182.3	96	Daimler-Benz AG	115.5
29	Sara Lee Corp.	357.9	63	Clorox Co.	179.9	97	Bayer AG	112.0
30	Quaker Oats Co.	357.8	64	Goodyear Tire & Rubber Co.	168.3	98	Whitman Corp.	108.4
31	Sony Corp.	356.5	65	CPC International	168.2	99	Nike Inc.	104.6
32	H.J. Heinz Co.	342.3	66	Marriott Corp.	162.0	100	Dr Pepper/Seven Up Cos.	104.3
33	Walt Disney Co.	338.7	67	Dow Chemical Co.	160.2			
34	Dayton Hudson Corp.	314.2	68	S.C. Johnson & Son	160.1			

Note: Dollars are in millions. AA chart: Kevin Brown

Spending up 6.4%

(Continued from Page 1)

Bell. The company spent $264.6 million in spot, up 2.6%. Spot TV spending among the Top 100 grew to $3.7 billion in 1989, up 2.3%. Total spot TV advertising in 1989 hit $9 billion, up 4.9%. During the first half of 1990, spot TV spending on the medium has remained flat at $4.4 billion, up only 1.8%.

The Top 100 contributed 23.7% of all LNA/Arbitron measured expenditures for national newspaper advertising. Retailers among the Top 100 dominated that medium, claiming nine out of the top 10 positions.

The leading advertiser in national newspapers was No. 27 May Department Stores Co., at $230.9 million, up 4.8%.

Philip Morris Cos. dominated magazine advertising with spending of $281.5 million, up 3.7%, about $68 million more than runner-up General Motors.

Revlon Group, No. 58, and E.I. du Pont de Nemours & Co., No. 78, were the only two advertisers among the magazine category's top 25 to devote more than 30% of total ad dollars to magazines.

Consumer magazine ad spending grew a healthy 11.8% in 1989, to $2.9 billion. But growth slid to a dismal 1.8% in first-half 1990 as spending slowed to $3.2 billion.

Hidden in composite growth totals of the Top 100 is the fact that close to one-third actually put less into advertising in 1989 than in 1988. In 1988, 25 showed reduced spending; that number rose to 30 in 1989.

Those companies ranged across categories. Among the eight largely pharmaceutical companies in this report, five spent less. Conversely, 10 of 11 auto companies among the Top 100 showed a collective 14.8% increase. Among automakers only Volkswagen AG cut spending, to $131.9 million, down 6%.

Drug companies tended to shuffle ad dollars within brand lines—to back extensions—rather than add new funds. Bayer AG, No. 97, backed Alka-Seltzer Advance Formula (with acetaminophen) with almost $12 million but spending for the entire Alka-Seltzer line decreased.

Considerable divestitures within the drug industry encouraged lower spending levels. Schering-Plough Corp., No. 72, sold Maybelline Co. and cut advertising 15% on its remaining consumer lines as its focus turned to ethical drugs and their possible over-the-counter conversion.

Ad spending at SmithKline Beecham, No. 54, dropped 21.4% as it sold cosmetics lines in a cost-cutting measure following its merger last year. The intent is to concentrate on prescription-to-OTC movement of drug products. Johnson & Johnson, No. 20, signed a deal with Merck & Co. to move Merck's ethical drugs to OTC.

Kraft General Foods, responsible for more than half of Philip Morris Cos.' total expenditures, entered the year intent on becoming "fat-free" in its food lines. Such a tag could apply just as well to the flurry of new-product growth from all marketers, according to *New Product News*.

The publication reported new products totaled 12,055 in 1989, up 14.2%. There were 9,192 new food products, up 12.3%, and 2,863 new non-food items, up 20.5%.

Health (lower calorie, low-fat, low-sodium and no-cholesterol) was the byword for most of the 694 new entrees/dinners, up 13.2%, led by Healthy Choice from ConAgra, Stouffer's Right Course from No. 11 Nestle S.A. and Le Menu's LightStyle line from No. 57 Campbell Soup Co.

The health & beauty aids category, which grew 15.4% to 2,308 new entries after dropping off 1.9% in 1988 from '87, saw heavy activity in OTC line extensions and cross-category brand expansion. Nowhere was that more evident than at Johnson & Johnson, which in 1989 introduced Tylenol Adult Cold Medication, Tylenol Allergy Sinus and Children's Tylenol Cold remedies.

The pain-relief market was active in new growth from virtually every Top 100 player in the category. Bristol-Myers Squibb Co., No. 23, introduced Excedrin PM and Aspirin-Free Excedrin. Bayer introduced Alka-Seltzer Advance Formula from Miles Inc., a low-sodium, lemon-flavored acetaminophen product.

Heavy new-product activity in household supplies boosted totals to 372 for the year, up 59.7%. Included in the surge were detergents, in particular well-known brands in superconcentrated and bleach-added versions from P&G; No. 43 Colgate-Palmolive Co.; No. 12 Unilever NV; and No. 63 Clorox Co.

Despite the slump in sales and massive debt plaguing the retail industry, ad spending by the 12 retailers in the Top 100 rose 5.3% to $3.2 billion. The group's average sales per ad dollar also increased to $61.28 in 1989, up $2.04.

Wal-Mart's leading sales per ad dollar tally of $203.15 represented a drop of 7.2% from 1988. Wal-Mart prides itself on its parsimonious ad outlay. Much of its advertising, in fact, is vendor-driven.

Other retailers are beginning to take advantage of these manufacturer-supplied dollars. K mart Corp., No. 18, began a "Partnership Marketing" campaign this August jointly funded by the retailer and product marketers.

Co-op spending is part of "unmeasured" advertising, an amorphous total dominated increasingly by sales promotion. This year's sales promotion crown goes to No. 7 McDonald's Corp.

McDonald's developed tie-ins with movies "The Little Mermaid" and "Dick Tracy" and the syndicated TV "Disney Afternoon" with No. 33 Walt Disney Co. McDonald's also cross-promoted Kendall Co.'s Curity Curad First-Aid strips with its Happy Meals and is linking with NBC-TV this fall in a watch-and-win sweepstakes called "McMillions on NBC." □

Methodology and sources

Rankings

The 100 Leading National Advertisers are selected from the 200 largest advertisers based on measured U.S. ad spending (see below) in calendar year 1989. Companies spending more than $29.5 million in measured media make up this group of 200. Those companies are ranked by the sum of their measured and unmeasured expenditures. This report profiles the top 100.

Measured media & monitoring services

In this report measured media refers to advertising expenditures in national consumer media that are monitored by LNA/-Arbitron Multi-Media Service (a single service provided by the two companies Leading National Advertisers and Arbitron Co.) and Radio Expenditure Reports, now a part of LNA.

10 measured media

Magazine: Publishers Information Bureau monitors 166 consumer magazines.

Newspaper: LNA/Media Records measures and projects newspaper data to 125 markets for all categories except financial and retail ad spending, which are not projected and represent 41 and 36 markets, respectively.

Sunday magazine: PIB measures four Sunday magazines. Media Records measures 34 and projects spending based on one-time open inch rates to 125 markets.

Outdoor: LNA Outdoor measures poster and paint boards in more than 200 plant operator markets.

Network TV: Arbitron records every minute of ABC, CBS and NBC network TV and calculates ad spending by applying program rates to each spot.

Spot TV: Arbitron monitors TV stations in 75 markets, 17 of which are monitored daily and 58 once a week.

Syndicated TV: Arbitron gathers rates from advertisers and agencies and applies the rates to national spots bought by advertisers.

Cable TV networks: Arbitron monitors Christian Broadcast Network, Cable News Networks, ESPN, MTV:Music Television, USA Network and Superstation WTBS around the clock. Estimated rates are applied to advertisers.

Network radio: Arbitron monitors 17 radio networks.

Spot radio: RER compiles data from national stations' representative organizations, yielding spending for nearly 2,500 stations in more than 200 markets.

Unmeasured spending

Unmeasured spending figures are *Ad Age* estimates and include direct mail, promotion, co-op, couponing, catalogs, business and farm magazines, and special events, to name a few. Corporate annual reports, 10-K forms, corporate sources and *Ad Age* reporters help compute this number. Unmeasured advertising does not include corporate overhead, overseas ad spending or most local ad spending.

Brand spending

Ad spending by top brands presented in tabular form at the top of each profile includes LNA/Arbitron's nine measured media only. To be listed in the tables, a brand must have spending greater than $1 million in 1989. Brand expenditures represent total spending by an LNA designated "tradename" within a PIB subclass.

For example, in the Philip Morris Cos. profile, "Kraft cheeses" and "Kraft salad dressings & mayonnaise" are listed as top brands. The "Kraft" name is considered a trade name by LNA; "cheese" and "salad dressing & mayonnaise" are PIB subclasses. Throughout this report, totals for tradenames within subclasses are called brand spending totals.

Retailers' brands

Among retailers, advertising by a store name in such subclasses as "apparel," "household" and "drugs & toiletries" is considered brand spending. In the K mart Corp. profile, for example, spending by top brands includes "K mart stores sport," which refers only to advertising for sporting goods, while "K mart stores" reflects less specific spending for the entire store.

Sales and earnings

Worldwide, U.S. and division sales and earnings are taken from public documents unless otherwise noted. Exchange rates are given for foreign-based companies, unless the company reported in U.S. dollars. Although ad figures represent U.S. spending only, worldwide headquarters are listed because some large corporate advertisers include divisions which are not related in the U.S. Spending by Philips NV, for example, includes North American Philips Corp. and Polygram Records Corp.

Corporate composition

Parent company totals for advertising spending are pro forma for 1989 and 1988—and include 100% of the ad spending of companies they either acquired or agreed to acquire as of Aug. 1, 1990. Similarly, companies or divisions divested before Aug. 1, 1990, have been excluded.

U.S. Government spending

Ad spending figures for the U.S. Government are compiled from ad agencies of the federal government, rather than the sources listed here.

—Kevin Brown

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Chicago—Michael A. Mandozzi, Brenna Coyne, Linda Goldberg, Janet Anderson · (312) 649-5200.
Los Angeles—Patrick J. Stack, Lucresia Hodge · (213) 651-3710.
London—Christopher Stevens, (44-1-437-7492; Fax: 44-1-437-3417)
Tokyo—Sumio Oka, (81-3-502-0656; Fax: 81-3-591-2530)
West Germany—Karl Heinz Reinl, (49-71-52-47263; Fax: 49-71-52-43757)
France—Eric Andre, (33-1-429-42748; Fax: 33-1-429-41074)
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Top 100 entry price: $104 million in ads

Hey, big spenders! Media category leaders: PM tops magazines, syndicated TV, outdoor, spot radio; GM heads net TV; P&G wins cable

RANK: 53

American Brands
New York
Ad spending: **$204.2** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	55,079	35,875	53.5
Sunday magazine	14,596	12,257	19.1
Newspaper	2,312	5,365	(56.9)
Outdoor	10,727	11,831	(9.3)
Network TV	7,306	8,027	(9.0)
Spot TV	63	494	(87.2)
Cable TV networks	120	212	(43.3)
Network radio	206	246	(16.0)
Spot radio	321	326	(1.7)
Measured media	90,730	74,633	21.6
Unmeasured	113,500	93,400	21.5
Total	204,230	168,033	21.5
By top brands	**1989**	**1988**	**% chg**
Carlton cigarettes	32,862	24,286	35.3
Malibu cigarettes	16,798	12,181	37.9
Pall Mall cigarettes	8,671	9,445	(8.2)
Acushnet golf equipment	6,975	8,288	(15.8)
Jim Beam	4,644	2,822	64.6
De Kuyper liqueurs	3,520	5,422	(35.1)
Gilbey's	3,058	1,348	126.8
Lucky Strike cigarettes	2,476	408	506.3
Windsor whiskey	2,155	3,191	(32.5)
Master Locks	1,603	1,696	(5.5)

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	11,921	11,980	(0.5)
Earnings	631	580	8.8
U.S.	**1989**	**1988**	**% chg**
Sales	4,522	4,460	1.4
Operating income	880	832	5.9
Division sales	**1989**	**1988**	**% chg**
Tobacco	7,009	7,019	(0.1)
Life insurance	831	923	(10.0)
Distilled spirits	735	759	(3.1)
Office prods	968	883	9.6
Hardware	503	437	15.1
Specialty businesses	1,874	1,959	(4.3)

Annual review

American Brands pulled out all the ad stops for its American Tobacco unit in 1989 in boosting the subsidiary's media spending 33% to $62.8 million, but it was the Jim Beam subsidiary, where ad dollars jumped a bare inflation-matching 4%, that a key repositioning will have an impact on the company's future.

Jim Beam bourbon, which advertising-marketing VP Ralph Hallquist said "did not have a clearly defined consumer personality" until the 1989 campaign, received the largest media support in its history—$4.6 million, up 64.6%.

Results from the campaign, based on a series of often whimsical magazine ads themed, "You always come back to the basics," were immediate and dramatic. The brand moved up from sixth to fifth among liquor brands with a 2.4 share of market (2.3 in 1988), according to analyst John C. Maxwell Jr. of Wheat, First Securities, on a volume increase of 0.8%. Earlier this month, the $14 million Jim Beam Brands account was consolidated at Fallon McElligott, Minneapolis, from portions at BBDO and Cramer-Krasselt, both Chicago.

Also lacking in personality were Gilbey's Gin and Windsor Canadian Supreme whiskey, gained in the acquisition of the distilled spirits divisions of National Distillers in 1987, which slipped at a rate greater than the industry sales overall decline of 2.7%.

Gilbey's dropped to No. 31 from No. 26 as its case depletions slipped 10.4%, producing a market share of 0.7%, down a tenth. Windsor dropped two positions, to No. 16, on a 9.1% decline in case depletions that produced a share of 1.3%, off a tenth. Media backing for Gilbey's gin was $3.1 million, more than double the prior year spending, while Windsor got $2.2 million, down 31%. New campaigns for both began late in the fourth quarter of 1989 and peaked in March 1990.

This year, Kamora coffee liqueur, previously unadvertised, and De Kuyper cordials—backed by $3.5 million in media in 1989, down 35%—will be repositioned. The latter saw a national rollout of three flavor extensions in 1989—BlueBerry, ButterShots and WilderBerry. As a result, overall spending is expected to increase this year.

Also in 1989, American Brands purchased Whyte & Mckay of Glasgow and began distributing The Dalmore, the company's single-malt (as opposed to blended) Scotch whisky in the U.S.

American Tobacco's share of the tobacco market dropped from 7% to 6.9%, as its share advanced one point to 7% among price-value brands but dropped to 6.9% from 7.1% in the standard price category, according to Mr. Maxwell.

American Tobacco's cigarette sales were up only because international sales were strong. American Tobacco's U.S. sales were down 3% to 36.9 billion units, while foreign sales were up 12% to 49.1 billion, according to Kidder, Peabody & Co.

Much of the new ad muscle was put behind price-value offerings—a category equal to about 15% of the market, including American Tobacco's second largest brand outlay of $16.8 million for Malibu, up 38%. Backing for Malibu (a full-price but heavily couponed brand) was mostly in consumer magazines and Sunday magazines. The brand, which got a line extension in Malibu Ultra Lights, increased in market share from 0.5 to 0.6%.

Newly-introduced American cigarettes, with media support of $843,000 in consumer magazines and newspapers, claimed a 0.4% share of market in its first full year.

Another value-price brand, Montclair, rolled out nationally in March 1989, but no media support was provided in 1989.

As the non-filter category continues to decline, taking the once top-performing Pall Mall with it, the company placed virtually all its advertising against the filtered versions of the brand.

Carlton filters pulled the largest American Tobacco expenditure of $27 million, up 20%. Its dominant media, too, were consumer magazines and Sunday magazines. Carlton's market share showed no growth at 1.7%—the company's biggest market share contributor.

Carlton and Malibu spent $2.2 million and $4.3 million, respectively, in outdoor—American Tobacco's two heaviest users of the medium.

AB's Acushnet golf clubs and balls continue to draw heavy media support of $7 million, down 15.7%. Advertising for Foot-Joy golf accessories dipped 17% to $2.4 million.

Headquarters
American Brands
1700 East Putnam Ave.
P.O. Box 819
Old Greenwich, Conn. 06870-0819
(203) 698-5000

Division
American Tobacco Co.
Stamford, Conn.

Corporate personnel
C.H. Mullen, chmn-pres-ceo.

Marketing personnel
W.J. Moore, exec vp-mktg; R.E. Smith vp-brand mgmt; D. Wogerbauer, dir-mktg research; J.J. Mellett, media & consumer promo dir; M.J. O'Neill, mktg devel dir; C.E. Willoughby, mktg research mgr; M.G. Holmes, research analyst; K.P. Noone, assoc media & consumer promo dir; W. Degenhardt, asst to media dir; G.P. Maresca, media planner; J.L. Flavin, asst media planner; J.M. Ockers, dir strategic planning & new prods; T.M. Keane, sr prod mgr; M.J. Burns, prod mgr-Lucky Strike; E.A. Ashkin, prod mgr-Carlton; C.J. Brown, prod mgr-Malibu; J.M. Murray, prod mgr-Pall Mall; J.E. Vyse, mktg budget & planning mgr; D.S. Johnston, exec vp-sales; E.J. Gesell, vp-exec sales.

Brands
Carlton, Pall Mall, Tareyton, Silva Thins, American Lights, Malibu
Ad agency: Lawrence, Charles, Free & Lawson, New York. Albert Magnane, exec vp; Douglas Bomiesler, vp.
Lucky Strike
Ad agency: Clarion Marketing Communications, Greenwich, Conn. Howard Goldfrach, sr vp; Mike Bedell, acct super.

Division
Franklin Life Insurance Co.
Springfield, Ill.

Marketing personnel
Tom Byerly, sr vp-mktg; David Vanselow, vp-comms.

Brands
Franklin Life Insurance Co.
Ad agency: Squires Advertising Agency & Art Studio, Springfield, Ill. Stan Squires, vp.

Division
Jim Beam Brands Co.
Chicago

Marketing personnel
Allen Susna, exec vp-sales & mktg; Ralph Hallquist, vp-mktg & adv; Michael Lintner, grp prod dir-bourbons & whiskies; Ed Moser, grp prod dir-cordials & white goods; Nancy Albert, comms dir; Gayle Seinfeld, media mgr.

Brands
Jim Beam bourbon, Gilbey's gin, DeKuyper cordials, Windsor Canadian, Pusser's rum, Beam decanters, San Tropique, Old Grand-Dad bourbon, Kamora, imports & specialties
Ad agency: Fallon McElligott, Minneapolis. Joseph Culligan, mgmt super.

Division
ACCO/Swingline
Wheeling, Ill.

Marketing personnel
Gordon L. Zdeblick, vp-sales & mktg, commercial prods div; William S. Carvell, vp-gm, retail prods div; J. William Hubbell, mktg dir-genl office prods; Duane Ischay, mktg dir-information processing prods; Fred Weiss, vp-mkt devel & admin, Swingline; Alan Green, mktg dir-Swingline.

Brands
Computer accessories & furniture, general office products, staplers
Ad agency: E.H. Brown Advertising, Chicago. John Derbick, acct exec.

Division
Day-Timers Inc.
East Texas, Pa.

Marketing personnel
Mark LaDouceur, vp-mktg; Keith Snyder, dir-adv.

Brands
Time management products
Ad agency: Della Femina, McNamee, Chicago. Geoffrey Charlton-Perrin, pres-exec creative dir; Tom Lewy, vp-acct super.

Division
Kensington Microware
New York

Marketing & in-house adv personnel
Pamela A. Miller, pres-coo; Peter DuPont, vp-sales; Catherine Ullmann, creative dir; Jeff Hunter, art dir.

Division
Perma Products Co.
Dallas

Marketing & in-house adv personnel
Melinda Denny, adv coord.

Division
Vogel Peterson
Garden Grove, Calif.

Marketing personnel
Joellen Englehardt, prod mgr; Charles Summers, dir-mktg.

Brands
Office furniture
Ad agency: McKee Advertising, Elk Grove Village, Ill. Tom Behan, pres; Bill Makely, vp-pr.

Division
Wilson Jones Co.
Chicago

Marketing personnel
Gregory A. Carlson, dir-mktg; Paul Barret, mktg mgr; Jeannette Marsland, new prod devel mgr; Richard Lange, information systems mgr-financial dept; Marvin A. Rosenfeldt, adv mgr.

Brands
Wilson Jones office products
Ad agency: Storey, Gordon & Freere, Chicago. Jane Storey, pres.

Division
Master Lock Co.
Milwaukee

Marketing personnel
Peter U. Jung; vp-mktg & sales; Jeff Anderson, dir-mktg; James Donegan, dir-sales.

Brands
Consumer trade adv
Ad agency: Cramer-Krasselt, Milwaukee. Paul S. Counsell, chmn-ceo; William Faude, acct super.

Division
AristoKraft Inc.
Jasper, Ind.

Marketing personnel
Gary Lautzenhiser, sr vp-mktg & sales.

Brands
AristoKraft cabinets & vanities
Ad agency: Juhl Advertising, Elkhart, Ind. Howard Blackwood, pres; Steve Blaising, vp.

Division
Waterloo Industries
Waterloo, Iowa

Marketing personnel
John Trebel, vp-mktg & sales; Mike Strickland, dir-mktg svcs; R.C. Wojan, dir-intl sales, dir-professional grp; Michael Quilline, dir-consumer div.

Brands
Waterloo tool storage prods
Ad agency: Connell Communications, Waterloo, Iowa. Connie Sisson, pres; Betty Hellman, sr vp.

Division
20th Century Cos.
Wheeling, Ill.

Marketing personnel
John Wills, vp-mktg & sales; Vince Pelletieri, vp-natl hardware accts.

Brands
20th Century plumbing & repair products
Ad agency: McKee Advertising, Elk Grove Village, Ill. Ted McKee, pres; Ken Krause, acct exec.

Division
The Moen Group
Elyria, Ohio

Marketing personnel
Steve Overgaard, sr vp-sales & mktg, asst gm-N. American Operations; Ed Hughes, vp-mktg; Jim Donmoyer, sr-vp, Consumer Products Div.; Vince Otrusina, vp-sales, Moen Wholesale Grp.

Brands
Moen kitchen & bathroom faucets
Ad agency: Griswold, Cleveland, Ohio. Patrick J. Morin, pres; William Day, acct super.

Division
Acushnet Co.
New Bedford, Mass.

Marketing personnel
Titleist and Foot-Joy Worldwide: David E. Overmyer, vp-mktg; Gerald M. Bellis, sr prod mgr-golf balls; David S. Noyes, sr prod mgr-golf shoes; John B. Hoeflich, sr prod mgr-golf clubs; Kenneth J. Kotowski, sr prod mgr-golf gloves; Mary Lou Bohn, sr comms mgr. Rubber Div: James G. De Mello, sr vp-sales & mktg.

Brands
Titleist, Foot-Joy
Ad agency: Della Femina, McNamee, Boston. Michael H. Reingold, pres; Richard L. Britton, exec vp; Ronald M. Lawner, exec vp-creative dir.

Guide to profile information

Fictitious Barrel of Brands Corp. ranks 22nd among 100 Leading National Advertisers picked by *Advertising Age* in this issue. Boston-based BOBC spent $500 million on advertising in calendar year 1989, according to AA estimates.

Ad spending figures by media—given in thousands of dollars in the tabular breakout beneath the box—include expenditures measured by media monitoring services and unmeasured advertising estimated by AA.

Brand spending includes LNA/Arbitron's nine measured media only: magazine, Sunday magazine, newspaper, outdoor, network TV, spot TV, syndicated TV, cable TV networks and network radio. They include all spending within Publishers Information Bureau category by an LNA designated tradename. (See Page 2 for methodology and sources.)

BOBC's sales and earnings—given in millions of U.S. dollars—represent the company's latest fiscal yearend, which is noted beneath the data if it is not a calendar year. Exchange rates are given for foreign companies unless figures were reported in U.S. dollars.

Worldwide and U.S. sales, earnings and operating income are taken from public documents unless otherwise noted. Division sales are the business segments as defined by BOBC and include revenues for comparable years.

RANK: 22

Barrel of Brands Corp.
Boston
Ad spending: **$500.0** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	50,000	40,000	25.0
Network TV	200,000	150,000	33.3
Spot radio	200,000	150,000	33.3
Measured media	450,000	340,000	32.4
Unmeasured	50,000	45,000	11.1
Total	500,000	385,000	29.9
By top brands	**1989**	**1988**	**% chg**
Brand X coffee	20,000	15,000	33.3
Acme pain reliever	20,000	15,000	33.3

Sales & earnings ($ in million)

Worldwide	1989	1988	% chg
Sales	12,000	10,000	20.0
Earnings	1,500	1,000	50.0
U.S.	**1989**	**1988**	**% chg**
Sales	8,000	6,000	33.3
Division sales	**1989**	**1988**	**% chg**
Food	5,000	4,000	20.0
Consumer healthcare	1,000	800	20.0

RANK: 42

American Express Co.
New York
Ad spending: **$267.9** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	29,675	27,818	6.7
Sunday magazine	1,797	1,783	0.8
Newspaper	19,317	30,050	(35.7)
Outdoor	356	41	767.1
Network TV	74,340	76,961	(3.4)
Spot TV	43,985	24,189	81.8
Syndicated TV	4,648	1,781	161.0
Cable TV networks	2,711	2,733	(0.8)
Network radio	4,136	3,681	12.4
Spot radio	8,666	5,861	47.9
Measured media	189,629	174,894	8.4
Unmeasured	78,300	72,200	8.4
Total	267,929	247,094	8.4
By top brands	**1989**	**1988**	**% chg**
Am. Ex. credit card svcs	123,802	103,386	19.7
Am. Ex. traveler's checks	27,173	26,068	4.2
Shearson Lehman Hutton brokerage	14,854	19,068	(28.3)
American Express travel service	11,704*	11,635	0.6
Shearson Lehman Mortgage	1,258	2,521	(50.1)

100 leading national advertisers by 1989 U.S. ad spending

Rank 1989	Rank 1988	Advertiser, headquarters	Total U.S. ad spending 1989	Total U.S. ad spending 1988	Total U.S. ad spending % chg	Measured media 1989	Measured media 1988	Worldwide sales 1989	Worldwide sales 1988	Worldwide earnings 1989	Worldwide earnings 1988	U.S. sales 1989	U.S. sales 1988	U.S. sales/ad dollar 1989	U.S. sales/ad dollar 1988
1	1	**Philip Morris Cos.**, New York	$2,072.0	$2,028.4	2.2	$1,124.7	$1,101.0	$44,759.0	$31,742.0	$2,946.0	$2,337.0	$31,233.0	$20,866.0	$15.07	$10.29
2	2	**Procter & Gamble Co.**, Cincinnati	1,779.3	1,655.8	7.5	965.8	898.8	24,081.0	21,398.0	1,602.0	1,206.0	14,962.0	13,312.0	8.41	8.04
3	4	**Sears, Roebuck & Co.**, Chicago	1,432.1	1,031.4	38.8	561.4	404.3	53,794.0	50,251.0	1,509.0	1,454.0	53,794.0	50,251.0	37.56	48.72
4	3	**General Motors Corp.**, Detroit	1,363.8	1,290.6	5.7	999.1	945.5	126,931.9	123,641.6	4,224.3	4,856.3	93,878.4	88,745.1	68.84	68.76
5	5	**Grand Metropolitan PLC**, London	823.3	754.6	9.1	375.1	343.8	15,567.1	10,681.6	863.9	744.1	6,228.2	3,114.6	7.57	4.13
6	9	**PepsiCo Inc.**, Purchase, N.Y.	786.1	710.9	10.6	506.4	458.0	15,242.0	12,533.0	901.0	762.0	12,519.4	10,550.6	15.93	14.84
7	8	**McDonald's Corp.**, Oak Brook, Ill.	774.4	728.1	6.4	431.8	406.0	6,142.0	5,566.0	727.0	646.0	3,923.0	3,716.0	5.07	5.10
8	7	**Eastman Kodak Co.**, Rochester, N.Y.	718.8	732.2	(1.8)	235.9	240.3	19,398.0	17,034.0	529.0	1,397.0	10,869.0	10,024.0	15.12	13.69
9	6	**RJR Nabisco**, New York	703.5	740.9	(5.0)	386.3	406.8	12,764.0	12,635.0	2,016.0	1,924.0	NA	NA	NA	NA
10	16	**Kellogg Co.**, Battle Creek, Mich.	611.6	550.1	11.2	428.1	385.1	4,651.7	4,348.8	470.2	480.4	2,940.5	2,766.4	4.81	5.03
11	15	**Nestle SA**, Vevey, Switzerland	608.4	552.8	10.1	311.7	283.2	29,469.9	27,051.0	1,479.8	1,355.0	NA	NA	NA	NA
12	10	**Unilever NV**, London/Rotterdam	604.1	649.1	(6.9)	377.9	406.1	34,434.0	30,980.0	1,687.0	1,510.0	7,426.0	6,189.0	12.29	9.53
13	14	**Ford Motor Co.**, Dearborn, Mich.	602.1	565.2	6.5	450.7	432.4	96,145.9	92,445.6	3,935.0	5,300.2	72,784.0	70,626.0	120.89	124.95
14	11	**Anheuser-Busch Cos.**, St. Louis	591.5	645.9	(8.4)	388.1	423.8	10,283.6	9,705.1	767.2	715.9	NA	NA	NA	NA
15	13	**Warner-Lambert Co.**, Morris Plains, N.J.	585.9	605.6	(3.3)	200.4	207.1	4,195.8	3,908.4	412.7	340.3	2,249.0	2,038.0	3.84	3.37
16	17	**AT&T Co.**, New York	567.7	547.1	3.8	360.2	347.1	36,112.0	35,210.0	2,697.0	(1,669.0)	36,112.0	35,210.0	63.61	64.35
17	18	**Time Warner**, New York	567.5	505.6	12.2	300.7	267.9	10,779.0	9,103.0	(987.0)	(1,137.0)	8,260.0	7,222.0	14.55	14.28
18	12	**K mart Corp.**, Troy, Mich.	561.4	631.7	(11.1)	186.3	209.6	29,533.0	27,301.0	323.0	803.0	29,533.0	27,301.0	52.61	43.22
19	19	**Chrysler Corp.**, Highland Park, Mich.	532.5	476.4	11.8	415.9	372.1	34,922.0	34,148.0	359.0	1,050.0	30,750	30,038	57.75	63.05
20	20	**Johnson & Johnson**, New Brunswick, N.J.	487.1	473.3	2.9	246.6	239.6	9,757.0	9,000.0	1,082.0	974.0	4,881.0	4,576.0	10.02	9.67
21	22	**General Mills**, Minneapolis	471.0	447.8	5.2	355.3	337.8	6,448.3	5,620.6	373.7	315.3	5,796.1	5,071.2	12.31	11.33
22	21	**American Home Products Corp.**, New York	456.1	461.1	(1.1)	257.3	260.1	6,747.0	6,401.5	1,102.2	995.5	4,755.5	4,471.9	10.43	9.70
23	23	**Bristol-Myers Squibb Co.**, New York	451.6	424.2	6.5	235.7	221.4	9,189.0	8,558.0	747.0	1,254.0	6,478.0	6,013.0	14.34	14.18
24	24	**Ralston Purina Co.**, St. Louis	429.5	412.7	4.1	154.6	148.5	6,658.3	5,875.9	422.5	387.8	NA	NA	NA	NA
25	39	**Toyota Motor Corp.**, Toyota City, Japan	417.6	273.0	53.0	292.3	191.1	60,083.9	54,254.0	2,884.3	2,338.0	NA	NA	NA	NA
26	26	**J.C. Penney Co.**, Dallas	407.5	394.8	3.2	158.9	154.0	16,103.0	14,833.0	802.0	807.0	16,103.0	14,833.0	39.51	37.57
27	28	**May Department Stores Co.**, St. Louis	385.7	369.8	4.3	270.0	258.9	9,425.0	8,403.0	515.0	448.0	9,425.0	8,403.0	24.44	22.73
28	27	**Coca-Cola Co.**, Atlanta	385.3	376.7	2.3	229.4	224.3	8,965.8	8,337.8	1,723.8	1,044.7	4,022.2	3,683.6	10.44	9.78
29	32	**Sara Lee Corp.**, Chicago	357.9	324.4	10.3	169.8	153.9	11,600.0	11,700.0	470.3	410.5	NA	NA	NA	NA
30	25	**Quaker Oats Co.**, Chicago	357.8	409.5	(12.6)	179.3	205.2	5,030.6	4,879.4	169.0	203.0	3,610.0	3,629.9	10.09	8.86
31	37	**Sony Corp.**, Tokyo	356.5	275.4	29.4	213.6	165.0	18,343.0	16,261.6	654.8	549.3	5,466.2	4,439.4	15.33	16.12
32	30	**H.J. Heinz Co.**, Pittsburgh	342.3	336.8	1.6	149.2	146.8	6,085.7	5,800.9	504.5	440.2	3,779.9	3,473.3	11.04	10.31
33	34	**Walt Disney Co.**, Burbank, Calif.	338.7	304.5	11.2	178.2	160.2	4,594.3	3,438.2	703.3	522.0	4,594.3	3,438.2	13.57	11.29
34	44	**Dayton Hudson Corp.**, Minneapolis	314.2	240.6	30.6	165.3	126.6	13,644.0	12,204.0	410.0	287.0	13,644.0	12,204.0	43.42	50.72
35	33	**R.H. Macy & Co.**, New York	312.7	310.6	0.7	203.9	202.5	6,974.1	5,729.1	(53.7)	(188.2)	6,974.1	5,729.1	22.30	18.44
36	36	**U.S. Government**, Washington	309.5	294.3	5.2	184.4	175.3	NA	NA	NA	NA	NA	NA	NA	NA
37	46	**Nissan Motor Co.**, Tokyo	300.6	224.9	33.7	237.0	177.3	26,600.0	23,867.0	566.0	424.0	NA	NA	NA	NA
38	43	**Honda Motor Co.**, Tokyo	298.8	243.3	22.8	217.5	177.1	24,385.0	22,084.0	517.0	616.0	NA	NA	NA	NA
39	40	**Campeau Corp.**, Toronto	294.9	260.3	13.3	168.0	148.3	10,439.0	8,668.0	(1,740.0)	(34.0)	10,237.0	8,499.0	34.72	32.65
40	31	**Mars Inc.**, McLean, Va.	293.3	334.5	(12.3)	160.2	182.7	8,000.0	NA	NA	NA	NA	NA	NA	NA
41	35	**Hershey Foods Corp.**, Hershey, Pa.	288.2	294.6	(2.2)	92.5	94.5	2,421.0	2,168.0	171.1	213.9	2,235.7	1,968.6	7.76	6.68
42	42	**American Express Co.**, New York	267.9	247.1	8.4	189.6	174.9	25,047.0	20,895.0	1,157.0	1,038.0	20,617.0	17,040.0	76.95	68.96
43	29	**Colgate-Palmolive Co.**, New York	246.3	351.7	(30.0)	76.2	108.8	5,038.8	4,734.3	280.0	317.8	1,828.0	1,687.2	7.42	4.80
44	38	**General Electric Co.**, Fairfield, Conn.	243.2	274.5	(11.4)	111.1	125.4	54,574.0	50,089.0	3,939.0	3,386.0	48,912.0	46,364.0	201.15	168.91
45	47	**Pfizer Inc.**, New York	235.3	217.6	8.1	96.5	89.2	5,671.5	5,385.4	916.5	1,103.8	3,096.6	2,884.2	13.16	13.25
46	45	**Tandy Corp.**, Fort Worth, Texas	232.7	233.5	(0.3)	86.2	86.5	4,499.6	4,180.7	290.3	323.5	4,499.6	4,180.7	19.34	17.91
47	54	**American Stores Co.**, Salt Lake City, Utah	220.0	193.3	13.8	138.6	121.8	22,004.2	18,478.4	118.1	98.3	22,004.2	18,478.4	100.01	95.61
48	63	**MCA Inc.**, Universal City, Calif.	219.9	157.1	40.0	133.4	95.3	3,382.3	2,900.4	191.8	164.9	2,717.8	2,328.1	12.36	14.82
49	65	**Montgomery Ward & Co.**, Chicago	213.6	154.0	38.7	107.2	77.3	5,323.0	5,452.0	151.0	146.0	5,323.0	5,452.0	24.92	35.40
50	51	**Hyundai Group**, Seoul, S. Korea	212.8	204.8	3.9	151.9	146.2	32,200.0	27,000.0	NA	NA	NA	NA	NA	NA
51	48	**ConAgra**, Omaha	211.3	214.0	(1.3)	94.7	95.9	19,763.2	15,406.4	243.7	202.9	19,763.2	15,406.4	93.53	71.99
52	50	**U.S. Dairy Farmers**, Arlington, Va.	205.9	205.5	0.2	111.2	111.0	NA	NA	NA	NA	NA	NA	NA	NA
53	58	**American Brands**, New York	204.2	168.0	21.5	90.7	74.6	11,921.4	11,980.0	630.8	580.0	4,521.7	4,459.7	22.14	26.54
54	41	**SmithKline Beecham PLC**, London	203.2	258.8	(21.5)	108.7	138.5	5,904.0	5,945.0	210.0	593.0	3,101.0	2,587.0	15.26	10.00
55	52	**Adolph Coors Co.**, Golden, Colo.	201.0	200.8	0.1	126.6	126.5	1,763.9	1,521.7	13.1	46.9	1,763.9	1,521.7	8.77	7.58
56	49	**IBM Corp.**, Armonk, N.Y.	196.9	213.1	(7.6)	102.4	110.8	62,710.0	59,681.0	3,758.0	5,806.0	25,745.0	25,320.0	130.76	118.82
57	53	**Campbell Soup Co.**, Camden, N.J.	196.7	194.6	1.1	131.2	129.8	5,205.8	5,672.1	4.4	13.1	4,527.2	4,233.4	23.02	21.75
58	57	**Revlon Group**, New York	196.5	176.1	11.6	98.1	87.9	2,941.8	2,670.2	113.5	189.0	1,977.7	1,794.8	10.06	10.19
59	66	**B.A.T. Industries PLC**, London	196.4	150.5	30.5	108.2	82.9	36,223.9	31,275.8	3,030.4	2,228.8	7,848.8	5,851.9	39.96	38.88
60	68	**Mazda Motor Corp.**, Hiroshima	196.3	146.9	33.7	143.5	107.4	12,940.0	NA	168.0	NA	NA	NA	NA	NA
61	62	**Gillette Co.**, Boston	185.1	158.1	17.0	97.8	83.5	3,818.5	3,581.2	284.7	268.5	1,348.0	1,251.3	7.28	7.91
62	70	**Philips NV**, Eindhoven, The Netherlands	182.3	145.2	25.5	91.4	72.8	29,960.2	28,039.5	719.4	528.0	6,202.6	5,894.7	34.02	40.59
63	59	**Clorox Co.**, Oakland, Calif.	179.9	165.4	8.8	133.9	123.1	1,484.0	1,356.3	153.6	124.1	1,484.0	1,356.3	8.25	8.20
64	81	**Goodyear Tire & Rubber Co.**, Akron, Ohio	168.3	124.0	35.7	66.8	49.2	10,869.3	10,810.4	206.8	350.1	6,421.3	6,360.7	38.16	51.29
65	76	**CPC International**, Englewood Cliffs, N.J.	166.2	130.9	27.0	60.9	48.0	5,103.0	4,700.0	328.0	289.0	2,260.0	2,044.0	13.59	15.62
66	87	**Marriott Corp.**, Washington	162.0	119.7	35.4	59.4	43.9	7,536.0	6,624.0	177.0	232.0	NA	NA	NA	NA
67	67	**Dow Chemical Co.**, Midland, Mich.	160.2	150.1	6.8	119.2	111.7	17,600.0	16,682.0	2,487.0	2,398.0	8,084.0	7,497.0	50.45	49.96
68	93	**S.C. Johnson & Son**, Racine, Wis.	160.1	109.5	46.2	87.7	60.0	2,500.0	2,500.0	NA	NA	2,500.0	2,500.0	15.62	22.84
69	94	**Subaru of America**, Cherry Hill, N.J.	159.5	108.1	47.6	112.9	76.5	1,718.1	1,695.1	(42.4)	(57.9)	1,718.1	1,695.1	10.77	15.69
70	64	**Mobil Corp.**, Fairfax, Va.	156.3	154.1	1.4	48.0	47.3	58,188.0	54,361.0	1,809.0	2,087.0	19,191.0	17,411.0	122.81	112.99
71	56	**Hasbro Inc.**, Pawtucket, R.I.	151.9	176.7	(14.0)	123.6	143.8	1,409.7	1,357.9	92.2	72.4	954.3	925.1	6.28	5.24
72	55	**Schering-Plough Corp.**, Madison, N.J.	150.2	178.6	(15.9)	72.6	86.3	3,157.9	2,969.4	471.3	389.8	1,987.2	1,797.0	13.23	10.06
73	89	**Citicorp**, New York	146.3	119.1	22.9	103.9	84.6	13,752.0	13,018.0	498.0	1,858.0	8,747.0	7,946.0	59.79	66.74
74	82	**Loews Corp.**, New York	143.0	123.3	16.0	79.8	68.8	11,436.7	10,752.5	907.1	908.5	NA	NA	NA	NA
75	73	**Paramount Communications**, New York	141.2	140.3	0.7	85.4	84.9	3,391.6	3,055.9	1,465.4	384.7	NA	NA	NA	NA
76	88	**Hallmark Cards**, Kansas City, Mo.	138.2	119.3	15.8	81.9	70.7	2,500.0	2,300.0	NA	NA	2,500.0	2,300.0	18.09	19.28
77	71	**Seagram Co.**, Montreal	136.8	140.8	(2.8)	101.8	104.8	5,581.8	5,055.7	710.6	589.5	2,742.0	2,469.0	20.04	17.54
78	80	**E.I. du Pont de Nemours & Co.**, Wilmington, Del.	133.2	126.3	5.4	89.0	84.4	35,534.0	32,360.0	2,480.0	2,190.0	21,382.0	19,539.0	160.53	154.66
79	92	**Bell Atlantic Corp.**, Philadelphia	132.0	113.2	16.6	56.7	48.6	11,448.6	10,880.1	1,074.5	1,316.8	11,448.6	10,880.1	86.76	96.11
80	72	**Volkswagen AG**, Wolfsburg, Germany	131.9	140.4	(6.0)	92.3	98.3	34,822.8	27,770.6	553.1	446.3	2,868.3	3,335.0	21.74	23.76
81	96	**Circuit City Stores**, Richmond, Va.	131.2	101.0	29.9	78.7	60.6	2,096.6	1,721.5	78.1	69.5	2,096.6	1,721.5	15.98	17.04
82	85	**AMR Corp.**, Dallas	131.0	120.5	8.7	95.9	88.2	10,479.6	8,824.3	454.8	476.8	10,479.6	8,824.3	80.01	73.21
83	77	**News Corp.**, Sydney	128.9	130.2	(1.0)	123.3	124.5	8,763.3	7,813.2	282.3	496.5	4,930.0	3,739.2	38.25	28.72
84	74	**ITT Corp.**, New York	128.5	135.0	(4.8)	34.0	38.0	20,054.0	19,355.0	922.0	817.0	14,327.0	13,820.0	111.46	102.37
85	86	**UAL Corp.**, Elk Grove Village, Ill.	127.3	120.0	6.2	86.4	81.5	9,793.6	8,981.7	324.2	599.9	9,793.6	8,981.7	76.91	74.88
86	99	**Wal-Mart Stores**, Bentonville, Ark.	127.1	98.2	29.4	51.4	39.7	25,810.7	20,649.0	1,075.9	837.2	25,810.7	20,649.0	203.15	210.35
87	61	**Carter Hawley Hale Stores**, Los Angeles	126.6	158.3	(20.0)	69.1	86.4	2,787.4	2,617.1	13.5	17.7	2,787.4	2,617.1	22.02	16.54
88	69	**Kroger Co.**, Cincinnati	125.5	145.9	(14.0)	56.6	65.8	19,104.0	19,053.0	(72.7)	34.5	19,104.0	19,053.0	152.24	130.58
89	75	**Wm. Wrigley Jr. Co.**, Chicago	124.3	134.1	(7.4)	113.9	122.9	992.9	891.4	106.1	87.2	673.9	594.1	5.42	4.43
90	83	**Levi Strauss & Co.**, San Francisco	123.1	122.9	0.1	51.2	51.1	3,600.0	3,100.0	272.3	NA	NA	NA	NA	NA
91	91	**Wendy's International**, Dublin, Ohio	122.4	114.1	7.3	93.1	86.8	1,069.7	1,062.6	30.4	28.5	NA	NA	NA	NA
92	97	**United Telecommunications**, Westwood, Kan.	121.3	100.7	20.5	63.5	52.7	7,549.0	6,493.0	362.9	141.8	7,549.0	6,493.0	62.24	64.48
93	60	**Nynex Corp.**, New York	120.7	160.4	(24.8)	62.8	83.4	13,211.0	12,661.0	808.0	1,315.0	13,211.0	12,661.0	109.45	78.91
94	78	**Continental Airlines Holdings**, Houston	119.6	128.8	(7.1)	99.1	106.7	6,684.9	9,572.9	(885.6)	(718.6)	6,684.9	8,572.9	55.88	66.54
95	95	**Delta Air Lines**, Atlanta	116.0	104.9	10.5	87.0	78.7	8,089.5	6,915.4	460.9	306.8	8,089.5	6,915.4	69.76	65.92
96	98	**Daimler-Benz AG**, Stuttgart, Germany	115.5	99.7	15.9	85.6	73.9	40,705.5	42,053.8	3,628.2	973.9	6,944.1	6,761.7	60.10	67.83
97	79	**Bayer AG**, Leverkusen, Germany	112.8	126.6	(11.5)	65.9	74.5	23,071.9	23,155.8	1,127.5	1,092.3	5,425.0	4,718.0	48.45	37.28
98	90	**Whitman Corp.**, Chicago	108.4	115.4	(6.1)	66.4	70.7	3,985.9	3,474.9	228.2	174.3	3,337.0	2,884.9	30.79	25.01
99	100	**Nike Inc.**, Beaverton, Ore.	104.6	73.4	42.6	51.3	36.0	2,235.0	1,711.0	243.0	167.0	1,755.0	1,362.0	16.77	18.56
100	84	**Dr Pepper/Seven Up Cos.**, Dallas	104.3	121.0	(13.8)	67.4	78.2	513.7	310.9	(42.3)	(43.8)	513.7	310.9	4.92	2.57

Notes: Dollars are in millions, except U.S. sales per ad dollar. Ad spending figures are AA estimates. Rankings given for 1988 are pro forma and reflect only companies listed in this table. See Page 2 for methodology and sources.

AA chart: Kevin Brown

Total national ad spending by media

Category	100 Leading National Advertisers: Advertising expenditures 1989	1988	% chg	% of total 1989	1988	All U.S. advert'ising expenditures: Advertising expenditures 1989	1988	% chg	100 leaders' % U.S. totals 1989	1988	Coen's U.S. estimates 1989	1988
Magazine	$2,900.7	$2,595.0	11.8	8.5	8.1	$6,594.9	$5,884.7	12.1	44.0	44.1	$6,928.0	$6,268.0
Sunday magazine	236.0	202.4	16.6	0.7	0.6	737.0	492.3	49.7	32.0	41.1	NA	NA
Newspaper	2,077.3	2,054.9	1.1	6.1	6.4	8,777.3	7,938.6	10.6	23.7	25.9	32,368.0	31,197.0
Outdoor	275.6	275.4	0.1	0.8	0.9	705.8	718.2	(1.7)	39.0	38.3	1,111.0	1,064.0
Network TV	7,248.6	7,055.3	2.7	21.4	22.0	9,559.0	9,580.3	(0.2)	75.8	73.6	9,110.0	9,172.0
Spot TV	3,663.5	3,582.0	2.3	10.8	11.2	9,030.4	8,609.9	4.9	40.6	41.6	14,966.0	14,417.0
Syndicated TV	942.2	684.5	37.6	2.8	2.1	1,286.7	900.0	43.0	73.2	76.1	1,288.0	901.0
Cable TV networks	517.8	403.1	28.5	1.5	1.3	952.6	748.0	27.4	54.4	53.9	1,527.0	1,196.0
Network radio	430.8	419.4	2.7	1.3	1.3	696.2	657.2	5.9	61.9	63.8	476.0	425.0
Spot radio	716.7	600.1	19.4	2.1	1.9	1,341.2	1,620.4	13.6	38.9	37.0	7,847.0	7,373.0
Subtotal measured media	19,009.3	17,872.1	6.4	56.0	55.8	40,181.1	37,149.5	8.2	47.3	48.1	75,621.0	72,013.0
Unmeasured advertising	14,936.7	14,133.4	5.7	44.0	44.2	83,748.9	80,900.5	3.5	17.8	17.5	48,309.0	46,037.0
Total U.S. ad spending	33,946.0	32,005.5	6.1	100.0	100.0	123,930.0	118,050.0	5.0	27.4	27.1	123,930.0	118,050.0

Note: Dollars are in millions. **Sources:** LNA/Arbitron and Radio Expenditure Reports. * Total U.S. advertising volume as estimated by Robert J. Coen, McCann-Erickson (AA, May 14, 1990). See "Methodology and sources." Page 2 for more information.

AA chart: Kevin Brown

Total U.S. ad spending by category and media

Category	Year	Total ad spending	Magazine	Sunday magazines	Newspaper	Outdoor	Network TV	Spot TV	Syndicated TV	Cable TV	Network radio	Spot radio
Retail	1989	$6,028.7	$203.9	$110.2	$3,638.1	$72.2	$294.8	$1,493.1	$13.2	$30.4	$102.9	$69.8
	1988	5,411.2	171.5	25.1	3,285.5	83.1	271.9	1,355.6	13.4	22.7	89.9	92.5
Automotive	1989	5,519.9	883.6	29.1	881.8	59.7	1,520.0	1,656.4	64.9	85.9	85.2	253.4
	1988	4,935.8	800.1	19.1	831.1	59.9	1,331.0	1,538.5	30.5	57.2	72.0	196.5
Food	1989	3,897.5	434.9	20.5	48.9	10.2	1,637.8	911.6	310.9	101.9	74.5	346.4
	1988	3,879.5	376.5	19.8	273.9	13.3	1,573.7	918.5	229.6	89.5	75.8	308.7
Business, consumer svcs.	1989	3,891.4	524.4	40.3	1,405.5	59.2	625.0	804.8	46.6	96.4	93.8	195.4
	1988	3,206.4	459.8	24.0	851.4	63.4	720.0	747.0	21.5	69.1	70.8	179.5
Entertainment	1989	2,753.2	24.3	2.1	517.5	48.8	837.0	1,154.6	77.8	51.5	9.3	30.3
	1988	2,427.8	27.8	1.6	439.2	44.5	714.9	1,095.1	39.9	32.4	3.7	28.7
Toiletries, cosmetics	1989	2,212.2	650.0	32.2	9.7	3.2	921.5	301.6	165.7	82.3	19.7	26.3
	1988	2,046.4	553.0	25.6	47.0	3.7	890.5	281.5	130.2	69.2	26.0	19.6
Travel, hotels	1989	2,133.1	367.6	40.1	982.4	51.6	180.9	273.4	4.3	31.1	42.3	159.4
	1988	1,930.6	303.4	25.2	872.8	55.3	192.9	288.7	3.3	18.5	35.7	134.8
Drugs & remedies	1989	1,604.9	136.0	21.5	108.6	12.9	762.8	273.7	121.4	60.4	55.6	51.9
	1988	1,544.5	143.2	6.3	105.2	11.6	783.3	248.2	85.3	52.2	73.4	35.9
Beer, wine & liquor	1989	1,184.6	256.6	13.7	32.0	57.4	380.9	220.9	36.0	38.4	9.2	139.2
	1988	1,301.2	212.8	10.0	35.7	58.0	493.3	264.4	27.7	37.9	16.3	145.1
Direct response cos.	1989	1,150.9	507.5	226.4	109.6	2.7	62.7	123.0	24.8	62.6	31.6	NA
	1988	1,101.3	450.6	176.6	173.3	4.7	34.7	144.5	15.0	58.0	43.9	NA
Snacks & soft drinks	1989	1,098.7	53.3	3.2	15.0	6.7	408.3	351.6	120.9	47.6	38.2	53.9
	1988	1,198.3	51.1	2.5	41.0	7.4	492.8	370.6	99.8	39.7	36.9	56.5
Apparel, footwear	1989	891.1	391.4	30.2	11.3	7.1	232.2	69.8	27.2	36.4	3.4	62.0
	1988	837.8	359.7	25.0	21.1	6.9	259.7	72.7	16.2	26.4	2.1	47.8
Insurance & real estate	1989	868.9	132.8	18.9	334.0	30.6	193.5	111.1	4.4	15.5	22.4	5.6
	1988	779.7	126.8	17.5	253.4	32.5	212.3	98.8	1.6	11.6	17.4	7.9
Publishing & media	1989	763.2	192.6	4.6	248.3	49.8	11.3	152.5	2.5	18.6	15.2	67.7
	1988	705.0	190.9	5.7	228.2	48.0	11.0	138.5	2.4	13.4	15.0	52.0
Cigarettes, tobacco	1989	675.1	401.5	45.7	31.6	187.8	0.2	4.9	NA	0.7	2.1	0.6
	1988	663.1	351.7	38.0	73.9	184.8	1.4	7.6	0.4	0.9	3.6	0.8
Computers, office equip.	1989	667.1	269.0	8.5	92.0	2.4	165.6	42.3	4.9	16.9	13.3	32.2
	1988	602.6	250.7	5.1	59.7	2.2	197.4	29.9	2.2	10.0	18.3	27.2
Household equip.	1989	620.9	103.0	10.9	22.9	0.7	264.8	130.5	43.7	23.3	21.1	NA
	1988	612.6	101.3	5.8	45.9	0.7	269.8	124.3	28.1	22.6	14.2	NA
Soaps, cleansers	1989	612.3	67.5	2.1	2.7	2.6	312.4	116.9	67.7	26.1	0.1	14.1
	1988	599.3	50.8	0.9	29.3	1.0	310.3	131.1	41.4	21.2	3.9	9.5
Sporting goods, toys	1989	610.0	130.6	0.7	7.0	0.2	125.4	217.6	81.3	29.6	1.2	16.3
	1988	558.6	117.6	1.6	7.1	0.3	120.0	210.3	63.1	22.0	1.2	15.3
Jewelry, cameras	1989	403.0	153.2	11.4	12.8	1.8	106.0	53.3	11.0	10.0	1.1	42.3
	1988	381.9	141.5	6.2	14.1	2.2	124.8	45.7	7.1	8.4	1.6	30.3
Building materials	1989	379.7	61.3	7.8	56.5	1.6	92.0	85.5	2.6	18.8	10.8	23.7
	1988	385.6	87.3	4.5	54.4	1.5	112.2	79.3	1.7	12.9	6.8	25.0
Household furnishings	1989	357.6	123.2	23.8	42.6	0.9	69.8	57.2	1.7	2.1	2.3	33.9
	1988	327.2	114.2	18.1	41.4	0.9	78.2	49.3	0.5	1.9	1.1	21.5
Electronic entertainment	1989	349.6	102.5	2.8	11.0	1.8	56.7	84.6	17.8	30.5	17.3	22.5
	1988	313.0	88.4	7.5	9.5	1.3	65.0	86.3	10.0	22.6	10.8	11.7
Gasoline, lubricants	1989	341.2	27.5	1.6	25.8	6.1	38.3	164.4	0.6	9.7	4.1	63.0
	1988	291.6	22.7	0.3	20.8	4.7	55.1	124.3	0.3	6.1	3.1	54.1
Pets, pet foods	1989	275.2	45.8	4.4	4.3	0.3	133.9	40.9	28.4	10.7	4.2	2.3
	1988	271.1	31.1	1.0	28.1	0.2	126.8	42.2	23.9	9.4	6.8	1.6
Horticulture & farming	1989	245.7	24.5	3.2	49.9	0.9	39.0	65.9	5.1	8.4	9.5	39.3
	1988	215.3	23.5	2.6	46.0	2.0	39.4	67.0	2.9	5.4	5.5	21.1
Freight, industrial	1989	149.7	47.5	4.6	12.0	0.2	54.7	22.7	0.0	3.2	4.8	NA
	1988	144.6	41.0	0.4	12.5	0.2	65.9	21.4	0.0	2.4	0.9	NA
Industrial materials	1989	109.8	62.8	0.7	7.7	1.0	24.0	11.0	0.7	2.0	NA	NA
	1988	108.0	53.5	0.3	8.6	1.0	31.5	11.4	0.2	1.5	NA	NA
Business propositions	1989	36.4	20.3	0.4	2.4	0.5	3.3	3.6	0.0	0.6	0.9	4.3
	1988	24.9	13.1	0.3	2.3	0.3	NA	4.1	0.1	0.8	0.5	3.4
Airplanes, aviation	1989	18.1	14.0	0.2	2.7	0.1	0.4	0.3	NA	0.5	0.0	NA
	1988	16.2	12.5	NA	2.5	0.1	0.3	0.5	NA	0.3	NA	NA
Miscellaneous	1989	331.5	141.7	15.2	50.7	24.4	1.8	10.6	0.4	1.1	0.1	85.6
	1988	328.5	156.7	15.7	23.9	22.5	0.2	12.5	1.6	1.9	0.2	93.4
Total	1989	40,181.1	6,594.9	737.0	8,777.3	705.8	9,559.0	9,030.4	1,286.7	952.6	696.2	1,841.2
	1988	37,149.5	5,884.7	492.3	7,938.6	718.2	9,580.3	8,609.9	900.0	748.0	657.2	1,620.4

Note: Dollars are in millions. **Sources:** All media from LNA/Arbitron, except spot radio from Radio Expenditure Reports. See "Methodology and sources," Page 2 for more information.

AA chart: Kevin Brown

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	25,047	20,895	19.9
Earnings	1,157	1,038	11.5
U.S.	**1989**	**1988**	**% chg**
Sales	20,617	17,040	21.0
Pretax income	1,239	901	37.5
Division sales	**1989**	**1988**	**% chg**
Travel related services	8,357	6,854	21.9
IDS financial	1,934	1,557	24.2
American Express Bank	2,100	1,738	20.8
Shearson Lehman Brothers	12,501	10,529	18.7
American Express Info Svcs	660	447	47.7

Annual review

American Express, already spread thin in the marketing war against bank cards and other financial institutions, took to battle on another front this year—rebuilding its Shearson Lehman Brothers unit, which was hard hit by the collapse of the junk bond market.

American Express CFO Howard L. Clark Jr. took over as chairman of the unit, separated its investment banking and retail divisions and dropped ad agency McCann-Erickson for Ally & Gargano. Ally then broke a campaign tagged "When you do it better, you get to be the leader."

Just about the time AmEx seemed to be losing its sizzle in the credit-card market, Kenneth Roman, top executive at AmEx agency Ogilvy & Mather, was hired as exec VP-corporate affairs and communications.

He is helping American Express, which has clung to its image as the caviar card, lure the pizza crowd. The card is being tested at Domino's Pizza in New York. Ads are even being placed on carry-out pizza boxes. The card has been accepted at Gulf gas stations and Target Stores, the nation's No. 3 discount chain.

AmEx got into the rebate business, teaming up with TWA to offer cash rebates of up to $1,000 in the form of American Express gift checks on international travel. Any cardmember putting a $500 down payment on a Buick with an AmEx card also received a free vacation.

The reason for the move to middle America is that the long-running credit-card wars are not going well even though worldwide charge volume climbed 12% to $25 billion in 1989. Margins are narrowing as the giveaways and lower and better fees mount. An interest-rate war also could be materializing.

Visa captured 45.1% of the $296.9 billion U.S. volume for charge cards with $134 billion in 1989, according to Curt Peters, *Credit Cards News* editor. MasterCard had 28.1% compared to American Express' 21.9%, down from 22.6% in 1988. Discover and Diner's Club shared 4.9%. Visa's share of market has held at 58% since 1988, while MasterCard's share has dropped slightly to 36%.

Credit card issuers are looking for ways to combat the successful AT&T Universal card, which experts predict will have 35 million cards out by 1995—more than AmEx with its 23.3 million cards and charge volume of $65 billion.

Instead of targeting each other's customers, competitors are aiming for the bigger consumer spending pie. Of the $3 trillion spent last year, 87.5% of expenditures were by check and cash.

American Express hasn't forgotten its upscale base. It sponsored a 14-page, co-op ad section promoting Optima and Green cards in *Vogue* last year and, jointly with its own *New York Woman* magazine, sponsored a holiday express bus that hit 45 Manhattan stores which advertise in the magazine.

A similar promotion will occur in the fourth quarter when AmEx pulls out its "Shoppers Service," a multi-page ad "catalog" inserted in selected fashion magazines containing products from 15 retailers. Cardmembers will place orders by calling a toll-free number. AmEx is backing the program with $2 million in print and a direct mail shopping guide, "In-Store," that went to 1 million cardholders in nine major markets in September. The campaign was created by Lipman, Richmond, Greene Advertising, New York. Bronner Slosberg Associates handled direct marketing.

American Express, unbridled by federal restrictions, is continuing to battle the banks by stepping into their turf. The company added a personal savings program for cardholders which has heightened bankers' fears that AmEx will eat into their customer base. One consultant called the panoply of AmEx products—money market account, line of credit, credit cards and mutual fund products—a "CitiOne account without branch banking."

AmEx has upped its ad budget by some $12 million to $181 million. Much of the increase, some $8 million, went to double the budget of the Gold bank card to $16 million. Gift checks rose 44% to $11 million.

Some increases came at the expense of advertising at Shearson Lehman Brothers which dropped 32.6% to $15.7 million in media, according to LNA/Arbitron. Despite an overall 8.4% growth in media spending at AmEx, expenditures were off in network TV and newspapers—media in which Shearson spending declined by $2 million and $4 million, respectively. Spot TV rose a dramatic 83% including $15 million alone in new spending for Optima and Gold cards and the AmEx corporate card system.

American Express has become an aggressive player in the communications business through American Express Publishing Co., which announced plans to publish as many as 20 magazines in five years, either by inaugurating new publications or purchasing existing ones. The unit acquired city magazines, *Atlanta* and *D*, a Dallas-Fort Worth monthly, and repositioned *Departures* magazine.

Headquarters
American Express Co.
American Express Tower
World Financial Center
New York, N.Y. 10285-3130
(212) 640-2000

Marketing personnel
Joan Bonnette, vp-adv, personal card; Lewis Taffer, sr vp-establishment svcs mktg, US & Natl accts; John Williams, vp-Platinum card mktg; Brian Kleinberg, vp-gold card mktg; Abbey Kohnstamm, sr vp-Optima Card Div. & TRS media; Thomas F. Cash, sr vp-worldwide mktg; Barbara Barsa, vp-mktg, small business; Leo Toralballa, sr vp-personal card acquisition; Norma Arnold, sr vp-card member svcs; Dennis Stevens, vp mktg-Traveler's Cheque Group, USA.

Brands
Gold card
Ad agency: Chiat/Day/Mojo, New York. Steven Friedman, grp mgmt super; Dick O'Connell, mgmt super; Julia Platt, acct super.
Ad agency: Perkins/Butler, New York. Lexy Tanner, mgmt super; Anne DeSalvo, acct super.
American Express card
Ad agency: Ogilvy & Mather, New York. Brendan Ryan, exec dir-O&M, N.Y.; David Warden, sr vp-grp dir.

Subsidiary
Shearson Lehman Brothers
New York

Marketing personnel
Hank Gottmann, sr exec vp-dir, natl sales & mktg; Catherine Kaputa, sr vp-dir adv; Barbara Glasser, asst vp-adv mgr.

Brands
Shearson Lehman Brothers
Ad agency: Ally & Gargano, New York. Jed Bernstein, sr vp-mgmt dir; Diane Buckley, vp-acct dir; Karen Hoover, acct exec.

Subsidiary
IDS Financial Services
Minneapolis, Minn.

Marketing personnel
Jeffrey Stiefler, exec vp-sales & mktg; Reed Saunders, sr vp-financial planning & mktg.

Brands
IDS Financial Services
Ad agency: Ogilvy & Mather, New York. Brendan Ryan, exec dir-O&M, N.Y.; David Warden, sr vp-grp dir.
Hispanic mktg
Ad agency: Moneygram Hispanic agency: Solis Group, Denver. Frank Solis, creative dir; Adriana Norkin, copywriter; David Rodriguez, art dir; Elias Lucero, acct super; Amanda V. Papesh, acct exec.

RANK: 22

American Home Products Corp.

New York
Ad spending: **$456.1** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	16,104	15,655	2.9
Sunday magazine	107	112	(4.5)
Newspaper	272	1,092	(75.1)
Outdoor	19	0	NA
Network TV	176,183	179,340	(1.8)
Spot TV	40,161	46,196	(13.1)
Syndicated TV	8,972	3,895	130.4
Cable TV networks	11,056	8,481	30.4
Network radio	2,878	4,323	(33.4)
Spot radio	1,533	1,041	47.3
Measured media	257,284	260,135	(1.1)
Unmeasured	198,800	201,000	(1.1)
Total	*56,084	461,135	(1.1)
By top brands	**1989**	**1988**	**% chg**
Advil pain reliever	47,941	46,696	2.7
Anacin pain reliever	29,044	37,894	(23.4)
Dimetapp cold products	20,909	25,928	(19.4)
Dristan cold products	17,136	17,300	(1.0)
Chef Boyardee pasta	16,906	9,289	82.0
Robitussin cough prods.	16,888	12,939	30.5
CoAdvil cold remedy	9,604	0	NA
Pam cooking products	9,440	9,061	4.2
Preparation H ointment	9,078	8,745	3.8
Woolite laundry products	8,590	9,785	(12.2)

Sales & earnings ($ in million)

Worldwide	1989	1988	% chg
Sales	6,747	6,401	5.4
Earnings	1,102	995	10.7
U.S.	**1989**	**1988**	**% chg**
Sales	4,756	4,472	6.3
Operating income	1,068	1,094	(2.4)
Division sales	**1989**	**1988**	**% chg**
Pharmaceuticals	3,277	3,172	3.3
Consumer healthcare	1,294	1,192	8.6
Medical supplies	693	676	2.5
Food prods	731	651	12.4
Household prods	752	711	5.8

Annual review

American Home Products Corp. moved closer toward becoming a major force in healthcare with the divestiture of an unrelated division and the acquisition of A.H. Robins Co.

The $1.25 billion sale of its Boyle-Midway division to Reckitt & Colman PLC included Woolite, Easy-Off, Wizard, Black Flag and Sani-Flush brands as well as the Neet depilatory line. Measured spending in 1989 by the division's brands exceeded $30 million.

AHP retained the division's Pam cooking spray and Butter Buds Sprinkle Butter Substitute, whose sales grew 36% last year thanks to America's obsession with healthy eating.

The acquisition of A.H. Robins, which has been in Chapter 11 from claims against its Dalkon Shield, brought well-known health care products such as Robitussin, Dimetapp and Chap Stick. These items complement AHP's existing base, offered Jim Callandrillo, project manager of Fairfield, N.J.-based Kline & Co. "Plus, American Home will be able to get Robins' products into more outlets."

Robitussin remained the leader in the $2.1 billion OTC cough liquid category with a 32% share, ahead of Vicks' 18% share. Measured spending against the brand, which still carries the Robins logo, registered $17 million, up 30.8%. There are currently four formulas for different cough conditions. During 1989, the line was extended to single dose and improved Night Relief.

Dimetapp garnered 9% of the upper respiratory category, behind Richardson Vick's Nyquil's 12% share. About $22 million was allocated in 1989 spending.

Despite a slight 1% reduction in measured spending overall for AHP brands, they retained impressive market shares.

Sales of Advil, the jewel of its Whitehall division, grew 19% last year to $230 million, claiming 53% of the ibuprofen business, way ahead of Nuprin's 20%. Motrin IB from Upjohn, which also makes Nuprin for Bristol-Myers Squibb, carved out a 2% share in its first year, according to Kline's Julie Wolfe.

Although Advil is expected to rev up spending to keep it No. 1, measured spending from 1988 to 1989 remained relatively stable at $48 million. Advil is now the No. 2 brand in the entire $2.5 billion pain relief market behind Johnson & Johnson's Tylenol.

Capitalizing on the strong Advil name, CoAdvil and Children's Advil Suspension were rolled out in 1989. CoAdvil, backed with a $9 million budget, is a combination ibuprofen and pseudoephedrine for relief of cold, sinus and flu symptoms.

In July 1990, Whitehall moved the $17 million Anacin aspirin account from Young & Rubicam to Partners & Shevack which already handled the $11 million Anacin-3 business.

Whitehall's Clearblue Easy commands about 19% of the burgeoning home pregnancy test kit business and during early 1990 a Clearplan Easy ovulation predictor was rolled out to the trade. Clearblue measured spending reached $4 million.

American Home Food remained the leader in the $700 million prepared pasta segment with its Chef Boyardee lineup. Fueling growth was the Chef Boyardee Microwave Meals brand which expanded in 1989 with four children's microwave pasta dishes. Chef Boyardee commands almost 60% of the business, ahead of Campbell's 36% share. Measured spending—up 11.4% to $20.5 million in 1989—led a big marketing push behind the microwave meals.

A shakeup in the Whitehall division led to the departure of L. Randall Yates who is credited with helping launch Advil in 1984.

Headquarters
American Home Products Corp.
685 Third Ave.
New York, N.Y. 10017
(212) 878-5000

Marketing personnel
John F. Murray, corp media buying. Adv agency (in-house): Richard Feldheim, pres; Marianne McArdle, sr vp-dir, natl tv; Kathleen Margaritov, vp-natl tv super; Patricia Stern, Kenneth Lagana, vps-natl tv supers; Matthew Feinberg, dir-radio; Emma Salgadu, vp-traffic; William Levengood, vp-dir, computer operations. Mil-Mor Media Inc. (in house): Richard Feldheim, pres; Francis Slaughter, vp-gm.

Division
Whitehall Laboratories
New York

Marketing personnel
Andrew Davis, sr vp-mktg; Lyn Ciocca, Holly Crosbie-Foote, vps-mktg; J. Schmitt, vp-new prods; Steve Palmisano, adv dir.

Brands
Advil Anbesol, Arthritis Pain Formula, Clearblue Easy, Clearplan Easy, CoAdvil, Semicid, Today sponge
Ad agency: Young & Rubicam, New York. Patrick Knisley, sr vp-grp dir; Margaret McKinley, vp-acct super; Catherine Damico, acct super.
Compound W, Dermoplast, Dristan sprays, Dristan tablets, Momentum, Oxipor, Preparation H
Ad agency: McCann-Erickson, New York. George Biava, sr vp-grp dir; Robert Rivituso, Carol Smith, mgmt reps-sr vps; Barbara Giuffre, P.J. Lehrer, acct supers.
Anacin, Anacin-3, Maximum Strength Anacin, Denorex, Freezone, Outgro, Primatene, Riopan
Ad agency: Partners & Shevack, New York. Alan Yarnoff, exec vp-acct dir; Martin Bowen, Janice Figueroa, Cheryl Bailey, Paul McCormick, vps-acct supers.

Division
Fort Dodge Laboratories
Fort Dodge, Iowa

Corporate personnel
E.T. Corcoran, pres.

Marketing personnel
P.A. Brown, vp-sales & mktg; D.C. Sandvig, vp-Franklin Lab.

Brands
Fort Dodge Laboratories
Ad agency: Brady Co., Menomonee Falls, Wisc. Bert Hutchinson, sr vp.

Division
American Home Food Products
New York

Corporate personnel
Charles E. LaRosa, pres; John Hittson, sr vp-mktg; Albert Soricelli, sr vp-new ventures; Karl Becker, vp-mktg svcs; Rick Donnelly, vp-prod mgmt; Dennis O'Donnell, vp-prod mgmt; Jules Neuberger, adv dir.

Brands
Chef Boyardee pizza mix, Chef Boyardee Hamburger Italiano, Dennison's Chili, new products, Gulden's mustard
Ad agency: Jordan, McGrath, Case & Taylor, New York. Judy Niedert, vp-mgmt super.
Wheatena, Maypo, Maltex, foodservice
Ad agency: Ketchum Advertising, New York. Matt Seiden, vp-acct super.
Chef Boyardee canned pasta, Chef Boyardee microwave meals, Franklin Crunch 'n Munch, Luck's Beans, Ranch Style Beans, Butter Buds, Pam, new products
Ad agency: Young & Rubicam, New York. Jane Brite, exec vp-grp gm; Jordan Stanley, sr vp-mgmt super; Bob Manni, Nanci Silverman, vps-acct supers.

Division
Sherwood Medical Co.
St. Louis

Corporate personnel
David A. Low, pres.

Marketing personnel
Robert Egan, exec vp-domestic mktg; Thomas Cekoric, vp-gm, API.

Brands
Sherwood
Ad agency: FBA Marketing Communications, St. Louis. Robert Brace, acct exec.

Division
Wyeth-Ayerst Laboratories
Radnor, Pa.

Corporate personnel
Fred Hassan, pres.

Marketing personnel
Robert Essner, sr vp-sales & mktg; Martin Meaney, sr vp-mktg, pharmaceutical prods; Edward Marcoon, vp-gm, pediatric & consumer prods; Joseph Beshel, vp-gm, institutional prods; David Swingle, vp-sales, pharmaceutical prods; John Leone, vp-mktg operations.

Brands
Bicillin, Oral antibiotics
Ad agency: Dorland & Sweeney, Philadelphia. Barbara Zehender, acct super.
Ativan injections, Cerubidine
Ad agency: Harrison, Star, Wiener & Beitler, New York. Joel Roselin, acct super.
Ativan oral, Cycrin, Grisactin, Mysoline, Orudis, Premarin, Serax, Surmontil
Ad agency: Klemtner Advertising, New York. Paul Nani, acct super.
Inderal LA, Inderide LA, Isordil, Tubex
Ad agency: Lally, McFarland & Pantello, New York. Paul Hansen, acct super.
Coltyrium, Phenergan Suppositories, Phenergan syrups, Wyanoids Relief Factor
Ad agency: Roberts & Raymond Associates, Philadelphia. Jay Bolling, acct super.
Cordarone, Sectral
Ad agency: Vargas & Levy, New York. Richard Keidel, acct super.
Gastodone, LoOvral, Nordette, Norplant, Ovral, Triphasil
Ad agency: Vicom Associates, Philadelphia. Steve Schmidt, acct super.
Tenex, Quinidex, Micro-K
Ad agency: Wilson, West, Livesay Advertising, Richmond, Va. David Livesay, acct super.

RANK: 47

American Stores Co.

Salt Lake City, Utah
Ad spending: **$220.0** million

U.S. ad spending ($ in thousands)

By media	1990	1989	% chg
Magazine	143	262	(45.5)
Sunday magazine	47	32	45.6
Newspaper	81,877	61,631	32.9
Outdoor	790	1,176	(32.8)
Spot TV	48,434	51,416	(5.8)
Spot radio	7,319	7,243	1.0
Measured media	138,609	121,761	13.8
Unmeasured	81,400	71,500	13.8
Total	220,009	193,261	13.8
By top brands	**1990**	**1989**	**% chg**
Lucky food stores	40,628	39,272	3.5
Jewel food stores	34,686	18,982	82.7
Osco drugstores	14,661	9,043	62.1
Acme food stores	11,181	10,028	11.5
Sav-on-Osco drugstore	7,304	6,923	5.5
Alpha Beta supermarkets	5,921	10,220	(42.1)
Star markets	4,107	4,640	(11.5)
Skaggs Alpha Beta store	3,615	2,609	38.6
Sav-on drugs	3,422	0	NA
Kash N Karry food center	2,720	3,853	(29.4)

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	22,004	18,478	19.1
Earnings	110	98	20.2

Notes: Fiscal years ended Feb. 3, 1990 and Jan. 28, 1989

Annual review

Rather than continue its fight to merge its Alpha Beta and Lucky Stores, American Stores Co. will divest over the next five years 151 of its 174 Alpha Betas and nine of the newly bought 393-store Lucky chain.

The divestiture agreement was reached this May with the state of California which had enjoined American from merging the two grocery units on antitrust grounds. It followed a ruling against American by the U.S. Supreme Court that left in place a state order to halt the merger. A protracted court battle loomed ahead of American if it had persisted in challenging the state, which claimed American's consolidation plan would have enabled it to control food prices.

With both Lucky and Alpha Beta, American holds the second largest share of the retail food market in Los Angeles at 18.4%. Top-ranked Vons (Safeway-owned) has 24.8% and Campeau Corp.'s Ralph's, 13.7%. Following the sale of Alpha Beta stores, American is expected to drop to third, according to Debra Levin, a Salomon Bros. analyst.

Statewide, American holds a 26% share with both units matched by Safeway. By merging newly bought Lucky with its Alpha Beta stores, American could have incurred considerable cost savings.

As part of the hoped-for Alpha Beta-Lucky consolidation, American planned to combine Lucky's "Low Price Leader" marketing theme with the variety and price message of Alpha Beta. Troy De Ambrosio, VP-public relations, declined to comment on the direction Lucky advertising will take following the decision to sell Alpha Beta.

In August, Lucky announced it would launch a home delivery service, the first by a major chain in Southern California. Helping in the venture is Maryland-based Shoppers Express.

American's two biggest ad spenders in 1989 were Lucky, showing $44 million in measured advertising, down 7%, and Jewel Food Stores, at $34 million, up 85%, a $16 million increase all in newspapers, according to LNA/Arbitron.

Jewel's advertising, which focuses on its breadth of food offerings, helped it maintain a 36% share for both 1988 and 1989 against aggressive competition in its Chicago home base from Dominick's Finer Foods, an independent chain whose share has grown from 19% in 1987 to 21% in 1989, according to Gary M. Giblen, analyst with PaineWebber. Dominick's spent $16.4 million in media, up 10%.

Measured spending increased 10% to $11 million for American's Acme Markets, which is the top-ranked food retailer in the Philadelphia market at 21%. Alpha Beta showed a 42% drop to $6 million, reflecting its planned merger with Lucky. Both are California-based.

American's individual store units handle their newspaper advertising in house, while broadcast—spot TV with spot radio support—is supplied by outside agencies. Newspapers in 1989 continued to amass substantial ad spending gains while broadcast dropped slightly.

Reflecting the change of 175 Osco Drug Stores in the Southwest back to their

original Sav-on name, measured spending grew 56% to $25 million for American Drug Stores, the operating unit housing Osco Drug.

The company is divided into five operating units: Lucky Stores; Alpha Beta; American Superstores (Acme, Jewel and Star markets); American Drug Stores (Osco and Sav-on); and American Food and Drug (Skaggs Alpha Beta, the former Buttrey Food and Drug stores, and Jewel Osco).

The acquisition of Lucky for $2.5 billion in 1988 helped push up American's debt to more than $3 billion. To ease the debt, American in August sold its 44 Buttrey Food & Drug stores to a management-led group for $184 million. More sales are expected. Capital improvements also have been scaled back.

In 1989, American scrapped a decentralization plan to concentrate control at the headquarters level. It also moved back to Salt Lake City from Irvine, Calif., where it had relocated in 1987.

■ **Headquarters**
American Stores Co.
5201 Amelia Earhart Drive
Salt Lake City, Utah 84116
(801) 539-0112

■ **Corporate personnel**
L.S. Skaggs, chmn; J.L. Scott, pres-ceo.

■ **Division**
Acme Markets
Philadelphia

■ **Marketing personnel**
Robert Neslund, pres; Jim Horn, sr vp-mktg & distribution.

■ **Brands**
Acme Markets
Ad agency: J. Walter Thompson USA, New York. Stephen Bowen, pres.

■ **Division**
Jewel Food Stores
Melrose Park, Ill.

■ **Marketing personnel**
Joseph Bugos, pres; William Bolton, vp-mktg; Robert Lutz, dir-sales & adv.

■ **Brands**
Jewel food stores
Ad agency: Lois/GGK, Chicago. B. Beechen, mgmt super; Valerie Sanders, sr acct exec.

■ **Division**
Star Markets
Cambridge, Mass.

■ **Marketing personnel**
Martin A. Scholtens, pres; Brian Pijanowski, dir-mktg.

■ **Brands**
Star Markets
Ad agency: Rossin, Greenberg, Seronick & Hill, Boston. Jim Rowean, vp-acct svcs; Carole Alexander, acct exec.

■ **Division**
American Drug Stores
Oak Brook, Ill.

■ **Marketing personnel**
Dave Maher, pres; Dominic Cavallo, sr vp-mktg; Larry Wahlstorm, vp-mktg; John Kromer, adv.

■ **Brands**
American Drug Stores
Ad agency: Lois/GGK, Chicago. Ed Holzer, chmn-ceo; Nancy Nevel, acct exec.

■ **Division**
Alpha Beta Co.
La Habra, Calif.

■ **Marketing personnel**
Roger Wilhelm, acting pres-South region.

■ **Brands**
Alpha Beta Co.
Ad agency: Basso & Assoc., Newport Beach, Calif. Meg Dennis, acct rep.

■ **Division**
Skaggs Alpha Beta
Richardson, Texas

■ **Marketing personnel**
Neill Crowley, pres; Warren Ivie, vp-adv.

■ **Brands**
Skaggs Alpha Beta stores
Ad agency: Bloom Agency, Dallas. Paul MacMahon, chmn; Seth Werner, pres-exec creative dir; Sherry Babcock, sr vp-mgmt super; Mary Glynn, vp-acct super; Tracy Gray, acct exec.

RANK: 82

AMR Corp.

Dallas
Ad spending: **$131.0** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	10,172	8,760	16.1
Sunday magazine	990	378	161.9
Newspaper	40,958	28,488	43.8
Outdoor	387	194	99.8
Network TV	10,490	22,264	(52.9)
Spot TV	18,246	16,301	11.9
Syndicated TV	10	0	NA
Cable TV networks	310	643	(51.8)
Network radio	509	541	(5.9)
Spot radio	13,807	10,662	29.5
Measured media	95,879	88,231	8.7
Unmeasured	35,100	32,300	8.7
Total	130,979	120,531	8.7
By top brands	**1989**	**1988**	**% chg**
American Airlines	81,675	77,148	5.9

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	10,480	8,824	18.8
Earnings	455	477	(4.6)
Division sales	**1989**	**1988**	**% chg**
Passenger	8,839	7,555	17.0
Other	1,122	996	12.7

■ **Annual review**

AMR Corp.'s American Airlines will continue to focus its resources on international growth with marketing emphasis on first-class and business-class service.

The company plans to invest more than $11 billion over the next five years to boost its global presence, according to Michael Gunn, American senior VP-marketing.

American completed the purchase of Eastern Airlines' Latin and Central American routes with service inaugurated in July and August. The acquisition included route authorities between Miami and 20 destinations in 15 countries. Anticipating the expanded service, AMR added Miami as American's seventh U.S. hub city.

The carrier also repositioned in the U.S. and Europe its business-class service, renaming it International Flagship Service. Advertising highlighted the new seats, inflight cuisine and redesigned wine list.

American's international growth is compensating for essentially flat domestic passenger traffic.

For the first seven months of 1990, system-wide revenue passenger miles were up 4.3%, while the domestic portion was up only 1.3%.

"Our international traffic increased 28.1% year over year," said Mr. Gunn. "European traffic remains strong, and early results from our South American start-up are encouraging."

American so far is holding on to its No. 1 position in the U.S. market in revenue passenger miles, according to PaineWebber. American claimed a 16.9% share for the first seven months of 1990, compared to United Airlines' 16.6%. By comparison, 1989 figures show American with 17.6% to United's 16.6%. Delta Airlines remains

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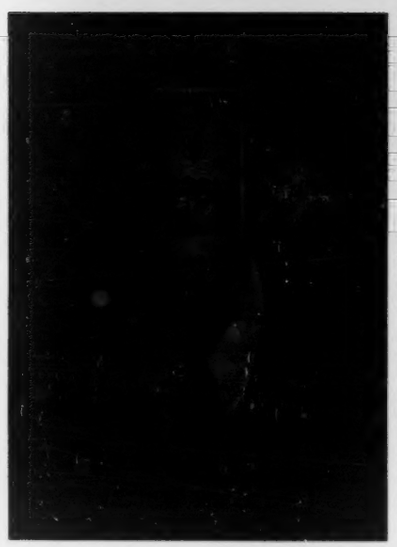

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No. 3 with a 13.2% share, followed by Northwest Airlines at 11.4%.

American's challenge in the coming year will be to revive share growth and profitability.

"This is a time for fundamentals to pay off," remarked Mr. Gunn. He acknowledged that budget belt-tightening across the board was under way and that higher costs to an already thin-margin industry are an "unquestionable blow."

He emphasized that despite some ad spending cutbacks on the image front, tactical promotional ad programs would continue and that new service to Latin and Central America would receive ad support.

AMR's media usage in 1989 reflected its tactical use of media as the company pulled $12 million out of network TV and placed it into quicker-hitting newspaper advertising.

Headquarters

AMR Corp.
P.O. Box 619616
Dallas-Fort Worth Airport
Texas, 75261-9616
817-963-1234

Marketing personnel

Michael W. Gunn, sr vp-mktg; George L. Mueller, vp-customer svcs; Jack L. Williams, vp-passenger sales; Tom Morris, mg dir-adv; Rob Britton, mgr-domestic adv & direct mail.

Brands

American Airlines

Ad agency: Bozell, Dallas. Paul Gold, exec vp-acct dir; Patsy Tryon, sr vp; Wanda Brown, Gaylynn Garrett, David Hall, Anita Wheeler, vps-acct supers.

American Airlines intl & Latin America adv

Ad agency: DDB Needham Dallas, Irving, Texas. Greg Taucher, gm; Guy Phillips, mgmt super-intl; Jose Arandia, mgmt super-Latin America; Kathleen Smith, acct coord-Latin America.

RANK: 14

Anheuser-Busch Cos.

St. Louis
Ad spending: **$591.5** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	8,834	10,887	(18.9)
Sunday magazine	399	1,364	(70.7)
Newspaper	9,536	8,379	13.8
Outdoor	6,148	8,567	(28.2)
Network TV	181,467	207,364	(12.5)
Spot TV	94,835	97,626	(2.9)
Syndicated TV	10,753	9,757	10.2
Cable TV networks	26,300	21,682	21.3
Network radio	7,707	15,443	(50.1)
Spot radio	42,073	42,696	(1.5)
Measured media	388,053	423,764	(8.4)
Unmeasured	203,400	222,100	(8.4)
Total	591,453	645,864	(8.4)
By top brands	**1989**	**1988**	**% chg**
Budweiser beers	183,075	202,656	(9.7)
Michelob beer	85,515	95,096	(10.1)
Busch beer	28,570	30,930	(7.6)
Anheuser-Busch beers	14,753	12,206	20.9
Sea World amusement parks	10,184	11,462	(11.2)
Busch Gardens amusement park	9,866	8,455	16.7
Eagle snacks	4,517	7,808	(42.2)
Natural Light beer	1,956	2,121	(7.8)
O'Doul's no-alcohol beer	1,032	248	315.3

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	10,284	9,705	6.0
Earnings	767	716	7.2
Division sales	**1989**	**1988**	**% chg**
Beer	7,406	6,902	7.3
Food	1,803	1,681	7.3
Entertainment	286	0	NA
Diversified	0	362	NA

Annual review

Anheuser-Busch's reach beyond beer to theme parks, snacks and baked goods for future growth isn't the result of failure, but of success.

A-B's beer business grew last year in a stagnant market, pushing its share to 42.1%. And that share has risen to 42.9% for the first half of 1990, up one share point from a year ago, said A-B.

Even as A-B pushes for a 50% U.S. market share, analysts and perhaps the company question the cost of further U.S. growth.

One alternative for expanding its beer business—taking A-B's brews more strongly to Europe—seems at the moment foreclosed by a Czechoslovakian brew's right to the Budweiser name. A-B is known to strongly desire a major presence in Europe and may be looking at strategic purchases, including buying the Czech brewer.

Meanwhile, it has looked beyond beer.

Busch Entertainment, which began with parks at several brewery cities and expanded to four parks including Busch Gardens sites, last year paid $1.1 billion to acquire four Sea World parks and Cypress Gardens from Harcourt Brace Jovanovich. A-B is hoping to build another park near Barcelona, Spain.

A-B consolidated advertising for Sea World of Florida (formerly handled by Scali, McCabe, Sloves, New York) and Sea World of Ohio (formerly handled by Stern Advertising, Cleveland) at DDB Needham Worldwide, Chicago, which also handles Busch Gardens. A-B kept agencies for other Sea World parks.

A-B's Eagle Snack division moved national from its eastern coverage, aided by a new plant in Visalia, Calif. A-B claims Eagle Snacks' 1989 sales grew 37% to $400 million and captured 4% of the snack market.

Eagle added tortilla chips and expanded its Cape Cod line. A-B still advertises Eagle Snacks only in target markets, using Tony Randall and Jack Klugman, but has been talking of moving national in 1991.

An indication that A-B will be paying more attention to the marketing of other products was appointing the beer company veteran VP-marketing, Michael Roarty, to exec VP-corporate marketing & communications for the parent A-B Cos.

A-B already has begun to leverage its beer ad buying clout for all company advertising. A-B now freely substitutes advertising between its beer, snack food, and amusement park divisions on the many long-term buys it makes, especially for local sports programming.

While A-B's overall beer sales were up, 1989 provided otherwise mixed results for the brewing side.

Budweiser sales were off slightly, prompting the introduction of a new "Nothing beats a Bud" campaign from D'Arcy Masius Benton & Bowles, St. Louis, the close to Bud Bowl II. A-B's overall growth came from increased sales of Bud Light, Michelob Light and Busch beers.

A-B blamed the Budweiser decline on aggressive price cutting by rivals. The company also cut back on media spending for its top three beers: Budweiser, down 11.6% to $183 million; Michelob, down 10.1% to $85.5 million and Busch, down 7.4% to $28.6 million.

Network TV alone lost $25.5 million in business from A-B, mostly from beer, while spot TV gained $7.3 million and cable drew an additional $5 million. Some of the cuts in national spending, A-B said, would be balanced later by increased local ad spending.

At mid year A-B was claiming success overall. However, there were indications that the brewer's increasingly niche marketing approach was continuing to cannibalize Budweiser sales.

A-B rolled out O'Doul's non-alcoholic beer in late 1989, Bud Dry in early 1990, and expanded distribution of Busch Light Draft. It also is testing Busch Genuine Draft in Tulsa, Okla. Bud Dry drew $4 million in national media spending, while O'Doul's pulled $1 million.

While A-B's beer marketing continued, part of A-B's corporate attention was on Congress, where a budget deficit prompted talk of an increase in beer taxes. A-B first stepped up its "Know When to Say When" responsible alcohol consumption message and eventually began a separate ad campaign urging the public to "Can the beer tax."

Headquarters

Anheuser-Busch Cos.
One Memorial Dr.
St. Louis, Mo. 63102
(314) 577-2000

Corporate personnel

Michael Roarty, exec vp-corp mktg & comms, chmn-Busch Media Grp.; Joe Castellano, dir-consumer awareness & education; Steve Burrows, vp-consumer awareness & education; Jesse Aguirre, vp-corp relations.

Brands

Corp adv-Hispanic

Ad agency: Sosa & Associates, San Antonio, Tex. Al Aguilar, vp-acct mgmt; Patsy Weser, acct exec.

Black corp affairs

Ad agency: Caroline Jones Advertising, New York. Caroline Jones, pres; Gina Ross, vp-acct super; Mel Stein, vp-assoc creative dir.

Subsidiary

Anheuser-Busch Inc.
St. Louis

Marketing personnel

Jack McDonough, vp-brand mgmt; Charles B. Fruit, vp-corp media & sports mktg, pres-Busch Media grp; Tom Sharbaugh, grp brand dir-Budweiser brands; Joe Corcoran, sr brand mgr-Budweiser; Robert Lachky, sr brand mgr-Bud Light; August Busch IV, sr brand mgr-Bud Dry; William E. Braun, sr brand mgr-Busch family; William Ellis, prod mgr-Busch family; Robert J. Goughenour, grp brand dir-Michelob family; Jim Schumacker, sr brand mgr-Michelob, Michelob Light & Michelob Dark; Jack McDonagh, prod mgr-Michelob Dry; Don Meyer, grp brand dir-Michelob Dry; Bill Campbell, prod mgr-Michelob Dry; Anne Suppiger, brand mgr-Natural Light & O'Doul's; Brian Porter, sr brand mgr-Carlsberg; Al Cummings, brand mgr-King Cobra; Jim Estrada, natl hispanic mktg; Henry H. Brown, vp-mktg devel & affairs; Prevost Foushee, ethnic brand mktg mgr-Budweiser & Bud Light.

Brands

Bud Light, Bud Dry, Busch brands, Michelob brands

Ad agency: DDB Needham Worldwide, Chicago. John Greening, sr vp-grp acct dir, beer; J.T. Mapel, acct super-Busch; Steve Jackson, acct super-Bud Light; Jack Rooney, acct super-Bud Dry; Allan Cohen, acct super-Michelob family; Bob Scarpelli, sr vp-grp creative dir, Bud Light; Tom Scharre, sr vp-grp creative dir, Bud Dry; Bruce Duffey, sr vp-grp creative dir, Busch family; Bill Klimas, sr vp-grp creative dir, Michelob Dry; Judith Werme, sr vp-grp creative dir, Michelob family; Ray Gillette, sr vp-grp acct dir; David Beals, vp-mgmt rep.

Budweiser, O'Doul's, Natural Light

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis. James Palumbo, sr vp-acct grp dir; Steve Nollau, vp-mgmt super, Budweiser; Bryce McTavish, acct super-Budweiser; Rich Lalley, mgmt super-Natural Light & O'Doul's; Randee Pelate, acct super-Natural Light & O'Doul's; Carl Strom, corporate & special projects.

Carlsberg, Elephant Malt Liquor, Anheuser Marzen

Ad agency: TBWA Advertising, New York. Dick Costello, pres; Rob Rosenthal, sr vp-mgmt super, Carlsberg; Art Gramer, exec vp-dir, acct svcs.

Anheuser Marzen

Ad agency: TBWA/Kerlick Switzer, St. Louis. Art Gramer, exec vp-dir, acct svcs.

King Cobra

Ad agency: Equinox Advertising, Chicago. Stuart Rankin; Bernie Washington, Bill Daniel, partners.

Budweiser Hispanic

Ad agency: Castor Advertising, New York. Carlos Rodriguez, sr acct exec.

Bud Light Hispanic, Bud Dry Hispanic

Ad agency: Sosa & Associates, San Antonio, Tex. Al Aguilar, vp-acct mgmt; Patsy Weser, acct exec.

Subsidiary

Busch Entertainment Co.
St. Louis

Marketing personnel

Brian D. Smith, vp-mktg; Barry W. Thigpen, dir-corp mktg.

Brands

Busch Gardens, Sea World of Florida, Sea World of Ohio, Cypress Gardens

Ad agency: DDB Needham Worldwide, Chicago. Bob Scarpelli, sr vp-grp creative dir, Busch Gardens; Bruce Duffey, sr vp-grp creative dir, Sea World; Senn Moses, vp-acct super, Sea World & Cypress Gardens; Kim Kilchenmann, acct super-Busch Gardens, Sesame Place & Adventure Gardens; David Klehre, vp-creative dir, Busch Gardens; Gary Alfredson, vp-creative dir-Sea World & Cypress Gardens.

Sea World of California

Ad agency: D'Arcy Masius Benton & Bowles, Los Angeles. Andy Bielanski, acct grp dir; Mark Detrick, mgmt super; John Armistead, creative dir.

Sea World of Texas

Ad agency: GSD&M, Austin, Texas. Steve Braasch, sr vp-acct dir; Doug Cole, vp-acct super; Mike Blair, sr vp-exec producer; Tina Williamson, assoc media dir.

Subsidiary

Campbell-Taggart
Dallas

Marketing personnel

Larry Pearson, vp-mktg.

Brands

Earth Grains breads, Rainbo (Colonial) bread, Iron Kids, Roman Meal, Family Recipe, Country Hearth, Grant's Farm, Break Cake

Ad agency: Bloom Agency, Dallas. Charles J. Calise, sr vp-mgmt super; Kay Fowler, vp-acct super; Jack Kendrick, sr vp-creative dir.

Subsidiary

Eagle Snacks Inc.
St. Louis

Marketing personnel

Thomas H. George, vp-mktg.

Brands

Eagle Snacks

Ad agency: TBWA Advertising, New York. Rob Rosenthal, sr vp-mgmt super, Eagle Snacks.

RANK: 16

AT&T Co.

New York
Ad spending: **$567.7** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	71,050	66,193	7.3
Sunday magazine	7,031	7,133	(1.4)
Newspaper	39,715	30,330	30.9
Outdoor	283	361	(21.7)
Network TV	162,750	173,912	(6.4)
Spot TV	39,793	36,753	8.3
Syndicated TV	7,044	6,190	13.8
Cable TV networks	6,560	7,773	(15.6)
Network radio	19,758	12,311	60.5
Spot radio	6,236	6,184	0.8
Measured media	360,219	347,138	3.8
Unmeasured	207,500	200,000	3.8
Total	567,719	547,138	3.8
By top brands	**1989**	**1988**	**% chg**
AT&T telephone service	314,334	291,034	8.0
AT&T technologies	16,986	23,613	(27.9)

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Source: WSJ 1989 Subscriber Study.
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By top brands	1989	1988	% chg
AT&T telephones	11,936	15,057	(20.7)
AT&T computers	3,275	1,307	150.5
AT&T telephone systems	2,373	5,330	(55.5)
AT&T facsimile	1,845	2,904	(36.5)
AT&T networking systems	1,637	731	123.8

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	36,112	35,210	2.6
Earnings	2,697	(1,669)	NA
Division sales	**1989**	**1988**	**% chg**
Telecommunications	19,526	18,525	5.4
Business, data, consumer products	7,638	7,916	(3.5)
Network systems	2,166	1,942	11.5

Annual review

How does AT&T stem market share erosion in its long-distance service and add a revenue-packed business at the same time? It seems to have done both this spring with the introduction of the Universal Card.

The combined telephone calling card and general purpose bank card available as either a Visa card or MasterCard also is likely to push AT&T total advertising back into double-digit growth after advancing only 3.8% in 1989 over the prior year.

"The card has a dual purpose," said Frank Governali, VP, First Boston. "It helps reduce customer churn. Residential customers probably will be less willing to shift long-distance carriers. And there is a lot of money to be made in that area [cards]."

The card, which offers a 10% discount on AT&T long-distance calling service, has been offered free to customers who sign up in 1990 and use it at least once a year. By mid-August, advertising bearing the theme, "There is One World, One Card," had helped push Universal accounts well ahead of projections—to 2.7 million with 4.6 million cardholders. Ad spending levels for the card are running high. AT&T was monitored spending $2.7 million, mostly in network TV, on the card in the first quarter, according to LNA/Arbitron. The card was only introduced March 26.

Long-distance service remains AT&T's dominant business, although its market lead is shrinking. In 1989, it captured a 66.4% share of total revenues, followed by MCI at 12.5% and US Sprint, 8.3%, according to Northern Business Information, New York. That hold in 1990 will shrink to 64.4%, as MCI pulls 13.7% and US Sprint, 9.1%. The overall market is expected to grow 8.5% this year.

AT&T in 1989 reapportioned its media ad spending by funneling dollars that went into corporate image building advertising in 1988 into long-distance services. General promotion expenditures dropped by $65 million. Long-distance lines added $11 million to reach $82.4 million; long-distance business lines added $46 million to hit $93.6 million and overseas long-distance spending advanced $20 million to $44.7 million. AT&T virtually eliminated teleconference service spending that reached $8 million in 1988.

Media usage shifted slightly as AT&T's network TV dollars declined 6.4%. Network still accounted for 45% of total media.

AT&T's long-distance advertising in late 1989 and early 1990 used dramatized testimonials of people who had switched to rivals MCI and US Sprint and hadn't experienced the cost savings or service they expected. The ads were tagged, "Aren't you glad you never left." That effort led to "Put it in Writing," the campaign that broke this May. Ads urged consumers to get competitors' service and price claims in writing. It sparked a retaliatory campaign from US Sprint this August that said it did provide written estimates and urged AT&T to lighten up.

"The revenue growth will be a lot more hard won now than for the first few years after divestiture. It's a tight race all around. The emphasis is not on market share anymore. The emphasis is on revenue growth. And the next big growth opportunity is the low-end market—residential, and small-to-medium-sized businesses," said Carole Craven, NBI senior analyst.

"AT&T is really going after small- and medium-sized accounts that cost more in terms of manpower and money to win. The gains are not as dramatic," Ms. Craven said. Price competition also has reduced margins in the high-end market for large businesses, she said.

AT&T in late February broke a high-profile network TV campaign for its "Reach Out America" calling plan, featuring Bo Jackson. AT&T has enhanced its "Reach Out America" calling plan by introducing a half-hour plan and more fully discounting the 24-hour plan, due to competition. "Reach Out America" has doubled its subscribers in the last two years.

AT&T in 1989 acquired Paradyne Corp., a U.S. maker of data communications equipment, and ISTEL, one of the largest private phone networks in Europe. ISTEL will likely become AT&T's gateway for electronic messaging and computer products in international markets. AT&T also purchased an interest in Italtel, manufacturer of telecommunications systems in Italy.

AT&T Computers Systems business is recovering from a couple of years of misdirection, said Mr. Governali. After years of unprofitability, AT&T has found a niche in stressing computer networking and it is betting on the success of its Unix operating system. AT&T has about 2% of the $103 billion U.S. market for computer hardware, software and services, compared to IBM's 30%.

Headquarters
American Telephone & Telegraph Co.
550 Madison Avenue
New York, N.Y. 10022-3297
(212) 605-5500

Marketing personnel
J. Kent Planck, corp vp-adv; Robert W. Watson, dir-adv svcs; Paula Horn, dir-corp adv; R. Zack Manna, corp adv-events mktg dir; Mary Lou Floyd, mgr-corp adv & cultural programs; Mary Ann Thiem, mgr-corp local adv; Roger Greene, mgr-corp ethnic adv; Linda Urben, corp bdcast mgr; Maryanne Seduski, corp print media mgr; Curtis Steinhoff, dist mgr-corp event mktg.

Brands
Corp adv
Ad agency: N W Ayer, New York. Amanda Hahn, vp-mgmt super.
Corp arts & underwriting
Ad agency: Serino Coyne, New York. Dale Barlow, exec vp-acct mgmt.
Black adv, Hispanic adv
Ad agency: UniWorld Group, New York. Herman Morales, sr vp; Linda Dukette, vp-acct super.

Division
AT&T Consumer Communications Services
Basking Ridge, N.J.

Marketing personnel
David Robertson, dir-adv.

Brands
Consumer long distance
Ad agency: N W Ayer, New York. Diane Whitehead, sr vp-mgmt super.
Ethnic adv
Ad agency: Y&R/Bravo, New York. Daisy Esposito, pres-creative dir.
Business services
Ad agency: McCann-Erickson, New York. Tom Driscoll, sr vp.

Division
AT&T Corporate International
New York

Marketing personnel
Paula Horn, dir-corp adv.

Brands
AT&T Intl. Corp. adv
Ad agency: Ogilvy & Mather, New York. Cynthia Round, sr vp-grp dir.
Special service long distance
Ad agency: Young & Rubicam, New York. Mort Lowenstein, exec vp-worldwide grp dir.

Division
International Communication Services
Basking Ridge, N.J.

Marketing personnel
Jackie Woodall, div mgr.

Brands
Intl. Communication Svcs-Hispanic adv
Ad agency: Young & Rubicam, New York.
Consumer & business adv-Puerto Rico
Ad agency: Marti Flores Prieto & Wachtel, Puerto Rico.

Division
AT&T Consumer Products
Parsippany, N.J.

Marketing personnel:
Richard Tilden, adv & prom dir.

Brands
Consumer telephones
Ad agency: N W Ayer, New York. Peter Varvara, vp-mgmt super.

Division
Business Communications Services
Bridgewater, N.J.

Marketing personnel
Karen Vereb, dir.

Brands
Domestic business, long distance, Pro WATS, 800
Ad agency: McCann-Erickson, New York. Eric Keshin, sr vp-mgmt rep.
Domestic business, long distance, direct mktg
Ad agency: Bronner/Slosberg, Boston, Mass. Jean Alexander, vp & assoc.
Domestic business, PBX products
Ad agency: Ogilvy & Mather Direct, New York. Cathy Tweedy, grp dir.
Business Communications Systems
Ad agency: Ogilvy & Mather, New York. Cynthia Round, sr vp-grp dir.

Division
Universal Card Services
Jacksonville, Fla.

Marketing personnel
Barbara Bromberg, vp-adv & mktg comms, credit card.

Brand
Universal Card
Ad agency: Lord Einstein O'Neill & Partners, New York. Kathy Moriarty, mgmt super.
Ad agency: Chapman Direct, New York. Barbara Jack, sr vp-genl mgr.

Division
Consumer Communications Services
Basking Ridge, N.J.

Marketing personnel
Dave Robertson, adv dir.

Brands
Consumer business, residential, college
Ad agency: Young & Rubicam, New York. Bob Wells, sr vp-grp dir.
Military, college, hospitals
Ad agency: Keyes Martin, Springfield, N.J. Ted Lawrence, acct super.
Hispanic consumer long distance
Ad agency: Y&R/Bravo, New York. Daisy Esposito, pres-creative dir.

Division
General Business Systems
Parsippany, N.J.

Marketing personnel
Jon Wiese, dir-mktg.

Brands
America's Choice Program
Ad agency: Wunderman Worldwide, New York. Phil Cheevers, mgmt super.
Small Business Systems/Fax
Ad agency: Ogilvy & Mather, New York. Cynthia Round, sr vp-grp dir.
Small Business Systems/Fax
Ad agency: Ogilvy & Mather Direct, New York. Cathy Tweedy, grp dir.

Division
Capital Corp.
Morristown, N.J.

Marketing personnel
John Schneider, div mgr, financial svcs.

Brands
AT&T Credit Corp.
Ad agency: Carter/Cosgrove, Alexandria, Va. Vicki Williamson, vp.
Capital Corp.
Ad agency: Wordsmith, Chatham, N.J. Don Smith, pres.

Division
Data Systems Group
Morristown, N.J.

Marketing personnel
Bill Nelson, vp-mktg.

Brands
Data Systems Group
Ad agency: Ogilvy & Mather, New York. Cynthia Round, sr vp-grp dir.

Division
Business Communications Systems
Bridgewater, N.J.

Marketing personnel
Douglas Ritter, adv dir.

Brands
Business Communications Systems
Ad agency: Ogilvy & Mather, New York. Frances Wu, acct exec.
Business Communications Systems-direct marketing
Ad agency: Ogilvy & Mather Direct, New York. Betsy Weiser, vp-mgmt super.

Division
Call Interactive

Marketing personnel
Brian Rivette, vp mktg.

Brands
Interactive Voice Services
Ad agency: Wunderman Worldwide, New York. Lester Wunderman, chmn; Steven Dapper, pres; Marc Wunderman, vp-mgmt super; Mike Becker, chief creative.

Division
Federal Systems
Greensboro, N.C.

Marketing personnel
Linda Edgerton, sr mgmt spec.

Brands
Federal Systems
Ad agency: FCB/Leber Katz Partners, New York. Mike Emerson, sr acct exec.

Division
AT&T Microelectronics
Morristown, N.J.

Marketing personnel
Mike Neavill, pr dir.

Brands
AT&T Microelectronics
Ad agency: FCB/Leber Katz Partners, New York. John Uusitalo, adv dir.

Division
New Ventures

Marketing personnel
Roger Greene, adv mgr.

Brands
New Ventures
Ad agency: FCB/Leber Katz Partners, New York. Mike Emerson, sr acct exec.

Division
AT&T Network Systems
Morristown, N.J.

Brands
AT&T Network Systems
Ad Agency: FCB/Leber Katz Partners, New York. Tom Carroll, sr vp-mgmt dir.

Top 25 magazine advertisers

Rank	Advertiser	Magazine spending 1989	Magazine spending 1988	% chg	Total U.S. ad spending 1989	Total U.S. ad spending 1988	Magazine as % of total 1989	Magazine as % of total 1988
1	Philip Morris Cos.	$281.5	$271.3	3.7	$2,072.0	$2,028.4	13.6	13.4
2	General Motors Corp.	213.5	190.8	11.9	1,363.8	1,290.6	15.7	14.8
3	Ford Motor Co.	135.2	125.5	7.7	602.1	565.2	22.5	22.2
4	RJR Nabisco	132.8	116.9	13.6	703.5	740.9	18.9	15.8
5	Chrysler Corp.	131.3	104.9	25.2	532.5	476.4	24.7	22.0
6	Procter & Gamble Co.	118.9	108.0	10.1	1,779.3	1,655.8	6.7	6.5
7	Nestle SA	77.2	62.7	23.2	608.4	552.8	12.7	11.3
8	Unilever NV	73.0	84.8	(14.0)	604.1	649.1	12.1	13.1
9	AT&T Co.	71.1	66.2	7.3	567.7	547.1	12.5	12.1
10	Grand Metropolitan PLC	69.3	61.1	13.4	823.3	754.6	8.4	8.1
11	Time Warner	59.5	65.6	(9.3)	567.5	505.6	10.5	13.0
12	Revlon Group	59.2	42.5	39.4	196.5	176.1	30.1	24.1
13	Honda Motor Co.	56.7	47.2	20.1	298.8	243.3	19.0	19.4
14	American Brands	55.1	35.9	53.5	204.2	168.0	27.0	21.4
15	Toyota Motor Corp.	53.2	36.5	45.9	417.6	273.0	12.7	13.4
16	Sony Corp.	51.7	42.1	22.7	356.5	275.4	14.5	15.3
17	B.A.T. Industries PLC	48.9	29.0	68.8	196.4	150.5	24.9	19.3
18	Eastman Kodak Co.	45.6	33.4	36.7	718.8	732.2	6.4	4.6
19	Bristol-Myers Squibb Co.	44.3	43.6	1.5	451.6	424.2	9.8	10.3
20	U.S. Government	43.0	33.4	28.7	309.5	294.3	13.9	11.4
21	E.I. du Pont de Nemours & Co.	40.9	34.7	17.9	133.2	126.3	30.7	27.4
22	Franklin Mint	40.4	49.0	(17.5)	NA	NA	NA	NA
23	Mazda Motor Corp.	39.1	29.2	33.6	196.3	146.9	19.9	19.9
24	General Electric Co.	38.3	36.7	4.3	243.2	274.5	15.8	13.4
25	Sara Lee Corp.	36.2	34.7	4.1	357.9	324.4	10.1	10.7

Note: Dollars are in millions. **Source:** LNA/Arbitron. See Page 2 for methodology and other source information.

AA chart: Kevin Brown

RANK: 59

B.A.T. Industries

London

Ad spending: **$196.4** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	48,925	28,976	68.8
Sunday magazine	4,216	3,810	10.7
Newspaper	20,030	22,210	(9.8)
Outdoor	27,667	24,270	14.0
Spot TV	2,401	1,460	64.4
Network radio	3,333	2,019	65.1
Spot radio	1,647	167	884.0
Measured media	108,219	82,912	30.5
Unmeasured	88,200	67,600	30.5
Total	196,419	150,512	30.5
By top brands	**1989**	**1988**	**% chg**
Capri cigarettes	29,638	31,323	(5.4)
Saks Fifth Avenue apparel	20,266	16,229	24.9
Kool cigarettes	19,655	19,090	3.0
Viceroy cigarettes	13,355	11	NA
Richland cigarettes	10,864	6,593	64.8
Breuner	6,951	5,551	25.2
Farmers Insurance Group insurance	5,842	3,050	91.6
Saks Fifth Avenue drugs & toiletries	1,737	1,226	41.7
Saks Fifth Avenue misc.	1,489	1,323	12.6
Belair cigarettes	1,452	0	NA

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	36,224	31,276	15.8
Earnings	3,030	2,229	36.0
U.S.	**1989**	**1988**	**% chg**
Sales	7,849	5,852	34.1
Trading profit	1,656	927	78.7
Division sales	**1989**	**1988**	**% chg**
Tobacco	11,895	10,536	12.9
Retailing	6,563	6,006	9.3
Paper	2,937	2,895	1.4
Financial svcs	9,625	6,851	40.5
Other	1,185	976	21.4

Notes: Sales and earnings figures are converted at the rate of 1.67424 and 1.7717 dollars to the pound in 1989 and 1988, respectively.

Annual review

Faced with a hostile takeover attempt by Sir James Goldsmith and sizable debt from its purchase of Farmers Group of Los Angeles, British conglomerate B.A.T. Industries PLC earlier this year sold off much of its American holdings.

The divestitures left B.A.T. with Farmers and Brown & Williamson Tobacco Corp. as its only major operations. Both subsidiaries now report directly to England.

The brouhaha precipitated by the takeover attempt had little impact on B.A.T.'s ad spending in the U.S. in 1989, which increased almost 39% across the board. Marshall Field & Co. almost quadrupled its ad expenditures, to $32.9 million from $8.3 million; Saks Fifth Avenue jumped 25% to $24.7 million; Ivey's rose 17% to $2.6 million.

These operations are gone now. Marshall Field's and Ivey's went to Dayton Hudson Corp. for a combined total of $1.2 billion. Saks was snagged by Bahrain-based Investcorp for $1.8 billion. John Breuner Co. also was sold. Only spending by Sak's among former retailers is included in the B.A.T. total.

Brown & Williamson increased its ad spending by almost 29%, to about $75 million as domestic unit sales declined 1.7%, according to John C. Maxwell Jr., analyst with Wheat, First Securities. But since overall industry volume declined by a much larger 6.1%, B&W garnered its first share gain in four years, up 0.6 points to 11.5%.

Most of B&W's growth and most of its new ad monies were tied to the repositioning of Viceroy as a value-price brand and the regional introduction of a low-price version of Belair. Viceroy ad expenditures went from virtually nothing in 1988 to more than $13 million. Year-end results indicate the decision paid off. Sales of Viceroy increased to 6.59 billion units, up 86.7%, as it moved from an 0.6 share to 1.3% of market. Value-price is *the* growth segment of the cigarette market, increasing from 11% of market in 1988 to 15% in 1989.

With ad spending for Kool at $19.7 million, up only 2.1%, the flagship brand showed no movement in market share, which has been 6% since 1987. Conversely, Capri's share of market rose 0.1 points to 0.6%, despite an almost $3 million decline in ad spending to $29.6 million.

Farmers Group doubled its media expenditures to $6.2 million, according to LNA/Arbitron. A spokesman at the company said its actual ad budget was far greater than what was recorded in the nine-media totals by LNA/Arbitron. In net premiums written, the company moved from seventh to sixth in 1989 on premiums of $5.9 billion.

Headquarters
B.A.T. Industries PLC
Windsor House, 50 Victoria St.

Bristol links ozone, beauty

Altruism is not generally a product benefit in the beauty-care industry, but Bristol-Myers Squibb has made it one with the introduction of Clairol ClairMist hair sprays with ads proclaiming: "Preserve the earth's ozone, as well as your own beauty."

London SW1H 0NL

■ Division

Brown & Williamson Tobacco Corp
Louisville, Ky

■ Marketing personnel

R A Fitzmaurice, sr vp-mktg & field sales support; L W Butler, sr vp-field sales; I D Macdonald, vp-mktg; G A Korfhag, vp-field sales support; C G Newton, dir-mktg research; H C Howells, dir-brand mgmt; R D Sharp, grp dir-mktg svcs; W T Carpenter, N G Naughton, grp prod dirs; M S Kovatch, sr brand mgr; R G Stevens, R M Grimes, N J Wilkerson, M C Caavan, brand mgrs; D E Seagle, S R Smith, T M Leezer, E A Paulley, M K Kimmel, E D Cawood, D J Anderson, brand assocs; G Lyttle-Green, dir-mktg mgr; F Canary, mktg svcs mgr; N A Spriggs, media svcs mgr; C L Barlow, merch & special promos mgr; D A Payton, adv prodn asst; K F Lyle, special promos coord.

■ Brands

Kool, Raleigh, Belair, Viceroy

Ad agency: Campbell-Mithun-Esty, New York. Mike Aldrich, acct super-Kool; Stan Adams, acct super-Raleigh & Viceroy; Jack Fitzgibbons, acct super-Belair.

Barclay, new products

Ad agency: Tatham-Laird & Kudner, Chicago. Steve Hanika, acct super.

Capri, Richland, media buying services-all brands

Ad agency: Geer, DuBois, New York. Nancy Korda, acct super-Capri; Jamie Michaelson, acct super-Richland.

■ Division

Farmers Group
Los Angeles

■ Corporate personnel

Leo E. Dunlea Jr., pres-chmn-ceo.

■ Marketing personnel

Martin D. Feinstein, vp-mktg; Rick Wright, adv dir.

■ Brands

Insurance (all types)

Ad agency: Foote, Cone & Belding, Los Angeles. Tim McPartlin, sr vp-grp mgmt dir; Thomas R. Wood, vp-mgmt dir.

Colgate gets Soviet seal of approval

Colgate toothpaste, the world's No. 1 toothpaste brand, this July was endorsed by the Soviet Ministry of Health's Central Scientific Research Institute of Stomatology after passing the Institute's clinical tests. All packs sold in the U.S.S.R. will bear the institute's seal.

RANK: 97

Bayer AG

Leverkusen, W. Germany
Ad spending: **$112.0** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	2,168	2,148	0.9
Sunday magazine	381	572	(33.5)
Newspaper	326	356	(8.5)
Outdoor	135	166	(18.3)
Network TV	35,245	42,169	(16.4)
Spot TV	6,936	6,231	11.3
Syndicated TV	4,162	886	370.0
Cable TV networks	4,249	3,136	35.5
Network radio	11,563	18,701	(38.2)
Spot radio	707	90	690.1
Measured media	65,872	74,454	(11.5)
Unmeasured	46,100	52,100	(11.5)
Total	111,972	126,554	(11.5)

By top brands	1989	1988	% chg
Alka-Seltzer cold prods	22,038	25,551	(13.7)
Alka-Seltzer antacids	17,232	17,756	(3.0)
Flintstones vitamins	8,208	12,186	(32.6)
One-a-Day vitamins	4,209	5,782	(27.2)
S.O.S oven cleaning pad	3,811	0	NA
S.O.S scouring pads	2,449	2,439	0.4
Bugs Bunny vitamins	1,995	756	163.9
Bactine medicated skin products	1,284	1,817	(29.3)
Glass Works cleaner	1,284	4,003	(67.9)
Haver flea control	1,242	0	NA

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	23,072	23,156	(0.4)
Earnings	1,128	1,092	3.2
U.S.	**1989**	**1988**	**% chg**
Sales	5,425	4,718	15.0
Earnings	154	124	24.2
Division sales	**1989**	**1988**	**% chg**
Polymers	3,788	2,279	66.2
Organic prods	3,225	1,891	70.6
Industrial prods	4,913	2,777	76.9
Health care	4,245	1,215	249.3
Agrochemicals	2,909	1,225	137.6
Other	3,991	NA	NA

■ Notes: Sales and earnings figures are converted at the rate of 0.53285 and 0.57220 dollars to the deutschmark in 1989 and 1988, respectively.

■ Annual review

Decreased advertising for Alka-Seltzer and for vitamin brands contributed to an 11.5% drop in U.S. media spending for Bayer AG, the West Germany-based company whose U.S. advertising is centered almost wholly at Miles Inc.

However, advertising for Alka-Seltzer, the franchise product at Elkhart, Ind.-based Miles, is expected to be up for full-year 1990, because of spending for a new line extension—Advance Formula Alka-Seltzer—launched last fall, according to Kline & Co.

The company spent an estimated $11.7 million in media, not including heavy spending for couponing and sampling, to introduce the lemon-flavored, low-sodium, acetaminophen-containing Advance Formula Alka-Seltzer. The Alka-Seltzer line received $39.2 million in media, down 12.8%. It represented 60% of Bayer's total media spending in the U.S.

Advanced Formula fizzes just like the old Alka-Seltzer, but the "fizz" antacids, where Alka-Seltzer has a 90% share, lag in sales behind tablets and liquids. The extension was introduced for new users—those who didn't like the taste of Alka-Seltzer or were put off by its aspirin or sodium content, said Miles spokeswoman Dionn Tron.

The antacid category as a whole grew only 2% in 1989, but Kathryn Griffie, a Kline & Co. consultant, sees 1989 as the lull before a storm of new products and increased advertising and sales. "The trend is toward extra-strength and better flavors. Everyone is introducing them in anticipation of the prescription brands going OTC," she said.

In the early to mid-'90s, patents will be running out on currently prescription-only antacids, Tagamet, Carafate, Pepcid and Zantac, she said.

New products from Alka-Seltzer's competitors include Pepto-Bismol Maximum Strength (P&G), Maalox's cherry cream and mint cream flavor, liquid and tabs, Tums' peppermint and cherry flavors and Warner-Lambert's Extra Strength Rolaids.

Advertising from Wells, Rich, Greene started in September 1990 for an extension to Alka-Seltzer Plus Cold Medicine brand—Alka-Seltzer Plus Sinus Allergy Medicine.

Alka-Seltzer Plus Cold medicine and Alka-Seltzer Plus Nighttime Cold medicine together claimed a 10% share and second place in the adult cold remedy market in 1989. Nyquil led with 14%. The two products received $22 million in media, down 15%.

Miles' Bugs Bunny and Flintstones vitamins "pretty much stayed on top of the market due to their advertising," said Ms. Griffie.

Bugs Bunny just celebrated his 50th anniversary this year. Bugs' media backing more than doubled to $2 million, as the more heavily advertised Flintstones attracted about $8.2 million in media, down 33%.

Flintstones remained sales leader with a 15% share, unchanged from 1988. Bugs claimed No. 3 with an unchanged 5%. Private label products saturate the market. American Cyanamid's Centrum Jr. remained second at 6%, same as in 1988. New competition is afoot from McNeil Consumer Products Co. (Johnson & Johnson), which recently introduced Sesame Street.

Miles One-A-Day Vitamins for adults hasn't fared as well as its kiddie counterparts. One-A-Day's dollar volume dropped 5% as the company reduced media spending by 19% to $4.2 million. Its market share remained at 3%, third behind American Cyanamid's Centrum and Bristol-Myers Squibb's Theragran, both at 6%. Private label brands hold 60% of the market.

Sales of Miles' antiseptic-anesthetic Bactine remained unchanged in 1989, as ad support dropped 32% to $1.3 million.

Measured ad support for Miles home cleaning products—S.O.S pads and glass cleaners—was up 8% to $7.5 million. Zwiren, Collins, Karo, Trusk & Ayer of Chicago, which had the glass cleaner account, picked up S.O.S pads from Griffin Bacal.

Cutter insect repellents, also formerly handled by Griffin Bacal, went in-house. Cutter is advertised very little in media.

Miles' consumer healthcare products in July came under the supervision of new division president, Werner Spinner.

■ Headquarters

Bayer USA
One Mellon Center
500 Grant St.
Pittsburgh, Pa. 15219-2502
(412) 394-5500

■ Corporate personnel

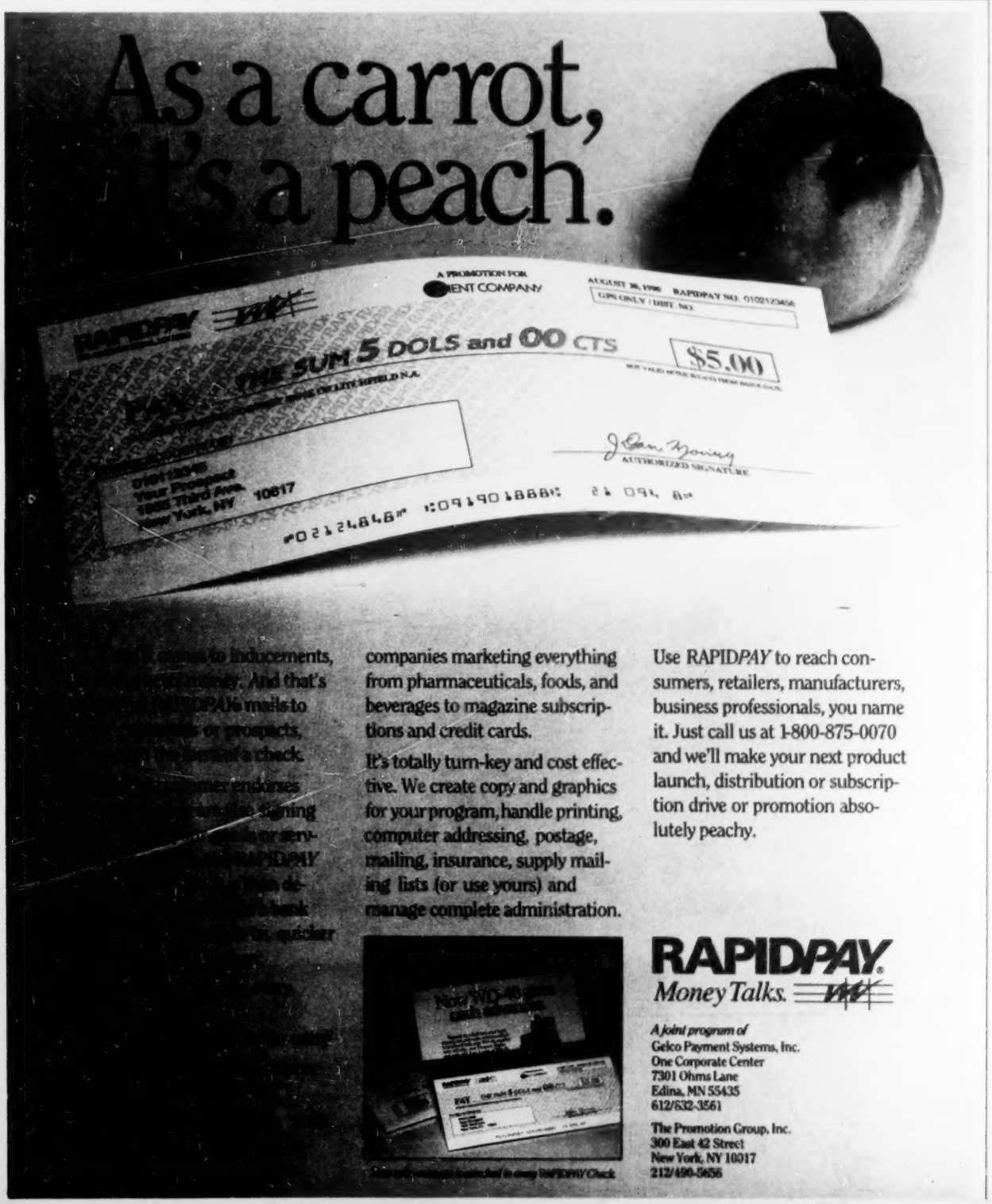
Elliot S. Schreiber, vp-corp comms; Maril Gagen MacDonald, Stephen F. Lee, mgrs-corp comms.

■ Division

Mobay Corp.
Pittsburgh

■ Corporate personnel

Hermann R. Werner, exec vp-Plastics & Rubber Div; H. Lee Noble, exec vp-Pol-


As a carrot,
it's a peach.
A PROMOTION FOR
RAPIDPAY
PAY THE SUM 5 DOLS and 00 CTS
$5.00
AUTHORIZED SIGNATURE
10617
companies marketing everything from pharmaceuticals, foods, and beverages to magazine subscriptions and credit cards.
It's totally turn-key and cost effective. We create copy and graphics for your program, handle printing, computer addressing, postage, mailing, insurance, supply mailing lists (or use yours) and manage complete administration.
Use RAPIDPAY to reach consumers, retailers, manufacturers, business professionals, you name it. Just call us at 1-800-875-0070 and we'll make your next product launch, distribution or subscription drive or promotion absolutely peachy.
RAPIDPAY
Money Talks.
A joint program of
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One Corporate Center
7301 Ohms Lane
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612/832-3561
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New York, NY 10017
212/490-5656

Top 25 newspaper advertisers

Rank	Advertiser	Newspaper spending 1989	Newspaper spending 1988	% chg	Total U.S. ad spending 1989	Total U.S. ad spending 1988	Newspaper as % of total 1989	Newspaper as % of total 1988
1	May Department Stores Co.	$230.9	$220.4	4.8	$385.7	$369.8	59.9	59.6
2	R.H. Macy & Co.	183.6	183.2	0.3	312.7	310.6	58.7	59.0
3	Sears, Roebuck & Co.	153.6	157.3	(2.4)	1,432.1	1,031.4	10.7	15.2
4	Campeau Corp.	144.0	122.8	17.3	294.9	260.3	48.8	47.2
5	Dayton Hudson Corp.	106.5	91.5	16.4	314.2	240.6	33.9	38.0
6	American Stores Co.	81.9	61.6	32.9	220.0	193.3	37.2	31.9
7	J.C. Penney Co.	81.4	74.2	9.7	407.5	394.8	20.0	18.8
8	Continental Airlines Holdings	72.2	82.2	(12.2)	119.6	128.8	60.4	63.8
9	Montgomery Ward & Co.	67.2	62.0	8.5	213.6	154.0	31.5	40.3
10	K mart Corp.	58.4	70.9	(17.6)	561.4	631.7	10.4	11.2
11	General Motors Corp.	55.7	83.3	(33.2)	1,363.8	1,290.6	4.1	6.5
12	Carter Hawley Hale Stores	55.3	73.8	(25.0)	126.6	158.3	43.7	46.6
13	Time Warner	42.4	45.1	(5.9)	567.5	505.6	7.5	8.9
14	AMR Corp.	41.0	28.5	43.8	131.0	120.5	31.3	23.6
15	Woodward & Lothrop	39.8	38.9	2.4	NA	NA	NA	NA
16	AT&T Co.	39.7	30.3	30.9	567.7	547.1	7.0	5.5
17	Circuit City Stores	37.6	29.6	26.9	131.2	101.0	28.7	29.3
18	Tandy Corp.	37.5	34.4	9.1	232.7	233.5	16.1	14.7
19	Highland Superstores	36.2	23.0	57.6	NA	NA	NA	NA
20	Pan American World Airways	35.3	28.5	23.9	NA	NA	NA	NA
21	MCA Inc.	30.5	24.1	26.8	219.9	157.1	13.9	15.3
22	Dillard Department Stores	30.3	32.4	(6.5)	NA	NA	NA	NA
23	Sony Corp.	30.2	27.8	8.5	356.5	275.4	8.5	10.1
24	Philip Morris Cos.	29.7	40.7	(27.0)	2,072.0	2,028.4	1.4	2.0
25	Go Go Tours	29.4	22.8	28.8	NA	NA	NA	NA

Note: Dollars are in millions. **Source:** LNA Arbitron. See Page 2 for methodology and other source information.

AA chart: Kevin Brown

urethane Div.: Dr. Richard L. White, exec vp-Pigments & Ceramics Div.; Dr. Jochen C. Wulff, pres-exec. Dyes, Pigments & Organics Div.; H.K. Wehner, exec vp-Agricultural Chemicals Div.; H.K. Wehner, exec vp-Animal Health Div.

■ Marketing personnel

Richard J. Donati, mgr-industrial adv.; N.T. Cullen, vp-mktg., Coatings Div.; Dr. Peter-Rolf Mueller, dir-technology & mktg., Plastics & Rubber Div.; G. Thomas Harnick, vp-mktg., Polyurethane Div.; A. Stroucken, vp-mktg., Pigments & Ceramics Div.; Thomas J. O'Neill, dir-mktg., Pigments & Ceramics Div.; Emil Larisu, vp-mktg., Dyes, Pigments & Organics Div.; Herb Klein, vp-mktg., Dyes, Pigments & Organics Div.; Dr. G. Poeschel, dir-mktg., Agricultural Chemicals Div.; R.K. Miller, mgr-adv., Agricultural Chemicals Div.; U. Grabbe, dir-mktg., Animal Health Div.

■ Brands

Corp adv

Ad agency: Della Femina, McNamee, Pittsburgh; Jeanne Smith and Casey Crossin, acct supers

Agricultural Chemicals Div. Herbicides, insecticides

Ad agency: Valentine-Radford, Kansas City, Mo.; Graeme Blasdel, account group super.; Evan Davies, acct super.; Rick Binkley, acct exec.

■ Division

Miles Inc.
Elkhart, Ind.

■ Marketing personnel

W. Spinner, corp vp-div pres.; G.R. Fleischer, vp-mktg.; R.C. Foyle, vp-sales; M.B. Streicker, dir-media operations

■ Brands

Corporate media buying

Ad agency: Clifford A. Botway Inc., New York; Clifford A. Botway, chmn.; Arthur Schreibman, pres.

Miles overseas military, Miles trade adv

Ad agency: Boger, Martin, Fairchild & Co., Elkhart, Ind.; Robert M. Boger, pres.

Hispanic adv

Ad agency: Conill Advertising Associates, New York; Liz Castel, vp-client svcs.; Ivan Pichardo, acct super.

Alka-Seltzer, Flavored Alka-Seltzer, Extra Strength Alka-Seltzer, Alka-Seltzer Advanced Formula

Ad agency: McCann-Erickson, New York; Rob McKinley, sr vp-grp acct dir.

One-A-Day vitamins, Bactine antiseptic, Bugs Bunny vitamins, Flintstones vitamins

Ad agency: Tatham-Laird & Kudner, Chicago; Robert Hilscher, sr partner

Alka-Seltzer Plus Cold Medicine

Ad agency: Wells, Rich, Greene, New York; Richard Byrne, exec vp

■ Division

Consumer Household Products
Chicago, Ill.

■ Marketing personnel

S.M. Reim, corp vp-div pres.; J.R. McGrath, vp-mktg.; C.C. Culshaw, vp-sales

■ Brands

S.O.S Glass Cleaners

Ad agency: Zwiren, Collins, Karo, Trusk, & Ayer, Chicago; T. Collins, partner; D. Salyer, vp-acct mgr.; J. Judy, acct exec.; F. Wilso, research dir.

■ Division

Diagnostics
Elkhart, Ind.

■ Marketing personnel

R.G. Stoll, corp exec vp-business grp gm.; A.D. Fiorillo, pres-N. America Div.; H.J. Hoffman, vp-mktg., N. America; K.M. Murphy, mgr-mktg. comms.; J.G. Emgenbruch, comms mgr-Indiana/Ames; D.M. McKenna, comms mgr-NY/Technicon

■ Brands

Diabetes consumer & professional products, Ames brands

Ad agency: Abelson-Taylor, Chicago; Dale Taylor, exec vp; Cindy Stone, vp

Clinical hospital products, physician office products, Ames brand

Ad agency: Goble & Associates, Chicago; Ed Goble, pres.; Jackie Fitzgerald, vp

Clinical hospital products, Technicon brands

Ad agency: Harrison/Starr, Weiner & Beitler, New York; Tom Harrison, pres.; Joel Rosen, sr. acct exec.; Jed Beitler, sr vp-dir. client svcs.

■ Division

Pharmaceutical Products
West Haven, Conn.

■ Marketing personnel

H.K.D. Wallrabe, corp exec vp-div pres.; G.B. Rosenberg, vp-mktg. & sales; J.J. Patchen, dir-prod mgmt.; R.J. Lamb, dir-sales

■ Brands

Cipro

Ad agency: Lavey/Wolff/Swift, New York; Joe Noel, sr vp

Nimotop

Ad agency: Rolf Werner Rosenthal, New York; Rick Snow, acct super

■ Division

Hollister Stier
Spokane, Wash.

■ Marketing personnel

R.M. Galustian, grp exec vp-business; allergy; Rev. Yvars, dir-U.S. mktg., sales; Charles Gursky, natl sales mgr.

■ Brands

Allergenic extracts

■ Division

Biological Products
Berkeley, Calif.

■ Corporate personnel

R.M. Galustian, grp exec vp-business unit head-biological prods.

■ Marketing personnel

W.G. Johnson, vp-mktg & sales; D. Mahoney, dir-sales

■ Brands

Alpha 1 proteinase inhibitor

Ad agency: Deltakos, New York; Bob Vogel, acct exec.

Blood bag line

Ad agency: Rainoldi-Kerzner & Radcliffe, San Francisco; Jay Kerzner, vp-acct svcs.

Coagulation products

Ad agency: Rolf Werner Rosenthal, New York; Bruce Leeb, acct grp super.

Gamimune N

Ad agency: Carrafiello, Diehl & Associates, New York; Bill Allen, acct exec.

■ Division

Agfa Compugraphic Division
Wilmington, Mass.

■ Marketing personnel

Ken Draeger, pres.; Robert Crevels, sr vp-electronic prepress sales & mktg.; Jerry Stolt, sr vp-graphic systems; Peter Broderick, dir-mktg comm.

■ Brands

Computer graphics products

Ad agency: Anderson & Lembke, Stamford, Conn.; Laura Donnelly, acct super.

■ Division

Agfa Matrix Division
Orangeburg, N.Y.

■ Marketing personnel

Gerald Wagner, pres.; George Brys, sr vp-diagnostic imaging mktg.; Wally Gorman, sr vp-diagnostic imaging sales; Tom Colucci, dir-mktg comms.

■ Brand

Medical imaging products

Ad agency: Anderson & Lembke, Stamford, Conn.; Don Hall, acct super

■ Division

Agfa Photo Division
Ridgefield Park, N.J.

■ Marketing personnel

John McGlynn, pres.; Hans Kuhlmann, vp-finishing; Urs Stampfli, vp-retail; Rick Noyes, dir-mktg comms.

■ Brands

Professional photo finishing products

Ad agency: Kalmar Ad/Marketing Corp., Fort Lee, N.J.; Doris Wiese, pres.

Retail film & products

Ad agency: McCann-Erickson, New York; Michael McCartan, sr vp

■ Division

Haarmann & Reimer Corp.
Springfield, N.J.

■ Marketing personnel

Flavor grp.: J.T. Murnane, vp-gm; James F. Reynolds, dir-mktg.; Fragrance grp.: Robert A. Higgins, vp-sales & mktg.; Echard H. Schmidt, dir-mktg.; Aroma Chems.: William J. Ludlum, mktg. mgr.

RANK: 79

Bell Atlantic Corp.

Philadelphia
Ad spending: **$132.0** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	2,788	3,180	(12.3)
Sunday magazine	33	12	186.2
Newspaper	4,280	5,345	(19.9)
Outdoor	444	597	(25.7)
Network TV	284	183	55.4
Spot TV	38,373	32,041	19.8
Cable TV networks	18	1	NA
Spot radio	10,433	7,248	43.9
Measured media	56,652	48,606	16.6
Unmeasured	75,300	64,600	16.6
Total	131,952	113,206	16.6
By top brands	**1989**	**1988**	**% chg**
Bell Atlantic	22,564	17,243	30.9
New Jersey Bell directories	6,751	6,228	8.4
Chesapeake & Potomac directories	5,245	5,466	(4.0)
Bell of Pennsylvania Telephone	3,984	4,017	(0.8)
Chesapeake & Potomac Telephone	3,419	4,825	(29.1)
New Jersey Bell Telephone	2,219	3,449	(35.7)
Pulse One car phones	1,252	0	NA

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	11,449	10,880	5.2
Earnings	1,075	1,317	(18.4)
Division sales	**1989**	**1988**	**% chg**
Local access	4,406	4,279	3.0
Network access	2,778	2,650	4.8
Toll services	1,513	1,492	1.4
Directory advertising	1,481	1,404	5.5
Other communication	649	581	11.8
Financial, real estate	695	569	22.2

■ Annual review

Bell Atlantic is putting its marketing muscle behind a rash of new services featured in the current running "We're more than just talk" TV ad campaign.

Caller ID, Call Block, Return Call, Call Waiting, Call Forwarding among others—all part of the Baby Bell's Intelligent Network—are setting up the company for long-term profits and, in the near-term, increased ad and marketing expenditures in 1990.

The residential campaign, created by J. Walter Thompson USA, is running in five of the nation's top markets—Washington, D.C., Baltimore, Philadelphia, Pittsburgh and, northern New Jersey-New York—except for spots touting Caller ID, in all but one. The service is banned in Pennsylvania.

Bell Atlantic is appealing the ban that had been pressed by consumer and civil liberty groups over issues of right to privacy. The service identifies the number of an incoming call.

Bell Atlantic "has been first in rolling out such phone services," said Frank Governali, VP, First Boston. "From a marketing standpoint, it's been a good strategy for raising awareness. Those services will have a long-term impact on the bottom line. It's good profit, but longer term."

The current corporate campaign, targeted to businesses, is designed to publicize Bell Atlantic's capabilities in systems integration and disaster recovery. There is also a vertical section—applications that are aimed at certain targeted segments such as banking, insurance and healthcare. Ads bear the "We're more ... " line.

Bell Atlantic spent $6.7 million, up 24% in 1989 on general promotion, a figure capturing a portion of the "We're more than just talk" campaign that began in September 1988. Prior to the campaign, the various operating units handled their own advertising with local agencies, but a restructuring shifted those responsibilities to the corporate level, leading to the appointment of J. Walter Thompson USA.

Yellow Page advertising overall remained flat at $16.6 million, virtually all in spot TV. New Jersey Bell Yellow Pages spending was $6.75 million in 1989, up 8.8%. Chesapeake & Potomac Yellow Pages spending dropped 5.5% to $5.2 million. Bell of Pennsylvania Yellow Pages advertising totaled $4.6 million, a dip of 4.2%.

Actor James Earl Jones appeared in Bell Atlantic Yellow Pages advertising continuing the "Matchmaker" theme. Lewis, Gilman & Kynett, Philadelphia, is the agency.

Bell Atlantic Mobile Systems ad spending grew to $316,000 in 1989, up 12.9% from $280,000 in 1988, all in outdoor. In 1989, the Mobile Systems division experienced an 88% increase in its customer base. Bell Atlantic signed contracts with retailers, including Sears and Macy's, to sell its service.

Bell Atlantic last year formed Bell Atlantic Europe S.A. in Brussels, to guide business development in Europe. The company is also pursuing opportunities in the Pacific-Rim.

■ Headquarters

Bell Atlantic
1600 Market Street
Philadelphia, Pa. 19103
(215) 963-6000

■ Corporate advertising personnel

Christopher E. Clouser, vp-corp relations & adv.; Deanna Hess, asst vp-adv.; Roy Weitzell, dir-corp adv.; Charles Pacunas, dir-Yellow Pages & large business adv.; Christina Clifton, dir-consumer & small business adv.; Melanie van der Valk, dir-Bell Atlantic Mobile Systems adv.

■ Brands

Bell Atlantic corporate, product, international/ Bell Atlantic

Ad agency: J. Walter Thompson USA, New York; Peter Hanley, sr vp-mgmt dir.; Rich O'Leary, Vicki Derfler, vp-acct dirs.; Robert Losi, vp-sr acct super.; Julie Westerman, vp-acct super.; Melissa Ator, Joe Pantigoso, acct supers.; Linda Kaplan, Charlie Gennarelli, Brian Sitts, grp creative dirs.; Richard Kostyra, exec vp-media dir.; Mark Stewart, vp-assoc media dir.; Jean Pool, sr vp-dir local bdcst.

Bell Atlantic Mobile Systems

Ad agency: W.B. Doner & Co., Baltimore; James Dale, vice chmn-corp creative dir.; Donald Riesett, exec vp-acct mgmt dir.; John Havrilla, vp-mgmt super.; Nancy Knox, vp-acct super.

Bell Atlantic Yellow Pages

Ad agency: Lewis, Gilman & Kynett, Philadelphia: Len van Zyl, pres-ceo; Brian Gail, sr vp-grp mgmt super.; Hal Rossiter, vp-mgmt super.; Bruce Berkowitz, acct super.; Julia Weiss, asst acct exec.

New Jersey Bell Yellow Pages

Ad agency: Poppe Tyson, Morris Plains, N.J.; Michael Peroff, exec vp-gm; Brian Haumersen, John Manos, vp-acct supers; Judy Henehan, acct super.

Bell Atlantic Direct Marketing

Ad agency: Devon Direct Marketing and Advertising, Malvern, Pa.: Ronald Greene, James Perry, mg dirs.; Marianne Croze, vp-mgmt super.; Ruth Trofa, vp-acct dir.; Wendy Weisband, acct super.; Kim Rainey, acct super.

RANK: 23

Bristol-Myers Squibb Co.

New York
Ad spending: **$451.6** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	44,291	43,616	1.5
Sunday magazine	624	597	4.4
Newspaper	498	256	94.1
Outdoor	228	0	NA
Network TV	131,652	121,265	8.6
Spot TV	8,057	11,148	(27.7)
Syndicated TV	34,252	32,647	4.9
Cable TV networks	9,851	7,092	38.9
Network radio	4,893	3,591	36.2
Spot radio	1,371	1,167	17.5
Measured media	235,717	221,379	6.5
Unmeasured	215,900	202,800	6.5
Total	451,617	424,179	6.5
By top brands	**1989**	**1988**	**% chg**
Clairol hair coloring products	51,918	49,247	5.4
Nuprin pain reliever	29,620	26,027	13.8
Excedrin pain relievers	26,044	18,503	40.8
Bufferin pain relievers	16,567	17,918	(7.5)
Ban deodorants antiperspirants	14,037	12,552	11.8
Clairol hair sprays & styling prods.	13,266	10,598	25.2
Comtrex cold products	12,396	10,344	19.8
Renuzit air fresheners	11,267	6,343	77.6
Vanish bowl cleaners	8,892	7,291	22.0
Drano drain cleaners	6,480	6,198	4.5

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	9,189	8,558	7.4
Earnings	747	1,254	(40.4)
U.S.	**1989**	**1988**	**% chg**
Sales	6,478	6,013	7.7
Profit	1,259	1,462	(13.9)
Division sales	**1989**	**1988**	**% chg**
Pharmaceuticals	4,442	3,987	11.4
Non-prescription health products	1,662	1,638	1.5
Toiletries, beauty aids	1,858	1,831	1.5
Medical devices	1,227	1,102	11.3

■ Annual review

Bristol-Myers Squibb, which became a pharmaceutical juggernaut with the October 1989 merger of Bristol-Myers and Squibb Corp., moved to expand its marketing of OTC and consumer products—segments that have been saddled by sluggish returns the past two years.

Bristol, now the second largest pharmaceutical business in the world behind Rahway, N.J.-based Merck & Co., is much less consumer marketing driven after the merger. Some 26% of its sales are now pushed by consumer advertising compared to 39% in 1988.

The company has given no indication of downplaying its consumer product, toiletries and beauty aids and OTC drug lines. In fact, it stepped up advertising in 1989, and continues to reposition OTC products in 1990. Earlier this month, Bristol agreed to take a minority stake in France's UPSA Group and develop the Agen-based company's nonprescription drugs business worldwide. The deal will benefit Bristol on the Continent where it has little presence in OTC drugs. UPSA ranks No. 2 in Europe in analgesics and holds 30% of the French pain reliever market.

Bristol's haircare business generated more than $800 million sales in 1989, led by Clairol, the market leader in hair-color products with a 40% share. Media ad spending increased 4% to $65.6 million. Biggest Clairol line item spenders were Clairol Nice 'n Easy at $15.7 million, up 13.8%, and Clairol Ultress hair-coloring gel at $13.5 million, up 15.4%. Haircare products accounted for 32% of all media spending at Bristol, or $75.5 million, up 4.6%.

More ad dollars were pumped into analgesics lines, except for Bufferin, which dropped 10% to $16.5 million. Nuprin ibuprofen received $29.6 million, up 12.5%, while spending for Excedrin spiraled 36.5% to $25.8 million, according to LNA/Arbitron. The huge jump came largely from Excedrin PM, a pain remedy that aids sleep. It drew $7.6 million versus only $1.4 million in media in 1988.

Aspirin Free Excedrin was introduced nationally with TV support this August and positioned squarely against Johnson & Johnson's market leader Tylenol, which in 1989 had a 21% market share in the $2.1 billion analgesics market—the nation's largest OTC drug market comprised of aspirin, acetaminophen and ibuprofen products. Aspirin Free Excedrin's main ingredient is acetaminophen.

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the same as in Tylenol.

The new product is riding the market trend of declining aspirin sales. In 1989 aspirin's share of the overall market declined to 39.5% from 43% a year earlier. In comparison, acetaminophens took 38% of the market, up from 37%.

Bristol's other aspirin product, Bufferin, was repositioned as Bristol dropped ads promoting Bufferin as a second heart attack preventative. Bufferin got new TV and print ads in fall 1989 featuring actress Angela Lansbury and targeting older consumers who suffer occasional aches and pains.

All aspirin marketers basically gave up on second heart attack claims because the market of people who suffered a heart attack isn't big enough to sustain growing sales. Bristol applied to the FDA in 1989 for approval of professional labeling that would allow doctors to recommend aspirin every other day to reduce the risk of primary heart attack.

Bristol, faced with lagging sales for its ibuprofen brand, Nuprin, switched its $30 million Nuprin account in July 1990 from Grey Advertising to J. Walter Thompson USA, New York. In August, JWT broke a new campaign themed "Tell Nuprin where it hurts," replacing Grey's longtime "Little Yellow Different Better" campaign.

Nuprin sales grew just 2% in 1989 to about $90 million, while Advil (American Home Products) sales grew to $230 million, up 19%, making it the nation's second biggest pain remedy behind Tylenol, according to Kline & Co., a Fairfield, N.J.-based consultant.

New player Motrin IB from Upjohn further hurt ibuprofen players, garnering some $19 million in sales in less than one year on the market.

Comtrex Liqui-Gels, a line extension utilizing a new technology to encase medicine inside a smooth gelatin shell, was introduced in the cough-cold market. The new product is said to be easier to swallow than caplets and tablets. It drew $6 million in media spending, mostly network and syndicated TV.

Bristol introduced Renuzit Freshell, an air freshener in shell casing, to push the Renuzit line spending to $11.3 million in '89, nearly double its '88 media exposure.

Following the merger, Jan Leschly, president of Squibb Corp., resigned. On June 1, Bristol executive Marvin H. Koslow became president of North American Consumer Products Group, from senior VP at the parent. He succeeded Ronald Ahrens, who left the company. Mr. Koslow is responsible for Bristol-Myers Products, Clairol and Drackett.

■ Headquarters
Bristol-Myers Squibb Co.
345 Park Avenue
New York, N.Y. 10154
212-546-4000

■ Marketing personnel
Thomas D. McCann, vp-corp. comms.
Peter J. Spengler, vp-adv. svcs.

■ Division
N. American Consumer Products Group
New York

■ Corporate personnel
Marvin H. Koslow, pres.

■ Marketing personnel
Bristol-Myers Products: Stephen E. Bear, pres.; Peter R. Dolan, vp-mktg.; Drackett: Thomas L. Dahl, pres.; John C. Hassan, vp-mktg.; Clairol: Gerald C. Beddall, pres.; Michael Powell, vp-consumer mktg. established brands; Michael A. DeGennaro, sr vp-sales & business devel.; Nancy Flynn, vp-new product devel.; Jeanne Hansen, dir-mktg., appliances.

■ Division
Health Care Group
New York

■ Corporate personnel:
Joseph G. Solari Jr., pres.

■ Marketing personnel
Zimmer: Ronald L. Davis, pres.; Medical Engineering Corp.: Robert J. Helbling, pres.; Nancy Caffiero, vp-mktg.; Xomed-Treace: W. Patrick Cusick, pres.; John Madding, vp-mktg.

■ Division
Bristol-Myers U.S. Pharmaceutical & Mead Johnson Worldwide Nutritional Grp.
Evansville, Ind.

■ Corporate personnel
Raymond C. Egan, pres.

■ Marketing personnel
Bristol-Myers U.S. Pharmaceutical Grp.: Bruce R. Ross, pres.; Gary P. Gibson, vp-gm.; B-M U.S. Pharmaceutical Div.: Bristol-Myers Nutritional Grp.: Donald G. Harris, pres.; Kenneth J. Quakkelaar, vp-mktg.; John M. Bullock, vp-gm.; Mead Johnson Nutritionals U.S.: Ronald W. Kuczuk, vp-sales; Westwood Pharmaceuticals: Wilfred J. Larson, pres.; Jeffrey B. Marsh, exec vp-mktg., sales & operations.

■ Division
Squibb U.S. & Bristol-Myers Squibb International Pharmaceutical Group
Princeton, N.J.

■ Corporate personnel
Kenneth E. Weg, pres.

■ Brands
Excedrin, Final Net, Loving Care, Nice 'n Easy, Sea Breeze line, Silk & Silver, Special Effects, Instant Beauty, Clairol trade adv
Ad agency: DDB Needham Worldwide, New York. Rein Luik, exec vp; Lucille Cotugno, sr vp-mgmt supervisor.
4-Way, Drano line, Windex, Clairesse, Miss Clairol, Ultress, New User
Ad agency: Grey Advertising, New York. Clark Montgomery, Herbert Leiberman, exec vps.
Ban Roll-on, Bufferin, Clairol appliances, Comtrex, Congesprin, Vanish line, Behold, Endust, Renuzit Roommate, Renuzit Freshell, Fresh 'n Dry, Condition, Mr. Muscle, Keri lotion, Option, Presun, Lac-Hydrin
Ad agency: Laurence, Charles, Free & Lawson, New York. Susan Holson, mgmt-acct supervisor; Robin Coval, mgmt-acct supervisor; Comtrex, Richard Goldschmidt, acct supervisor; Drackett, Linda Tilton, mgmt supervisor; Condition.
Twinkle, O'Cedar
Ad agency: Fahlgren Martin, Cincinnati. Tim Seifert, pres.
Poly-Vi-Sol Flor, Tempra
Ad agency: Goble & Associates, Chicago. Jacqueline Fitzgerald, James Robinson, vps-client svcs.
Gerber
Ad agency: J. Walter Thompson USA, Chicago. Stephen G. Bowen Jr., pres.
Nuprin
Ad agency: J. Walter Thompson USA, New York. Alan Goltz, mgmt dir.
Theragran
Ad agency: Saatchi & Saatchi Advertising, New York. Rich Pounder, mgmt dir.; John Haskins, acct exec.

Top 25 Sunday magazine advertisers

Rank	Advertiser	Sunday magazine spending 1989	1988	% chg	Total U.S. ad spending 1989	1988	Sunday magazine as % of total 1989	1988
1	Franklin Mint	$48.7	$29.7	64.0	NA	NA	NA	NA
2	Sony Corp.	21.0	18.5	13.3	356.5	275.4	5.9	6.7
3	Sears, Roebuck & Co.	16.0	3.4	367.9	1,432.1	1,031.4	1.1	0.3
4	Philip Morris Cos.	15.0	19.8	(24.5)	2,072.0	2,028.4	0.7	1.0
5	American Brands	14.6	12.3	19.1	204.2	168.0	7.1	7.3
6	Hallmark Cards	14.2	12.1	17.2	138.2	119.3	10.3	10.2
7	Loews Corp.	12.7	12.8	(0.9)	143.0	123.3	8.9	10.4
8	General Motors Corp.	12.3	16.0	(22.8)	1,363.8	1,290.6	0.9	1.2
9	Bertelsmann AG	10.1	8.9	13.1	NA	NA	NA	NA
10	Brown Forman Co.	9.0	4.7	91.3	NA	NA	NA	NA
11	Revlon Group	8.9	5.9	50.8	196.5	176.1	4.5	3.3
12	Chrysler Corp.	8.5	2.5	244.4	532.5	476.4	1.6	0.5
13	K mart Corp.	8.3	1.3	516.8	561.4	631.7	1.5	0.2
14	Hamilton Collection	8.1	6.9	17.0	NA	NA	NA	NA
15	Pier 1 Imports	7.6	2.1	267.9	NA	NA	NA	NA
16	Wal-Mart Stores	7.4	3.4	119.3	127.1	97.2	5.8	3.4
17	AT&T Co.	7.0	7.1	(1.4)	567.7	547.1	1.2	1.3
18	Nutrition Headquarters	7.0	6.1	14.2	NA	NA	NA	NA
19	Raffoler Inc.	6.7	1.4	385.1	NA	NA	NA	NA
20	Primerica Corp.	6.3	8.1	(21.9)	NA	NA	NA	NA
21	MBI Inc.	6.1	1.1	468.4	NA	NA	NA	NA
22	Neutrogena Corp.	5.6	4.3	30.6	NA	NA	NA	NA
23	La-Z-Boy Chair Co.	5.3	1.6	222.5	NA	NA	NA	NA
24	Lady Royale	5.1	4.3	18.6	NA	NA	NA	NA
25	May Department Stores Co.	5.0	5.0	(0.5)	385.7	369.8	1.3	1.4

Note: Dollars are in millions. **Source:** LNA/Arbitron. See Page 2 for methodology and other source information.

AA chart: Kevin Brown

RANK: 57

Campbell Soup Co.

Camden, N.J.
Ad spending: $196.7 million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	12,790	11,686	9.4
Sunday magazine	1,256	560	124.7
Newspaper	3,527	3,158	11.6
Outdoor	698	1,539	(54.6)
Network TV	62,279	53,578	16.2
Spot TV	14,272	27,578	(48.4)
Syndicated TV	11,091	5,883	88.5
Cable TV networks	4,365	3,057	42.8
Network radio	14,467	18,572	(22.8)
Spot radio	5,957	4,186	42.3
Measured media	131,204	129,795	1.1
Unmeasured	65,500	64,800	1.1
Total	196,704	194,595	1.1
By top brands	**1989**	**1988**	**% chg**
Campbell's soups	49,878	52,483	(5.1)
V-8 vegetable juice	11,386	10,534	8.1
Prego sauces	8,618	11,182	(34.6)
Pepperidge Farm cookies & crackers	7,909	10,108	(21.8)
Le Menu dinners	7,859	11	NA
Campbell frozen foods	6,836	1,932	253.8
Swanson frozen foods	5,458	9,442	(42.2)
Vlasic condiments	4,462	5,023	(11.2)
Pepperidge Farm breads & rolls	3,981	2,322	71.5
Pepperidge Farm desserts	3,660	2,143	70.8

■ Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	5,206	5,672	(8.2)
Earnings	4	13	(66.4)
U.S.	**1990**	**1989**	**% chg**
Sales	4,527	4,233	6.9
Earnings before taxes	428	295	45.3
Division sales	**1990**	**1989**	**% chg**
Campbell U.S.	2,777	2,584	7.5
Pepperidge Farm	548	495	10.8
Vlasic Foods	441	353	25.1
Mrs. Paul's Kitchens	140	150	(6.8)
Campbell Enterprises	327	321	2.1
Campbell International	1,527	1,037	47.3

■ Notes: Fiscal year ended July 29, 1990

■ Annual review

Sluggish earnings and turmoil at the top translated into turbulent times for Campbell Soup Co. and its agencies in 1989 as the company appointed a new president and the future of the company's ownership became uncertain following the death of John T. Dorrance, son of Campbell's founder and a former chairman.

Plant closings, cuts in domestic workforce, agency dismissals, a reduction in the ad budget for fiscal 1991 and decisions to sell off units, including the proposed sale of U.S. Fresh Foods Group (Campbell's Fresh Produce, Mrs. Giles salads and Marie's dressings), were parts of a restructuring program instituted by Campbell last August.

The "back to basics" program is being spearheaded by new company President-CEO David W. Johnson, who joined the company in January to fill the position vacated in November by R. Gordon McGovern, who retired. Mr. Johnson came to Campbell from Gerber Products Co., where as chairman-CEO, he engineered a two-year turnaround.

Campbell in recent years has introduced a torrent of new products (300 between 1982 and 1987) and increased marketing spending at an average 15% annual clip; practices Mr. Johnson said he will re-evaluate.

Earnings meanwhile have been poor, compared with other food companies. A low rate of return for the stock has prompted one faction of the Dorrance family to press for sale of the company. John Dorrance's influence had kept the family, which altogether controls 58% of the stock, behind the company's directions in the past.

For fiscal 1991, which began July 30, the company's marketing budget will contract by 5%, according to Herb Baum, Campbell North American president who helped run the company before Mr. Johnson came on board. The new budget should be about $235 million worldwide for fiscal 1991.

Campbell moved toward greater agency accountability earlier this year as it concentrated its accounts with a few core agencies.

It transferred an estimated $25 million in billings for V-8 vegetable juice, Souper Combos, Swanson Frozen Foods and Mrs. Paul's seafood to incumbent shops FCB/Leber Katz Partners and BBDO Worldwide, New York. Losers in the consolidation were DDB Needham Worldwide, Hal Riney & Partners and Saatchi & Saatchi Advertising.

An agency compensation plan was introduced that tied compensation above a base rate of 13% to brand volume increase goals. Campbell also instituted a system giving agencies an 11.5% commission on in-store media.

Media-buying assignments were consolidated at FCB/Leber Katz Partners for cable and syndication; Backer Spielvogel Bates for spot TV, network and spot radio; BBDO Worldwide for prime time TV; and Ogilvy & Mather for daytime, kids and late-night TV, as well as unwired networks.

Campbell's strength remains its condensed soups, which hold a 66% share of that market. Ready-to-serve soups, such as Home Cookin' and Chunky soups, led the division in sales increases. Home Cookin' got $8 million in media backing, down 5%, and Chunky soups $10 million, down 16.9%.

Spending on red label condensed soups also declined 11%, to $25 million. Spending increased from $1.9 million in 1988 to $6.8 million for the Souper Combo microwaveable soup and sandwich line. Media for Special Request soups rose 106% to $4.4 million.

Mrs. Paul's seafood regained the No. 1 market share during 1990, according to company sources, with the help of ad spending of $8 million-$10 million. To do that it had to overtake General Mills' Gorton's brand at 22.6% compared with its own 20.3% share in 1989. The media portion of Mrs. Paul's budget was placed at $2.8 million (down 49.1%) by LNA/Arbitron.

Other strong performers were Prego spaghetti sauce, backed with $8.6 million, down 38.5%. Market share for Prego rose 1.7 share points to 24% of market in 1989 versus Ragu's 48.1%, down 2 points. Teddy O's and Sporty O's novelty-shaped pastas were added to the Franco-American Spaghetti O's line. The brand was backed by $2.2 million in media, up 59%.

Campbell's frozen dinner business continues to shift media emphasis from traditional Le Menu and Swanson offerings to Le Menu LightStyle and Swanson's Great Starts frozen breakfasts—the latter two receiving $12.1 million in media, up from $2.7 million in 1988. Great Starts was introduced in 1989. Le Menu LightStyle, a dollar cheaper than Le Menu but with lower fat content and fewer calories, entered the market in 1988. Campbell's Swanson and Le Menu lines held a 23.5% share of the $1.2 billion frozen dinner market at mid-year 1990, down from 27% at mid-year 1989.

Pepperidge Farm added a brownies line extension to its American Collection Frozen Desserts which went national in 1989. The line was backed with $3.6 million, up 70% from 1988 when it had limited distribution. Its frozen foods' line was backed with $5.3 million in media. Pepperidge Farm cookies and crackers drew $8.3 million. Pepperidge Farm's share of the cookie-cracker market dropped from 5.9% in 1988 to 5.5% last year, far off Nabisco's leading 45% share.

■ Headquarters
Campbell Soup Co.
Campbell Place
Camden, N.J. 08103-1799
(609) 342-4800

■ Corporate personnel
D.W. Johnson, pres-ceo; H.M. Baum, pres-Campbell N. America

■ Marketing personnel
P.N. Mulcahy, vp-adv., pres-CSC Adv.; A.J. Dale, pres-Campbell Sales Co.; A.J. Adams, vp-mktg. research; D.F. Macaulay, dir-design; G.D. Mahrlig, dir-media svcs.; H.P. Pelouze, dir-promo.

■ Division
Soup Sector
Camden, N.J.

■ Corporate personnel
R.F. Bernstock, vp-Soup Sector

■ Marketing personnel
Condensed soup: D.G. Brewster, business dir.; F.P. Holmes, mktg. mgr.; A.L. Wadell, assoc mktg. mgr.; D.G. Thompson, sr mktg. mgr.; B.G. Walker, E. Sung, mktg. mgrs.; Microwave soup: R. Kitchenoff, mktg. mgr. Ready-to-Serve soup: K. MacDonnell, business dir.; M.D. Foster, assoc mktg. mgr.; K.L. Voedlinger, G. Gano, asst mktg. mgrs.; T.L. Crunkshank, mktg. mgr. Dry soup: P.M. Gummeson, business dir.; W.B. Boundy, sr mktg. mgr.; J.M. Davidson, J.A. Rosati, mktg. mgrs.

■ Brands
Red & white condensed & dry soups
Ad agency: Backer Spielvogel Bates, New York. Dean Scatos, pres.; Ken Rogers, exec vp-mg dir., N.Y.; Norm Bierman, exec vp; Al Achenbaum, vice chmn-professional svcs.; Roberto Calderin, Rob Desatnick, vps-mgmt reps.; Nancy Adler, vp-acct super.; Ann Meschery, sr vp-grp media dir.; Randy Winter, acct super.; Jon Renner, Paul Reily, acct execs.; Lisa Gallagher, asst acct exec.
Ready-to-serve soups
Ad agency: BBDO, New York. Phil Dusenberry, chmn-ceo; Tom Carey, pres-chief operating officer; Anthony Brescia, sr vp-sr acct dir.; Jayne Evans, vp-acct super.; Linda Epifan, acct exec.; Matt Dodds, acct exec.

■ Division
Convenience Foods
Camden, N.J.

■ Corporate personnel
J.F. Van Stone, Sector vp-convenience meals

■ Marketing personnel
W.R. Lorgus, business director-frozen meals; A.D. van Beuren, business dir-frozen specialty foods; R. Schnurbus, business dir-Mrs. Paul's; G. Piszek, gm-Domsea; P.F. Goodman, group marketing mgr-traditional meals; M.S. Kessler, grp mktg. mgr-premium meals; G.S. Loesch, grp mktg. mgr-breakfasts; D. Kauffman, grp. mktg. mgr-poultry & pies; M.G. Smith Sr., mktg. mgr-Swanson Entrees; R.M. Revelle, sr mktg. mgr-canned poultry; L. Rohrer-Murphy, mktg. mgr-LightStyle; J.P. Brennan, mktg. mgr-Swanson Dinners; R.A. Bader, mktg. mgr-LeMenu; A. Sakalay, mktg. mgr-Hungry Man Dinners; W. Tullis, mktg. mgr-breakfasts; D. Lynn, grp. mktg. mgr-seafood; R. Davis, mktg. mgr-fillets & meals; R. Johnston, mktg. mgr-fish sticks, specialty seafood & vegetables; E. Brauer, operations mgr-Domsea

■ Brands
Swanson, Mrs. Paul's
Ad agency: BBDO, New York. Phil Dusenberry, chmn-ceo; Anthony R. Brescia, sr vp-sr acct dir.; Jayne G. Evans, vp-acct super.; Swanson: Matthew Dodds, acct exec-Swanson; Ginny Callahan, acct coord-Swanson; John Berg, vp-acct super.; Mrs. Paul's: Marykay Demetriou, acct exec-Mrs. Paul's.
Great Starts Breakfasts, LeMenu
Ad agency: Ogilvy & Mather, New York. Graham Phillips, chmn-ceo; Linda Cornelius, sr vp-grp dir.; Trish McGovern, acct coord.; Laurel Richie, vp-acct dir., Great Starts; Marcia Santoni, acct mgr-Great Starts; Natasha Kavanagh, vp-acct dir., LeMenu; Stacy Sass, acct mgr-LeMenu.

■ Division
Grocery Group
Camden, N.J.

■ Corporate personnel
R. Subin, vp-grp gm; G.T. Fassak, business dir-prepared foods; J.M. Dorsch, business dir-beverages.

■ Marketing personnel
M.H. Muller, sr mktg. mgr-beverages; H.G. Parker, L.A. Nussman, mktg. mgrs-beverages; T.C. Sager, G.K. Poirier, mktg. mgr-Prego; B.W. Curewitz, asst. mktg. mgr-Prego; C.A. Hartmann, sr mktg. mgr-beans & pasta; N. Krawczyk, assoc mktg. mgr-pasta; I. Waterman, assoc. mktg. mgr-beans.

■ Brands
Prego spaghetti sauce, V-8, Campbell's tomato juice, new products
Ad agency: FCB/Leber Katz Partners, New York. Bob Hirsch, sr exec vp-dir., acct mgmt.; Nancy Anderson, sr vp-grp mgmt dir.
Franco-American pasta, Campbell's Beans
Ad agency: CSC Advertising (in-house), Camden, N.J. Paul N. Mulcahy, pres.

■ Division
Campbell Food Service Co.
Camden, N.J.

■ Marketing personnel
J.L. Patten, pres.; John Riley, business dir.; E.A. Lynn, dir-mktg.; D.S. Mora, sr mktg. mgr.; M.P. Garrison, promo mgr.; T.L. Clemm, mktg. mgr.; W.J. Caskey, vp-sales; C.G. Gouett, vp-business devel.

■ Brands
Foodservice

Ad agency: Rocket, Burkhead & Lewis, Raleigh, N.C. Howard Rocket, pres.; C. Stephen Lewis, sr vp-dir, acct svcs.

■ **Division**
Refrigerated Foods
Camden, N.J.

■ **Corporate personnel**
R.A. Earle, grp gm-Refrigerated Foods pres-Mrs. Giles & Mrs. Kinser's.

■ **Marketing personnel**
R. Hough, genl sales mgr-Refrigerated Foods; sales dir-Mrs. Giles; R.W. Dow, mktg dir-Mrs. Kinser's Home Style Foods.

■ **Brands**
Mrs. Giles deli-style salads, Win Schuler cheeses, Mrs. Kinser's deli-style salads
Ad agency: Britt Agency, Lynchburg, Va. Frank Britt, acct exec.

■ **Division**
Business Development Group
Camden, N.J.

■ **Corporate personnel**
P.S. Levy, gm.

■ **Marketing personnel**
J.A. Blood, E.A. Senior, project dirs.

■ **Brands**
Souper Combo
Ad agency: FCB Leber Katz Partners, New York. Bob Hirsh, sr exec vp-dir, acct mgmt.

■ **Division**
Fresh Foods Group
Camden, N.J.

■ **Corporate personnel**
K.W. Leighton, grp gm.

■ **Marketing personnel**
E.A. Dudkowicz, dir-mktg; S.J. Stiles, mktg mgr; S.M. Regan, category gm-salad dressings.

■ **Brands**
Campbell's Fresh vegetables
Ad agency: CSC Advertising (in-house), Camden, N.J. P.N. Maltahy, pres.

Marie's Salad Dressing
Ad agency: Margeotes Fertitta & Weiss, New York. George Fertitta, pres; Melissa Norrgard, acct super.

■ **Division**
Godiva Chocolatier
New York

■ **Corporate personnel**
T. Fey, pres.

■ **Marketing personnel**
J.D. Parks, vp-mktg; R. Scheer, dir-mktg; G. Seibel, dir-mktg.

■ **Brands**
Godiva
Ad agency: Margeotes Fertitta & Weiss, New York. George Fertitta, pres; John Margeotes, chmn-ceo; John Weiss, exec vp-creative dir.

■ **Division**
Vlasic Foods
Bloomfield, Mich.

■ **Corporate personnel**
J.R. Scales, pres; T.L. Bitterman, exec vp.

■ **Marketing personnel**
R.W. Shaw, vp-business planning & devel; D.M. Striegel, vp-foodservice; E.C. Tazzia, vp-mktg, Vlasic brands; T.F. List, gm-gravies & sauces; D.A. DeWalt, dir-mktg; L.T. Uhl, dir-mktg research.

■ **Brands**
Vlasic pickles, sauerkraut, olives
Ad agency: W.B. Doner & Co., Springfield, Mich. Richard J. Friday, sr vp-grp mgmt super; Steve LaGattuta, exec vp-intl business devel; Greg Gerfen, Darcy Ahl, acct supers; Chris Grindem, vp mgmt super.

■ **Division**
Pepperidge Farm
Norwalk, Conn.

■ **Corporate personnel**
R.A. Shea, pres.

■ **Marketing personnel**
D.L. Albright, vp-mktg, gm-biscuit; C.V. McCarthy, vp-gm, bakery; P.J. Callaghan, mktg dir-bakery; C.W. Rydin, vp-gm, frozen; E.A. Anderson, mktg dir-frozen; B.L. Gustaitis, vp-gm, foodservice; C.E. Woodward, mktg dir-foodservice; E. Brothers, gm-mail order.

■ **Brands**
Pepperidge Farm
Ad agency: Ogilvy & Mather, New York. M. Lesser, pres; L. Cornelius, sr vp-grp dir.

■ **Division**
Domsea Farms
Pocatello, Idaho

■ **Corporate personnel**
C.M. Monaghan, gm; Edward Brauer, operations mgr.

RANK: 39

Campeau Corp.

Toronto
Ad spending: **$294.9** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	2,208	2,119	4.2
Sunday magazine	1,508	1,913	(21.2)
Newspaper	144,003	122,772	17.3
Outdoor	0	20	NA
Spot TV	16,665	17,590	(5.3)
Spot radio	3,578	3,891	(8.0)
Measured media	167,962	148,306	13.3
Unmeasured	126,900	112,000	13.3
Total	294,862	260,306	13.3
By top brands	**1989**	**1988**	**% chg**
Bloomingdale's department stores	15,961	8,679	83.9
Abraham & Straus apparel	11,872	8,601	38.0
Bloomingdale's	11,094	10,228	8.5
Abraham & Straus misc	10,315	7,301	41.3
Rich's household	9,263	8,332	11.2
Bloomingdale's apparel	8,814	8,149	8.2
Abraham & Straus household	8,573	6,914	24.0
Rich's apparel	6,892	7,983	(13.7)
Rich's misc	6,519	4,989	30.7
Jordan Marsh stores	6,407	5,622	14.0

■ **Sales & earnings** ($ in millions)

Worldwide	1990	1989	% chg
Sales	10,439	8,668	20.4
Earnings	(1,740)	(34)	NA
U.S.	**1990**	**1989**	**% chg**
Sales	10,237	8,499	20.4
Operating profit	778	774	0.5
Division sales	**1990**	**1989**	**% chg**
Department stores	7,574	6,220	21.8
Specialty stores	0	326	NA
Supermarkets	2,556	1,842	38.8
Rental	213	214	(0.5)
Real estate sales	96	66	45.5

■ **Notes:** Fiscal year ended Jan. 31, 1990.

■ **Annual review**

Slowly sinking under the weight of $7.5 billion in debt, Toronto-based Campeau Corp. is in desperate need of a strong holiday selling season to prop up its financial house of cards. As a result, advertising will play a vital role in pulling customers into department stores operated by its two U.S. retailing subsidiaries, Federated Department Stores and Allied Stores Corp.

Although both subsidiaries filed in January 1990 for Chapter 11 bankruptcy, experts said Federated-Allied's retail units are likely to match 1989 ad spending, which was dominated by $144 million in newspaper ROP, accounting for 88% of measured expenditures. Overall, 1989 measured ad spending increased 14% over 1988 on the strength of an additional $20.5 million in measured ROP spending.

Campeau's Federated-Allied units operate some of the nation's premier department store retailers, each of which has its own in-house advertising department handling newspaper ROP, catalog and direct mail.

Among the larger units, Bloomingdale's outpaced other stores in 1989 ad spending with $39.5 million in media, up 31.7%; Rich's hit $24.6 million, up 7.4%; Jordan Marsh, $17 million, up 10.4%; and Abraham & Straus, $20 million, down 20.3%. Aside from heavy newspaper advertising, spot TV accounted for about 10% of media totals at Campeau stores.

Even a strong fourth quarter would leave Campeau struggling with the options of swapping debt for equity or selling off units piecemeal to satisfy a horde of impatient creditors, said retail analyst Kurt Barnard of New York-based Barnard Retail Marketing Report.

Before anything happens, Campeau must first establish its underlying value, which has been generally positive for the department store units, but disastrous for the corporation as a whole.

"A company losing billions isn't worth very much, but a good fourth quarter would certainly improve their prospects," Mr. Barnard said. This is the reason U.S. bankruptcy court in Cincinnati in August gave Campeau until the end of its fiscal year in February 1991 to file a reorganization plan for its troubled retailing subsidiaries.

The upcoming filing puts pressure on the individual operating units to perform well even in the face of draconian cost-cutting and an ailing U.S. economy. That is why advertising is so essential.

"While there clearly are attempts to economize, advertising is the life blood of a retailing operation. I do not see Campeau's retailing units cutting back, because you've got to have advertising to bring customers into the stores," Mr. Barnard said. However, individual units might experiment with shifting some spending from newspaper ROP to newspaper inserts, or to targeted uses, such as direct mail and catalog, he added.

"There is no question they'll maintain normal ad spending levels at least through December," said Carl Steidtmann, chief economist at Management Horizons, a Columbus, Ohio, retail consulting firm.

However, Mr. Steidtmann cautions that it is imperative to resolve Campeau's debt situation quickly, because a deteriorating capital base over the long term would spell disaster for Campeau's retailing units in terms of financing inventory, attracting and keeping quality personnel and continually upgrading stores.

Despite measures to reduce costs by combining the corporate staffs of Federated and Allied, offers to sell Campeau's Canadian real estate and a failed effort early in 1989 to sell Bloomingdale's, Campeau has been unable to staunch a sea of red ink.

"In a sense, the wealth has been destroyed and the markets are just beginning to realize the loss. But it doesn't make sense to liquidate these properties, because most have positive cash flow. The problem isn't in operations, it's on the balance sheet," said Mr. Steidtmann.

As for Robert Campeau, who orchestrated the two largest leveraged buyouts in retailing history, he was stripped of control over the retailing portion of his empire in January 1990 and was ousted in August as chairman-ceo of Campeau.

■ **Headquarters**
Campeau Corp
40 King St. West
Toronto, Ontario M5H3Y8
(416) 868-6460

Federated Department Stores
7 West Seventh St.
Cincinnati, Ohio 45202
(513) 579-7000

■ **Division**
Abraham & Straus
Brooklyn, N.Y.

■ **Marketing personnel**
Joseph Yewdell, sr vp-mktg & sales promo; Joe Cantor, vp-admin; Nancy Slaven, operating vp-special events & sales promo; Robert Cole, vp-media.

■ **Brands**
Abraham & Straus
Ad agency: Martino & Co., New York. Richard Martino, pres; Susan Gronich, vp-admin; Cathy Hart, Gary Wuertenberger, acct supers; Michele Bontempo-Saray, art dir; Donna Loscradato, prod mgr.

■ **Division**
Bloomingdale's
New York

■ **Marketing personnel**
Gordon Cooke, exec vp-adv; Tim Oberg, vp-business mgmt & adv; John Jay, sr vp-creative dir.

■ **Brands**
Bloomingdale's broadcast adv
Ad agency: Grey Advertising, New York. Herb Lieberman, exec vp; Susan Marber, vp-grp mgmt super; Nina Kessler, acct super; Kim Racz, asst acct exec.

■ **Division**
Burdine's
Miami

■ **Marketing & in-house adv personnel**
Carey Watson, sr vp-mktg; Linda Frankel, vp-adv; Jorge Lopez, operating vp-adv admin & prodn; Jane Smiley, operating vp-special events & publicity.

■ **Division**
Lazarus
Cincinnati

■ **Marketing & in-house adv personnel**
Timothy Worcester, sr vp-mktg & sales promo; Herbert Fraget, div vp-graphics dir; Ralph Holt, div vp-dir, adv & analysis; Becky Case, div vp-adv & special events.

■ **Division**
Rich's
Atlanta

■ **Marketing & in-house adv personnel**
Donald Van Suilichem, sr vp-mktg dir; Alma Freedman, div vp-adv dir; John Thomas, vp-creative dir.

■ **Brands**
Rich's broadcast adv
Ad agency: Babbit & Reiman, Atlanta. Mark Goldman, exec vp; Elizabeth O'Dowd, sr art dir; Tina Traber, acct exec.

Allied Stores Corp
7 West Seventh St.
Cincinnati, Ohio 45202
(513) 579-7000

■ **Division**
The Bon Marche
Seattle

■ **Marketing & in-house adv personnel**
John Buller, sr vp-mktg & sales promo; Trisha Gregory, vp-adv; Mark Gordon, photo studio mgr; Bev Davies, bdcast-ROP dir; Sue Sleeth, direct mail dir; Val Walser, adv control dir.

■ **Division**
Jordan Marsh-New England
Boston

■ **Marketing & in-house adv personnel**
Robert Gottlieb, sr vp-dir mktg; Mike Kelly, vp-planning & admin; Joel Benjamin, vp-creative dir.

■ **Brands**
Jordan-Marsh broadcast adv
Ad agency: Smith-Patterson (in-house), Boston. Jean Publicover, media dir.

■ **Division**
Maas, Inc.
Tampa, Fla.

■ **Marketing & in-house adv personnel**
Thomas Ford, sr vp-mktg; Rebecca Hollifield, creative dir.

■ **Division**
Sterns
Paramus, N.J.

■ **Marketing & in-house adv personnel**
Howard Fraser, sr vp-mktg & adv; Ursula Drake, adv dir.

■ **Subsidiary**
Ralph's Grocery Co.
Compton, Calif.

■ **Marketing personnel**
Al Marasca, exec vp-mktg; Kevin Davis, vp-sales & adv.

■ **Brands**
Ralph's Grocery Co.
Ad agency: Davis, Ball & Colombatto Advertising, Los Angeles. Carol Begelman, vp-acct super; Rosa Cameron, acct exec.

THE WALL STREET JOURNAL.

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Source: WSJ 1990 Worldwide Subscriber Study.
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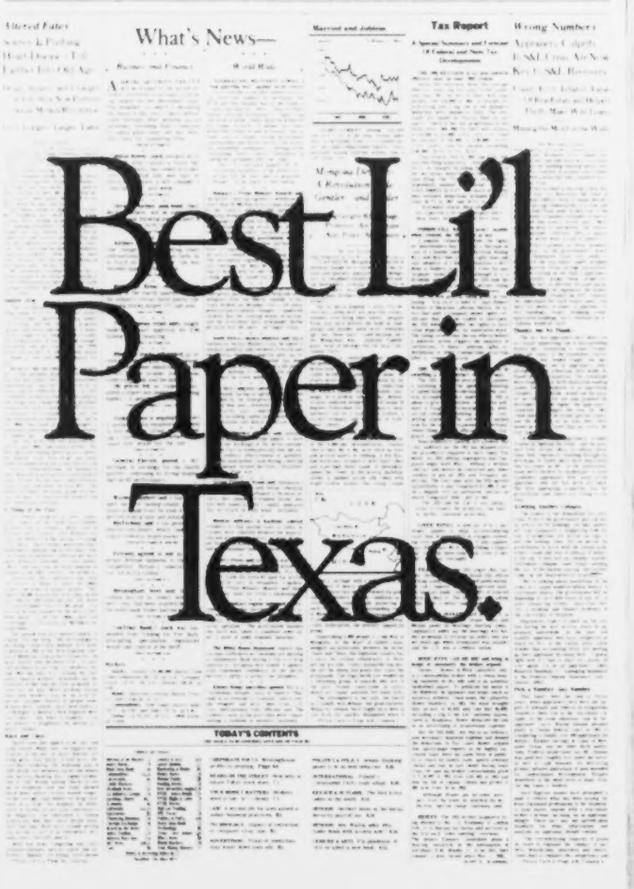
Top 25 network TV advertisers

Rank	Advertiser	Network TV spending 1989	Network TV spending 1988	% chg	Total U.S. ad spending 1989	Total U.S. ad spending 1988	Network TV as % of total 1989	Network TV as % of total 1988
1	General Motors Corp.	$506.5	$443.4	14.2	$1,363.8	$1,290.6	37.1	34.4
2	Procter & Gamble Co.	449.1	421.7	6.5	1,779.3	1,655.8	25.2	25.5
3	Philip Morris Cos.	368.4	388.6	(5.2)	2,072.0	2,028.4	17.8	19.2
4	Kellogg Co.	324.8	297.7	9.1	611.6	550.1	53.1	54.1
5	McDonald's Corp.	252.1	245.4	2.7	774.4	728.1	32.6	33.7
6	Ford Motor Co.	201.4	175.7	14.6	602.1	565.2	33.4	31.1
7	Unilever NV	190.4	198.4	(4.0)	604.1	649.1	31.5	30.6
8	Sears, Roebuck & Co.	187.5	85.9	118.3	1,432.1	1,031.4	13.1	8.3
9	Anheuser-Busch Cos.	181.5	207.4	(12.5)	591.5	645.9	30.7	32.1
10	American Home Products Corp.	176.2	179.3	(1.8)	456.1	461.1	38.6	38.9
11	Johnson & Johnson	169.9	174.5	(2.6)	487.1	473.3	34.9	36.9
12	PepsiCo Inc.	168.8	145.0	16.4	786.1	710.9	21.5	20.4
13	AT&T Co.	162.7	173.9	(6.4)	567.7	547.1	28.7	31.8
14	Grand Metropolitan PLC	148.2	95.8	54.7	823.3	754.6	18.0	12.7
15	General Mills	145.0	137.5	5.5	471.0	447.8	30.8	30.7
16	RJR Nabisco	143.5	168.1	(14.7)	703.5	740.9	20.4	22.7
17	Chrysler Corp.	140.6	163.2	(13.9)	532.5	476.4	26.4	34.3
18	Eastman Kodak Co.	137.5	144.8	(5.0)	718.8	732.2	19.1	19.8
19	Bristol-Myers Squibb Co.	131.7	121.3	8.6	451.6	424.2	29.2	28.6
20	Nestle SA	125.6	105.9	18.7	608.4	552.8	20.7	19.2
21	Toyota Motor Corp.	110.8	64.2	72.7	417.6	273.0	26.5	23.5
22	Quaker Oats Co.	104.4	123.3	(15.3)	357.8	409.5	29.2	30.1
23	Honda Motor Co.	101.0	91.9	9.9	298.8	243.3	33.8	37.8
24	Warner-Lambert Co.	100.8	111.1	(9.2)	585.9	605.6	17.2	18.3
25	Coca-Cola Co.	98.8	119.1	(17.0)	385.3	376.7	25.6	31.6

Note: Dollars are in millions. **Source:** LNA/Arbitron. See Page 2 for methodology and other source information.

AA chart: Kevin Brown

THE WALL STREET JOURNAL.



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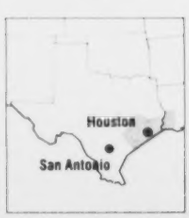

Source: WSJ 1989 Worldwide Subscriber Study.
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RANK: 87

Carter Hawley Hale Stores

Los Angeles
Ad spending: $126.6 million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	243	253	(4.0)
Sunday magazine	391	511	(23.5)
Newspaper	55,334	73,782	(25.0)
Outdoor	6	1	612.5
Spot TV	11,779	10,513	12.0
Spot radio	1,341	1,298	3.4
Measured media	69,093	86,356	(20.0)
Unmeasured	57,500	71,900	(20.0)
Total	126,593	158,256	(20.0)
By top brands	**1989**	**1988**	**% chg**
Broadway, department store apparel	16,730	17,575	(4.8)
Broadway, department store misc	16,108	16,542	(2.6)
Broadway, department stores	13,623	16,782	(18.8)
Emporium Capwell misc	5,934	12,568	(52.8)
Emporium household	5,673	0	NA
Broadway, department store drugs	3,089	2,688	14.9
Broadway, department store jewelry	1,978	2,026	(2.4)
Emporium Capwell	1,150	7,127	(83.9)
Weinstock's misc	1,020	941	8.4

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	2,787	2,617	6.5
Earnings	13	18	(23.7)

Notes: Fiscal year ended July 29, 1990.

Annual review

Carter Hawley Hale Stores, which draws about three-fourths of its sales in California, learned the downside of operating in the fault-lined state when the October 1989 Bay area earthquake forced it to close 12 Emporium stores—a tenth of its outlets—in the beginning of the all-impo.'ant fourth quarter.

While 11 stores reopened within days, the company didn't repair and reopen its downtown Oakland, Calif., store till August 1990. When the earth moved, so did Carter Hawley's sales and profits. Earthquake expenses, coupled with aggressive discounting against a sluggish economy, resulted in a net loss and minimal sales gains for the first nine months of fiscal 1990.

Against that backdrop, Carter Hawley's measured ad spending dropped in calendar 1989 by 22% with spending at the 22-store northern California Emporium chain cut in half to $13.6 million, LNA/Arbitron estimates.

Estimated spending at Carter Hawley's 44-unit Broadway-Southern California, that region's largest department store chain, and 11-unit Broadway-Southwest chain elsewhere in the West fell 8.2% to $51.8 million.

Last year, 82% of Carter Hawley's measured spending went into newspapers, with spot TV capturing virtually the rest. In 1988, newspapers received 87% and spot TV, 12%.

In financial statements, Carter Hawley reported fiscal 1989 advertising media costs of $76.6 million, up 7% from $71.8 million in 1988. The fiscal year ended July 29, 1989, about three months before the earthquake disrupted Bay area business.

Carter Hawley runs 115 full-line department stores, all catering to middle- to upper-middle-income customers. Its four West Coast chains operate 89 stores, the fifth division, Thalhimers, maintains 26 stores in Virginia, the Carolinas and Tennessee.

All of the chains rank first or second in sales in their primary markets. Competitors include May Department Store Co.'s May Co. in southern California and Hecht's in Virginia; R.H. Macy & Co.'s Macy's in northern California and Dillard Department Stores' Dillard's elsewhere in the West.

While the stores carry similar merchandise and many of the same private label lines, each chain oversees its own advertising creative, media and production. Carter Hawley headquarters approves ad budgets.

Burdened by heavy debt, Carter Hawley has focused more on improving existing stores than adding new ones since undertaking a restructuring in 1987. From calendar 1988 to 1990, it has opened one store a year; next year, it plans four openings.

For the first nine months of fiscal 1990, Carter Hawley's sales increased 3% to $2.2 billion. Sales for stores open in both periods rose 2%.

Headquarters

Carter Hawley Hale Stores
444 S. Flower St.
Los Angeles, Calif. 90071
(213) 620-0150

Corporate personnel

Philip M. Hawley, chmn-ceo; Arthur G. Coons Jr., vp-mktg.

Division

The Broadway-Southern Calif.
Los Angeles

Marketing & in-house adv personnel

Josephine Lawley, sr vp-mktg & promo.

Division

The Broadway-Southwest
Phoenix, Ariz.

Marketing personnel

Barbara Bailey, sr vp-mktg & sales promo; Walter Knowles, div vp-adv dir.

Brands

The Broadway-Southwest

Ad agency: (In-house) Walter Knowles, div vp-adv dir.

Broadcast media placement

Ad agency: Sachs, Finley & Co., Los Angeles. Barbara Schwecke, acct super.

Division

Emporium
San Francisco

Marketing & in-house adv personnel

Marsha McLain, div vp-adv; Alice McNaughton, vp-sales promo; Marvanita Howard, div vp-creative dir.; Kim Hughes, mktg mgr.

Division

Thalhimers
Richmond, Va.

Marketing personnel

Betty Bauder, sr vp-sales promo; Charlotte Ford, div vp-adv dir.

Brands

Thalhimers

Ad agency: (In-house) Charlotte Ford, div vp-adv dir.

Broadcast adv

Ad agency: Finnegan & Agee, Richmond, Va. Tim Finnegan, chmn-mgmt super.

Division

Weinstocks
Sacramento, Calif.

Marketing & in-house adv personnel

Lisa Stanley, sr vp-sales promo; Monica Lang, div vp-adv dir.

RANK: 19

Chrysler Corp.

Highland Park, Mich.
Ad spending: $532.5 million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	131,425	104,923	25.2
Sunday magazine	8,475	2,461	244.4
Newspaper	12,550	12,080	3.9
Outdoor	1,192	971	22.7
Network TV	140,581	163,230	(13.9)
Spot TV	51,476	46,216	11.4
Syndicated TV	4,949	891	455.5
Cable TV networks	11,765	10,725	9.7
Network radio	13,326	11,213	18.8
Spot radio	40,254	19,412	107.4
Measured media	415,893	372,121	11.8
Unmeasured	116,600	104,300	11.8
Total	532,493	476,421	11.8
By top brands	**1989**	**1988**	**% chg**
Chrysler passenger cars	101,378	106,623	(4.9)
Dodge passenger cars	80,591	87,983	(8.4)
Dodge trucks & vans	59,514	55,321	7.6
Jeep trucks & vans	43,219	37,344	15.7
Plymouth passenger cars	40,074	19,728	103.1
Eagle passenger cars	30,917	22,262	38.9
Plymouth trucks & vans	8,683	11,527	(24.7)
Thrifty Rent-A-Car	3,882	3,048	27.4
Mopar parts & service	3,033	1,370	121.4

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	34,922	34,148	2.3
Earnings	359	1,050	(65.8)
U.S.	**1989**	**1988**	**% chg**
Sales	30,750	30,038	2.4
Earnings	279	1,249	(77.7)
Division sales	**1989**	**1988**	**% chg**
Car & truck	30,987	30,804	0.6
Financial svcs	4,079	3,485	17.0

Annual review

Chrysler Corp. restructured, sold Gulfstream Aerospace and set its sights on worldwide markets as it moved into 1990.

The company is seeking a venture with Fiat either to distribute its products or jointly develop and produce a sport utility vehicle or van for overseas markets after terminating a joint-production venture with Renault in Europe.

A minivan jointly produced by Chrysler with Steyr-Daimler-Puch in Graz, Austria, will hit European markets in 1991.

Marketing costs continue to escalate, driven by sales incentives that climbed to $1,200 per vehicle. Chrysler poured $2.1 billion into incentives last year and another $680 million into national and dealer advertising, according to Chairman Lee Iacocca.

Chrysler is shaving its overhead by $1.5 billion this year by closing two assembly plants and trimming 10%-15% of its salaried employees among widespread cutbacks.

Chrysler Corp. restructured Chrysler Motors Corp. from a holding into an

Top 25 spot TV advertisers

Rank	Advertiser	Spot TV spending 1989	Spot TV spending 1988	% chg	Total U.S. ad spending 1989	Total U.S. ad spending 1988	Spot TV as % of total 1989	Spot TV as % of total 1988
1	PepsiCo Inc.	$264.6	$258.0	2.6	$786.1	$710.9	33.7	36.3
2	Procter & Gamble Co.	222.0	222.3	(0.1)	1,779.3	1,655.8	12.5	13.4
3	Philip Morris Cos.	180.5	158.4	14.0	2,072.0	2,028.4	8.7	7.8
4	General Mills	150.3	145.9	3.0	471.0	447.8	31.9	32.6
5	McDonald's Corp.	141.3	128.1	10.3	774.4	728.1	18.2	17.6
6	Nissan Motor Co.	113.5	64.1	76.9	300.6	224.9	37.8	28.5
7	Anheuser-Busch Cos.	94.8	97.6	(2.9)	591.5	645.9	16.0	15.1
8	Toyota Motor Corp.	91.0	68.6	32.7	417.6	273.0	21.8	25.1
9	General Motors Corp.	90.9	115.3	(21.1)	1,363.8	1,290.6	6.7	8.9
10	Time Warner	86.7	80.3	7.9	567.5	505.6	15.3	15.9
11	Grand Metropolitan PLC	75.7	127.0	(40.4)	823.3	754.6	9.2	16.8
12	Hasbro Inc.	71.9	90.6	(20.7)	151.9	176.7	47.3	51.3
13	Coca-Cola Co.	68.1	56.1	21.3	385.3	376.7	17.7	14.9
14	Hyundai Group	67.6	73.3	(7.7)	212.8	204.8	31.8	35.8
15	Walt Disney Co.	66.8	63.0	6.2	338.7	304.5	19.7	20.7
16	Unilever NV	60.0	70.3	(14.6)	604.1	649.1	9.9	10.8
17	Sears, Roebuck & Co.	58.4	24.4	139.2	1,432.1	1,031.4	4.1	2.4
18	Ford Motor Co.	54.9	68.9	(20.3)	602.1	565.2	9.1	12.2
19	Nestle SA	53.4	68.1	(21.6)	608.4	552.8	8.8	12.3
20	Chrysler Corp.	51.5	46.2	11.4	532.5	476.4	9.7	9.7
21	Adolph Coors Co.	48.6	50.5	(3.8)	201.0	200.8	24.2	25.2
22	American Stores Co.	48.4	51.4	(5.8)	220.0	193.3	22.0	26.6
23	Dayton Hudson Corp.	44.20	27.2	62.5	314.2	240.6	14.1	11.3
24	Mazda Motor Corp.	44.17	21.1	109.7	196.3	146.9	22.5	14.3
25	American Express Co.	44.0	24.2	81.8	267.9	247.1	16.4	9.8

Note: Dollars are in millions. **Source:** LNA/Arbitron. See Page 2 for methodology and other source information.

AA chart: Kevin Brown

operating company, and reorganized marketing operations by consolidating all marketing under John Damoose, VP-marketing. General managers of Dodge Car & Truck, Chrysler-Plymouth and Jeep-Eagle report to him as do corporate dealer and multi-brand ad managers. In early September James P. Holden, former sales operations planning director, became the new Chrysler-Plymouth general manager, succeeding Michael V. Howe who resigned to head Young & Rubicam Detroit, which handles Ford's Lincoln-Mercury account.

Advantage: Chrysler" became the umbrella marketing theme tag for its brands. Corporate boardroom-themed ads kicked off advert sing, which shifted to product comparisons with Honda and a campaign on air bags. Future forays will include more product comparisons. Divisions also place the tag on their specific brand campaigns.

Chrysler's biggest marketing push in 1991 will back its restyled bread-and-butter minivans now facing increased competition from General Motors and imports.

It will place emphasis on the high-volume, low-priced segment of the market in 1991 with a pair of under-$8,000 Dodge Shadow/Plymouth Sundance/America models. They're billed as the lowest-priced, air bag-equipped sedans in the U.S.

Chrysler spent $68.8 million to push its Chrysler named cars in 1989, the biggest single expenditure of $11.1 million backing Chrysler LeBaron, down 28.8% from 1988. The company spent $90 million on the Chrysler line in 1988, some $31 million of that going to the New Yorker, a brand that pulled only $7.9 million in 1989. New Yorker Fifth Avenue was added to the line in 1989, attracting $7.1 million in new advertising.

The Dodge division spent $140 million on cars and trucks in 1989, down 3%, with the largest expenditure of $24.6 million backing the new K-car replacement Dodge Spirit.

The Eagle line grew 15.7% in media to $30.9 million as the Eagle Premier pulled $14.3 million, down 20%. Jeep Cherokee drew $22.3 million in media, up 24.6% to pace total Jeep spending of $43.5 million, up 16.3%.

The new Plymouth Acclaim attracted $19.5 million in media to pace Plymouth line spending that measured $48.8 million, up 56.4%.

Incentive advertising encouraged a shift in spending by all company brands away from network TV, still its biggest media segment, to the more immediate spot radio. Magazine advertising grew by $26 million, a function of new car intros — the Plymouth Acclaim ($6 million in magazines), Plymouth Laser ($5 million), Dodge Spirit ($9 million) and New Yorker Fifth Avenue ($7 million).

New entries on the high end, Chrysler Fifth Avenue and Chrysler Imperial, accounted for 32,623 car sales.

Chrysler's sales and market share dropped steadily during 1989 and 1990. Its U.S. retail car sales of 1,019,693, down 14.4%, accounted for 10.4% of the market compared to 11.3% in 1988. Its U.S. truck sales of 984,354, while down 3.2%, retained a 19.4% share.

Its car sales in 1990 have fallen 17% to 403,078 in the first six months, and truck sales have slipped 7.3% to 363,226. Declines are uniform across the board.

Chrysler-brand cars had a 2.07% market share the first half, down from 2.24% for the prior-year period. Dodge held a 3.6% share, off from 4.77%. Eagle, an 0.62% share compared to 0.74%, and Plymouth, a 2.71% share, down from 2.91%.

Chrysler's market share erosion has been broad-based. In segments where it had exclusivity, such as minivans, it is now challenged by domestic and import manufacturers.

Headquarters

Chrysler Corp.
P.O. Box 1919
Detroit, Mich. 48288-1919
(313) 956-5741

Marketing personnel

Bennett E. Bidwell, chmn; Laurel Cutler, vp-consumer affairs; Joseph E. Cappy, vp-intl operations; John B. Damoose, vp-mktg.; Arthur C. Liefber, vp-comms.; Martin L. Levine, gm-Dodge Car & Truck; James P. Holden, gm, Chrysler-Plymouth; Larry W. Baker, gm, Jeep-Eagle; Joseph Hickey, mgr-adv.; Thomas McAlear, mgr-dealer mktg.; Ralph Sarotte, dir, multi-brand mktg.

Brands

Dodge car & truck

Ad agency: BBDO, Southfield, Mich. William Kelly, pres-ceo; Michael Graham, sr vp-dir, strategic planning; John Hammond, sr vp-acct mgmt super, car & truck; Gene McCarthy, sr vp-exec media dir; Tom Neman, sr vp-dir, rsch; William Oswald, exec vp-sr mgmt rep, car & truck; A. David Jones, exec vp-sr mgmt rep, Dodge Dealer Assn.; Dave Harrelson, vp-operations mgr; Doug Rick, vp-prod info mgr; Raymond Schneider, vp-dir, finance & admin; Stanislaus Shibinsky, sr vp-exec creative dir; Gerald Hunnicutt, David Carnegie, vps-assoc creative dirs; Theodore Zahrfeld, vp-media dir, Dodge car; Joseph Caponigro, vp-media dir, Dodge truck; Patricia Pearson, vp-media dir, bdcst; Charles Seelhoff, vp-radio & TV prodn; Denise Robinson, vp-acct mgmt super, dealer assocs; Thomas Townsend, vp-assoc dir, rsch; Peter Swiecicki, vp-finance; Richard Williams, Gordon Berg, Brian Juergens, vps-assoc dirs, strategic planning; Dennis Goschka, vp-legal counsel; Marc Caroselli, vp-acct super, Dodge car; Tim Miller, vp-acct super, Dodge truck; Mike McClure, creative dir-dealer adv assn; Mike Suchara, acct exec-Dodge car; Lorrie Mikle, acct exec-Dodge truck; William Freed, Michelle White, acct supers-Dodge car

Corp adv, Chrysler-Plymouth

Ad agency: Bozell, Birmingham, Mich. Leo Arthur Kelmenson, chmn-exec committee; Charles D. Peebler Jr., ceo, N.Y.; David Bell, pres; Ron DeLuca, vice chmn; Calvin Mew, vp-dir, strategy & forward planning; Kim Gaynor, exec vp-gm; Bruce Andrews, sr vp-assoc gm; Alan Levenstein, exec vp-mktg.; Merton Simons, legal counsel; Kathleen Corrigan, dir-adv clearance, coordinator-legal adv clearance, N.Y.; Elton Kruger, sr vp-dir, planning; Phil Floyd, assoc media dir; Dave Bean, media super; Martin Jeakle, Steve Larson, media planners; Ken Duskin, exec vp-creative dir; Phil Reuschle, sr vp-dir, forward planning, Detroit; Brian Palmer, sr vp-mgmt super, Plymouth; Bob Lytle, vp-acct super, corp; Chuck Russo, vp-acct super, Chrysler; Bill Shea, sr vp-mgmt super, Chrysler; Ted Stacy, vp-acct super, Plymouth; Jim Fisher, acct exec-corp; John Gianakis, sr acct exec-Plymouth; Lynn Vernon, sr vp-mgmt super, Chrysler; Nancy Sparrer, sr acct exec-Chrysler; Jerry Stabbing, acct exec-dealer assistance; Rita Terterian, assoc acct exec-Chrysler.

Jeep-Eagle

Ad agency: Campbell-Mithun-Esty, Southfield, Mich. David C. Welch, ceo-Detroit, chmn-CME Corp.; Mike Vogel, pres-coo; Mike Belitsos, chmn-chief creative officer; Tom Bernardin, exec vp-mgmt dir, Jeep & Eagle; David Eick, exec vp-mgmt dir, multi prods/new business; David Van Peursem, exec vp-strategic planning; Randall Schroeder, exec vp-mgmt dir, media; Warren Kruger, exec vp-internal svcs; Brian Rivers, exec vp-Canada; Tom Deska, sr vp-mgmt super, Jeep & Eagle; Mark Liska, sr vp-mgmt super, Jeep Intl.; Hap Smith, sr vp-mgmt super, dealer operations; Tom Luke, sr vp-dir, consumer perspectives; Gary Topolewski, Steve Goldsworthy, sr vps-assoc creative dirs; John Keenan, sr vp-creative dir, collateral; Frank Blaney, sr vp-prodn & traffic; Kevin Brown, sr vp-assoc media dir; Marianne Coleman, sr vp-finance dir; Walter Dunne, vp-mgmt super; Frank Brugos, Colette Bukowicz, vps, co-creative dirs-dealer; Teri Brown, vp-dir, bdcst business affairs; Linda Lukens, vp-business mgr & traffic super; Charles Glass, Mike Monley, Kent Woodman, vps-creative supers; Craig Mungons, vp-sr producer; Mike Wang, Michelle Robisch, vps-assoc media dirs; Eileen Wunderlich, vp-dir, pr; Jeff Clear, vp-dir, human resources; Tom Finch, vp-dir, field operations.

Minority adv

Ad agency: Lockhart & Petus, New York. Keith Lockhart, pres.

Corp merch, sales promo & training, Chrysler Credit Corp., Chrysler Fleet Operations, Chrysler Service & Parts Operation

Ad agency: Ross Roy, Bloomfield Hills, Mich. Glen W. Fortinberry, pres-chmn-ceo; Richard C. Ward, exec vp-gm; Joseph M. McNeil, exec vp-exec creative dir; James V. Vehko, sr vp-mgmt super, Alfa Romeo; Judith Toundas, sr vp-mgr, mktg support grp; Michael P. Webster, sr vp-mgmt super, Dodge, Chrysler-Plymouth, Jeep-Eagle & dealer mktg; Donald C. Schreich, sr vp-mgmt super, Chrysler Credit, Service & Parts, Fleet & Lease; Rex B. Smith, sr vp-mgmt super, Chrysler Intl, training & corp progs; William Winn, gm-RR Productions; Michael L. Labiak, sr vp-dir, creative sevs; Richard Yocum, vp-grp creative dir; Albert H. Acker, sr vp-creative dir; David G. Garfield, sr vp-dir, rsch; Rick G. Betker, William S. Rowe, John L. Sych, Abby Blay, vps-grp acct supers; Donald F. Baldwin, Arnold D. Burke, Julia Francke, Thomas W. Kemper, Michael A. Pinckes, Bob Pniewski, vps-acct supers; Albert J. Hanna, Larry E. McMurtry, vps-grp creative dirs; Roberta Beaudet, vp-exec producer; Charles F. Gegenheimer, vp-dir, consumer promos; George Abdullah, William J. Abele, Rollin E. Gish, Clark L. Reid, vps-RR Productions.

RANK: 81

Circuit City Stores

Richmond, Va.
Ad spending: **$131.2** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Sunday magazine	9	20	(54.1)
Newspaper	37,599	29,632	26.9
Spot TV	41,072	30,942	32.7
Cable TV networks	0	7	NA
Spot radio	50	3	NA
Measured media	78,730	60,603	29.9
Unmeasured	52,500	40,400	30.0
Total	131,230	101,003	29.9
By top brands	**1989**	**1988**	**% chg**
Circuit City stereo stores	78,635	60,600	29.8

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	2,097	1,721	21.8
Earnings	78	69	12.4

Notes: Fiscal year ended Feb. 28, 1990

Annual review

Circuit City electronics chain, which took to the airwaves with its first major TV campaign last year, outperformed the industry in sales growth in 1989, although that isn't saying much. Its sales were up only 2% for comparable stores.

The past three years the once high-flying consumer electronics retail industry has trudged along at an average growth rate of 1%. Growth is now tied to replacement sales, multiple home installations and products with low household penetration. The industry is suffering from a dearth of "hot" new products.

Growth at Circuit City has been tied to store expansion as new stores in fiscal year 1990 gave the chain its overall sales growth of 22%.

Competition has become more intense not only from such consumer electronics outlets as Highland Superstores, Fretters, Silo, Best Buys and The Good Guys, but from department store offshoots, Sears, Roebuck & Co.'s Brand Central and Montgomery Ward's Electric Avenue. Most concentrate on price/item promos.

In a move to differentiate itself from its competitors, Circuit City in 1989 appointed its first outside agency, J. Walter Thompson USA, New York, to handle broadcast advertising. A JWT campaign bearing the theme, "Welcome to Circuit City where service is state of the art," was introduced last year in 40 spot markets during the holiday season—a period that accounts for 33% of annual sales and more than 40% of operating income. The account is valued at $25 million.

Circuit City's print advertising remains in-house. ROP advertising accounts for about 40% of Circuit City's media expenditures, and spot TV most of the rest, according to LNA/Arbitron. A popular ad vehicle is the 8-to-10-page circular, largely vendor paid.

Advertising during the year, which may include spot TV and radio, stresses low pricing. Prices are set by local store operators. Circuit City is militant about pricing. On items purchased at Circuit City, the company guarantees to pay customers 110% of the difference between the price paid at Circuit City and a competitor's price if lower.

The only store concepts under expansion are Circuit City Superstores: units 25,000 sq. ft. or larger that carry household appliances in addition to the standard fare of TVs, VCRs and audio equipment. Appliances account for 19% of company sales. Construction on 25 new superstores is in various stages of completion. There currently are 125.

Expansion is only in the Southeast, mid-Atlantic and California/Nevada/Arizona regions—the current coverage limitation of Circuit City warehouses.

Four Impulse stores are in test in shopping malls. They carry small consumer products.

Headquarters

Circuit City Stores
9950 Mayland Dr.
Richmond, Va. 23233-1464
(804) 527-4000

Corporate personnel

Greg Jones, asst-vp, dir-corp adv.

Brands

Circuit City Stores

Ad agency: J. Walter Thompson USA, New York. Mitchell Brooks, acct dir; Laura Cheshire, acct super.

RANK: 73

Citicorp

New York
Ad spending: **$146.3** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	19,143	13,371	43.2
Sunday magazine	0	158	NA
Newspaper	18,559	10,144	83.0
Outdoor	81	65	23.7
Network TV	20,427	26,459	(22.8)
Spot TV	30,303	29,861	1.5
Syndicated TV	100	137	(27.2)
Cable TV networks	2,156	1,780	21.1
Spot radio	13,129	2,590	406.8
Measured media	103,897	84,565	22.9
Unmeasured	42,400	34,500	22.9
Total	146,297	119,065	22.9
By top brands	**1989**	**1988**	**% chg**
Citicorp	33,894	35,041	(3.3)
Citibank credit card svcs.	33,103	29,072	13.9
Citibank	14,542	13,146	10.6
Citicorp savings	5,021	2,948	70.3
Diners Club credit card	1,772	488	263.3
Ambac insurance	1,481	872	69.7

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	13,752	13,018	5.6
Earnings	498	1,858	(73.2)
U.S.	**1989**	**1988**	**% chg**
Sales	8,747	7,946	10.1
Income before taxes	1,531	1,471	4.1
Division sales	**1989**	**1988**	**% chg**
Interest revenue	31,576	26,939	17.2
Fees, commissions	6,394	5,413	18.1

Annual review

Citibank, the emerging corporate title replacing Citicorp, is flying high as the nation's top credit card issuer, but watch out.

Aggressive nonbank companies with strong marketing skills and customer bases are jumping in, just at the time the market is becoming saturated. The result is a free-for-all which will make consumers happy, but will weaken profits for issuers.

In March, AT&T launched its Universal Card with no annual fee and a long-distance discount offer. Within six months, AT&T racked up 2.7 million cards outstanding. That's just a drop in the bucket compared with Citibank which leads the pack in the number of accounts with 22 million, followed by Chase Manhattan Bank with 8 million, First Chicago with 6.5 million and Bank of America with 6 million.

In terms of outstanding debt, Citibank is first with $28.8 billion, up 25% or $7 billion from the previous year. Far behind in second and third place are Chase Manhattan with $9.3 billion and Bank of America with $6.5 billion.

"For an operation the size of Citibank, it's remarkable it doesn't appear to be slowing down in growth," said Kurt Peters, editor of "Credit Card News," adding with a note of caution: "AT&T is not affecting the biggest issuers...yet."

Other new competitors include Prudential Insurance Co., a flurry of nonbanking companies and even the Japanese.

The credit card business is one bright spot in Citibank's portfolio. Citibank has been struggling with bad real estate and Third World loans, posting earnings of $498 million, down 73% from the previous year. Experts estimate Citibank's credit card business, meanwhile, was up to about $600 million in aftertax profits last year.

Citibank is attempting to firm up its image by presenting a consistent message to those whom Mary Ann Eger, VP-director, corporate advertising, calls "stakeholders"—customers, prospective customers, shareholders, government, media, suppliers and employers. "Image in the global marketplace drops down to the bottom line very quickly," said Ms. Eger. "Corporate advertising is increasingly becoming a more critical element in the effective delivery of a variety of messages to our many constituencies. And it is often doing a more efficient job than any of the other corporate communications alternatives," she said.

Part of that image is the name. Citibank since May has been switching from Citicorp to Citibank "because a bank is a more tangible entity," noted Ms. Eger. Previously, only the New York retail bank used the Citibank name.

Its marketing campaign, themed "Not just Visa, Citibank Visa," is centered on service, particularly in quick response to telephone bill inquiries. The company shifted its media for its image campaign in 1989, which drew $31 million, down 6%. Network TV got $20 million, down 23.1%, as magazine spending rose 60% to $8 million.

Headquarters

Citicorp
399 Park Ave.
New York, N.Y. 10043
(212) 559-1000

Marketing personnel

Robert Previdi, vp-dir, corp comms; Mary Ann Eger, vp-dir, corp adv; Steve Galasso, vp-dir, bank card comms; Jean Fitzgerald, vp-dir, adv-Citibank natl mktg.

Brands

Diners Club Card U.S., Citibank Natl Mktg Div, Carte Blanche Card, Citicorp traveler's checks

Ad agency: Foote, Cone & Belding Commu-

cations, Chicago. Joan Black, sr vp-grp
ct dir; Liz Slattery, vp-mgmt dir, Citi-
nk natl mktg div; James Cerasani, sr
-grp acct dir, Diners Club; Diane Pe-
rson, mg dir-Diners Club
ers Club, Citibank Personal Banking, North
l Exchange, Bankcard cross-sell
agency FCB/LKP Integrated Commu-
cations Group, New York. Jon Adams,
es-intl acct dir; Michael Hoynes, exec
-grp mgmt dir; Tom Carroll, Roberta
einstein, vps-mgmt dirs; Mary Conway,
l Rundle, Marlene Asher, acct dirs
ibank Better Bank Card, Citicorp POS
agency Lowe & Partners, New York
n O'Donnell, Tim Little, mgmt supers;
ark Payne, acct super; Fernando
puelas, Mary Harris, acct execs
icorp Corp Campaign, Citibank NY, Citibank
ter Bank Card direct mail
agency N W Ayer, New York. David
antman, exec vp-mg dir, corp & Citi-
nk acct svcs; Peter Hochman, sr vp-
ec acct dir; Stephanie Patrucco, Geof-
y Sands, acct supers; Linda Bonfield,
ct coord-corp Citibank; Alan Reisberg,
gmt super. Rich Donohoe, vp acct
Bank, Foreign Exchange adv
agency Siegel & Gale, New York.
orge Clark, sr vp-mgmt super
corp Select Investments
agency Masterson Rothberg Advertis-
, New York. Joan Rothberg, chmn ceo;
gy Masterson, pres; Christopher Bar-
, Richard Marvin, acct dirs

RANK: 63

Clorox Co.

Oakland, Calif.
Ad spending: **$179.9** million

U.S. ad spending ($ in thousands)

media	1989	1988	% chg
gazine	19,120	11,280	69.5
day magazine	2,008	1,292	54.8
spaper	343	1,196	(71.3)
ach	379	23	NA
work TV	55,731	58,537	(4.8)
TV	31,799	26,636	19.4
ized TV	11,447	9,638	18.8
e TV networks	10,619	10,979	(3.3)
work radio	0	3,195	NA
radio	2,495	998	149.8
easured media	133,939	123,141	8.8
measured	66,300	42,300	8.7
tal	179,939	165,441	8.8
g brands	**1989**	**1988**	**% chg**
s laundry products	38,364	39,054	(2.5)
den Valley Ranch			
essings	21,456	14,648	46.5
Scrub cleanser	10,578	11,083	(4.6)
ford charcoal	9,548	7,649	24.8
d Plumr drain			
oner	5,584	4,892	14.0
ral cat litter	5,544	797	NA
na cleaner	5,542	5,298	4.5
mula 409 cleaner	4,714	4,672	0.9
a Water filtration			
ystem	4,805	164	NA
Masterpiece			
rbeque sauce	3,991	6,529	(38.9)

Sales & earnings ($ in millions)

rldwide	1990	1989	% chg
es	1,484	1,356	9.4
nings	154	124	23.7

Notes: Fiscal year ended June 1990

Annual review

Clorox Co is getting more aggressive in
king on acquisitions, new line exten-
ns and new categories, but one key
oduct, Clorox laundry detergent, still
sn't prove whether it ranks among suds
duds.

Even before it completed the whopping
65 million purchase in August 1990 of
ne-Sol and Combat from American
anamid Co, Clorox put its stamp on
brands by assigning them to agencies
eady on its roster.

Young & Rubicam, San Francisco,
cked up the $6 million Pine-Sol media
count and DDB Needham Worldwide,
icago, the $5 million Combat media
count, both from Carrafiello, Diehl &
sociates, Irvington, N.Y.

Pine-Sol, the dominant pine cleaner
th a leading 10% share of the $1.1
llion household-cleaning products cat-
ory, is a powerful complement to
orox's cleaning products line.

Combat represents a new product area
r Clorox. With an 11% share of the $450
llion household insecticide market,
mbat is a distant second to S.C. John-
n & Son's Raid (45%).

In new products, Clorox introduced
mon-scented liquid bleach in early
89, boosting its healthy mainstay busi-
ss. Media spending for Clorox liquid
each grew 18% to $15.1 million, spend-
g on Clorox II all-fabric bleach
opped 32.5% to $15.6 million.

In March 1990, Clorox went national
th Take Heart, a cholesterol-free, low-
t extension of its Hidden Valley Ranch
lad dressings. By skipping the test
arket stage, Clorox, the No. 2 dressing
marketer at a 20% share, got a jump on
the national rollout of Kraft Free, a fat-
free line from Kraft USA, the dressing
leader with about a 41% share.

Clorox supported its dressings with
measured spending of $21.6 million in
1989, up 33.3%, and double the 1987
level.

Clorox leveraged its top-selling char-
coal name in 1989 by entering Kingsford
Pro barbecue grill into test market. At
$199, the grill's price is out of the norm
for a marketer of small package goods.

Clorox hasn't extended distribution
since expanding the detergent to 45% of
the nation in May 1989. Amidst stepped-
up spending from leaders Procter &
Gamble Co. and Lever Bros., Clorox has
invested heavily in promotions and ad-
vertising to achieve an estimated average
4% share in test markets.

Measured spending on the detergent in
1989 totaled $7.6 million, nearly double
the 1988 level when fewer markets were
in test. The company has given little in-
dication on its long-term commitment to
the category, although it seems to be
pulling out all the stops, including reas-
signing the detergent to lead agency
Foote, Cone & Belding, San Francisco,
from DDB Needham, Chicago, in January
1990.

Clorox in March also took its first ten-
tative step into health and beauty aids
with test marketing of Satine, a translu-
cent beauty soap.

Clorox in September 1989 sold its
Olympic stain and Lucite paint business
to PPG Industries, refocusing its atten-
tion on the grocery business.

In April 1990, Christian Leaders for
Responsible Television, an advocacy
group, called off a boycott launched in
July 1989. The group had objected to
some of the shows Clorox advertised on.
While the boycott prompted Clorox to
revise its procedure for reviewing TV
shows, Clorox did not tighten its broad-
cast sponsorship standards.

Robert A. Bolinghroke, a 28-year vet-
eran, was promoted in July 1990 to presi-
dent-cos, succeeding John W. Collins,
who retired in 1989. Mr. Bolinghroke, 52,
is in line to succeed Chairman-CEO
Charles R. Weaver, 61.

Headquarters

Clorox Co.
1221 Broadway
Oakland
Calif. 94612
(415) 271-7000

Corporate personnel

C.R. Weaver, chmn, ceo; Robert Boling-
broke, pres-coo; Will Lynn, Craig Sulli-
van, grp vps.

Marketing personnel

Don Murray, vp-household prods; Jack
Robertson, adv mgr-household prods;
A.W. Biehl, vp-Kingsford prods; Janet
Brady, adv mgr-Kingsford prods; Robert
Klaus, genl mgr-food svc prods; K.S.
Kosiman, dir mktg, food svc prods; Peter
Louras, vp-intl; R.H. Bolte, dir-media
svcs; David L. Goodman, vp-public af-
fairs & mktg svcs.

Brands

Clorox bleach, Clorox 2, Liquid Clorox 2, Clorox Detergent, Clorox Pre-Wash, Clorox Clean-Up, Formula 409, Tackle, Tilex, Saline, new prods

Ad agency: Foote, Cone & Belding, San
Francisco. Kit Mill, grp mgmt super.

Hidden Valley Ranch, Take Heart, Pine-Sol, Fresh Step, Litter Green, K.C. Masterpiece, Brita Water Filter System, new products

Ad agency: Young & Rubicam, San Fran-
cisco. Craig Branigan, genl mgr.

Liquid-Plumr, Soft Scrub, Combat, Kingsford charcoal, Kingsford lighter fluid, Kingsford Pro Grill, BBQ Bag, Match light

Ad agency: DDB Needham Worldwide,
Chicago. Colby Kerr, vp-grp acct dir.

Hidden Valley Ranch-food svc, Domani Italian food products-foodservice

Ad agency: Anderson/Rothstein, San Fran-
cisco. Kim Rothstein, exec vp.

Institutional foodservice

Ad agency: Scott Advertising, Milwaukee.
Charles E. Reynolds, pres.

RANK: 28

Coca-Cola Co.

Atlanta
Ad spending: **$385.3** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	18,153	4,082	344.7
Sunday magazine	701	461	52.2
Newspaper	4,502	5,250	(14.3)
Outdoor	2,255	2,538	(11.2)
Network TV	98,838	119,091	(17.0)
Spot TV	68,104	56,123	21.3
Syndicated TV	18,372	18,952	(3.1)
Cable TV networks	4,027	4,589	(12.3)
Network radio	607	409	48.2
Spot radio	13,874	12,770	8.6
Measured media	229,432	224,265	2.3
Unmeasured	155,900	152,400	2.3
Total	385,332	376,665	2.3

By top brands	1989	1988	% chg
Coca-Cola soft drink	77,407	84,456	(8.3)
Diet Coke soft drink	59,183	56,658	4.5
Minute Maid juices	30,835	19,246	60.2
Sprite beverages	22,515	22,370	0.6
Minute Maid soft drink	10,463	9,361	11.8
Hi-C drinks	5,326	2,918	82.5
Bacardi mixers	4,493	3,401	32.1
Diet Sprite soft drink	2,166	7,437	(70.9)
Mello Yello soft drink	1,873	894	109.5

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	8,966	8,338	7.5
Earnings	1,724	1,045	65.0
U.S.	**1989**	**1988**	**% chg**
Sales	4,022	3,684	9.2
Operating income	468	434	7.9
Division sales	**1989**	**1988**	**% chg**
Soft drinks, domestic	2,566	2,284	12.3
Soft drinks, intl	4,759	4,504	5.7
Foods	1,583	1,512	4.7

Annual review

The anticipated increase in marketing
activity at Coca-Cola Co. failed to mate-
rialize with Ira Herbert's ascendancy to
president of Coca-Cola USA, but that
didn't hamper the company from broad-
ening the market share gap separating it
from archrival Pepsi-Cola USA.

Coca-Cola staked out 41.1% of the U.S.
soft drink market, an increase of six-
tenths of a point, while stealing away the
high-profile Burger King and Wendy's
fountain accounts. Pepsi-Cola stayed
within 10 points, climbing four-tenths of
a point to 31.1%.

The performances of Coca-Cola soft
drink lines, which stretched their world-
wide market share to 45% because of a
25% increase in international soft drink
sales, were supported with $140 million
in media, down 17%. Soft drinks claimed
68% of the company's media dollars in
1989, down from 78%. Most of the soft
drink decline came from reduced spend-
ing in network TV.

Coca-Cola maintained its high market
visibility with a $100 million summertime
MagiCan and MagicCup promotion
backed by singing group New Kids on the
Block. The giveaway promotion,
launched to counter Pepsi's Cool-Can
giveaway, at first was well received. The
Coke program involved a technologically
innovative can from which a rolled bill in
denominations up to $100 popped out
when the tab was pulled. Coke filled the
randomly distributed cans with a non-
corrosive, non-drinkable solution that
had a foul taste and smell (it was not sup-
posed to be drunk). The promotion was
scuttled after Coke fell under consider-
able public pressure.

Coca-Cola revisited its "I'd like to
teach the world to sing" campaign fea-
turing a blending of the old and new.
While Pepsi jumped off the celebrity en-
dorsement bandwagon, Coca-Cola allied
itself with basketball phenom Michael
Jordan and hockey great Wayne Gretsky
for Coca-Cola Classic, a pop star combo
featuring Paula Abdul and Elton John for
Diet Coke and comedian Arsenio Hall for
Sprite.

Corporate profits grew by 65%. Earn-
ings received a boost when Coca-Cola
unloaded its 49% stake in Columbia Pic-
tures Entertainment for $1.55 billion and
liquidated its ownership of Belmont
Spring Water Co. for $61 million.

The streamlining move was applauded
by analysts, many of whom also believe
the company would be more strongly fo-
cused without Minute Maid. The com-
pany is pouring $130 million into a two-
year marketing campaign for Minute
Maid orange juice tied to the 1992 Olym-
pics. Minute Maid holds a 23.6% leading
market share to Tropicana's 21% in the
$3 billion orange juice market.

Coca-Cola spent $46.6 million in media
advertising on non-carbonated drinks in
1989, up 25%. Most of that advertising—
$41.3 million, up 21%—backed Minute
Maid orange juice lines. The remainder
supported Hi-C.

Coke Classic retained its position as
the top selling U.S. brand with a 20%
market share despite losing a tenth of a
point from 1988, according to John C.
Maxwell Jr., analyst with Wheat, First
Securities. That drop was relative com-
pared to No. 2 Pepsi, which lost four-
tenths of a point to claim 18.3%. Coke
Classic was supported with $70.4 million
in media advertising, up 7.7%.

The diet segment produced the winners
in 1989. Diet soft drinks now claim 27.7%
of the total market, a share that took off
several years ago with the advent of Nu-
traSweet. Diet Coke climbed six-tenths
of a point to 8.7% share of the overall
market, good for third, as it drew $55.3
million in media spending, up 3.8%. Diet
Pepsi remained No. 4 at 5.7%.

Caffeine-Free Diet Coke, No. 9 in the
overall market, gained four-tenths of a
point to 2.4%, while Caffeine-Free Diet
Pepsi held down No. 10 at 1.5%, accord-
ing to Mr. Maxwell. The latter two prod-
ucts have been responsible for triggering
the mercurial rise of caffeine-free soft
drinks. Caffeine-free entries grew by 16%
in sales in 1989, to account for 5.2% of
total industry volume.

The non-cola sector was the only area
of disappointment for Coca-Cola with
Sprite maintaining its 3.6% market share
from 1988, while Pepsi's Mountain Dew
spurted to within one-tenth of a point at
3.5%. Sprite media advertising dropped
2.7% to $21.7 million.

Can a company get burned twice? The
critics are watching as Coca-Cola test
markets Coke II, an alias for the ill-fated
New Coke. New Coke, a slightly sweeter
product, was envisioned to replace the
original Coke recipe in a move that has
become synonymous with Ford's Edsel
it-seemed-like-a-good-idea-at-the-time
syndrome.

Headquarters

Coca-Cola Co.
P.O. Drawer 1734
Atlanta, Ga. 30301
(404) 676-2121

Division

Coca-Cola USA

Corporate personnel

M. Douglas Ivester, sr vp, Coca-Cola Co.-
pres, Coca-Cola USA.

Marketing personnel

Michael A. Beindorff, vp-mktg planning;
Donald B. Lenehan, dir-sugar cola
brands; Daniel H. Sayre, mgr-diet Coke;
Virginia R. Rockwell, grp brand mgr-cit-
rus brand; Christopher J. Gagen, dir-
media; Charles E. Morrison, vp-black &
Hispanic programs.

Division

Coca-Cola Foods

Corporate personnel

H.E. Teasley Jr., vp, Coca-Cola Co.; pres-
ceo, foods business sector.

Marketing personnel

Pierre U. Ferrari, sr vp-mktg & planning,
foods business sector; Richard M. Helmey,
sr vp-foodservice; Mallory J. Campbell, vp-
trade mktg; George G. Woody, vp-mktg.

Brands

Black adv: Coca-Cola USA

Ad agency: Burrell Advertising, Chicago.
Tom Burrell, pres; Sara Burrough, sr vp-
gm; Neva Richardson, vp-acct super.

Hispanic adv: Coca-Cola USA

Ad agency: Castor Advertising, New York.
Castor Fernandez, pres; Carlos Delgado,
media dir; Roberto Manano, creative dir.

Sprite, diet Sprite, Mr. Pibb, Fanta domestic, Minute Maid orange soda, Fresca, Mello Yello

Ad agency: Lowe & Partners, New York.
Andy Langer, ceo; Richard Villante, pres;
Eric Einhorn, exec vp; John Most, sr vp-
mgmt super.

Coca-Cola Classic, caffeine-free Coca-Cola, Fanta Intl, Cherry Coke, Diet Cherry Coke

Ad agency: McCann-Erickson, New York.
John Donner, pres; Gunnar Wilmont, sr
vp-grp dir; Bill Grogan, vp-acct super;
Silvia McCarthy, acct super-Cherry
Coke; Phil Shaw, acct super.

Diet Coke, caffeine-free Diet Coke

Ad agency: Lintas New York. Stone Ro-
berts, exec vp-chmn strategic review
board; Phil Crossland, exec vp; Becky
Broers, vp-mgmt super; John Roberts,
acct super; Robert Painter, acct exec.

RANK: 43

Colgate-Palmolive Co.

New York
Ad spending: **$246.3** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	9,177	12,603	(27.2)
Sunday magazine	143	501	(71.5)
Newspaper	1,411	2,031	(30.5)
Outdoor	2,458	1,344	82.9
Network TV	39,198	63,896	(38.7)
Spot TV	13,881	20,375	(31.9)
Syndicated TV	6,476	5,665	14.3
Cable TV networks	1,863	858	117.1
Network radio	0	286	NA
Spot radio	1,562	1,223	27.7
Measured media	76,169	108,783	(30.0)
Unmeasured	170,100	242,900	(30.0)
Total	246,269	351,683	(30.0)

By top brands	1989	1988	% chg
Colgate toothpaste & toothbrushes	35,557	40,827	(12.9)
Palmolive detergents	11,339	14,065	(19.4)
Fab laundry detergents	8,113	16,702	(51.4)
Irish Spring soap	6,608	7,845	(15.8)
Hills Science pet foods	4,774	3,721	28.3
Viadent toothpaste	3,371	3,928	(14.2)
Ajax cleaners	2,701	5,021	(46.2)
Softsoap	1,358	1,485	(8.5)
Palmolive soap	1,240	55	NA
Fresh Feliners litter box liners	1,086	0	NA

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	5,039	4,734	6.4
Earnings	280	318	(11.9)

Top 25 syndicated TV advertisers

Rank	Advertiser	Syndicated TV spending 1989	Syndicated TV spending 1988	% chg	Total U.S. ad spending 1989	Total U.S. ad spending 1988	Syndicated TV as % of total 1989	Syndicated TV as % of total 1988
1	Philip Morris Cos.	$106.8	$88.6	20.6	$2,072.0	$2,028.4	5.2	4.4
2	Procter & Gamble Co.	90.4	65.7	37.6	1,779.3	1,655.8	5.1	4.0
3	Kellogg Co.	50.7	23.4	116.8	611.6	550.1	8.3	4.2
4	Unilever NV	38.9	27.3	42.5	604.1	649.1	6.4	4.2
5	Bristol-Myers Squibb Co.	34.3	32.6	4.9	451.6	424.2	7.6	7.7
6	Nestle SA	33.3	25.5	30.6	608.4	552.8	5.5	4.6
7	H.J. Heinz Co.	27.2	18.8	44.5	342.3	336.8	7.9	5.6
8	Grand Metropolitan PLC	25.4	18.8	35.2	823.3	754.6	3.1	2.5
9	Warner-Lambert Co.	24.7	19.6	26.5	585.9	605.6	4.2	3.2
10	Mars Inc.	22.3	23.8	(6.3)	293.3	334.5	7.6	7.1
11	Tonka Corp.	21.8	0.0	NA	NA	NA	NA	NA
12	General Motors Corp.	20.7	6.1	241.5	1,363.8	1,290.6	1.5	0.5
13	SmithKline Beecham PLC	20.0	17.9	12.1	203.2	258.8	9.8	6.9
14	Johnson & Johnson	19.1	13.3	44.0	487.1	473.3	3.9	2.8
15	Coca-Cola Co.	18.4	19.0	(3.1)	385.3	376.7	4.8	5.0
16	Quaker Oats Co.	17.5	18.4	(4.8)	357.8	409.5	4.9	4.5
17	McDonald's Corp.	17.4	12.5	39.1	774.4	728.1	2.2	1.7
18	Hasbro Inc.	17.2	21.2	(19.0)	151.9	176.7	11.3	12.0
19	United Biscuits (Holdings)	17.1	0.0	NA	NA	NA	NA	NA
20	S.C. Johnson & Sons	14.3	3.6	299.0	160.1	109.5	8.9	3.3
21	Hershey Foods Corp.	13.9	13.2	5.7	288.2	294.6	4.8	4.5
22	Eastman Kodak Co.	13.7	16.9	(19.2)	718.8	732.2	1.9	2.3
23	RJR Nabisco	13.5	15.0	(10.1)	703.5	740.9	1.9	2.0
24	Ralston Purina Co.	13.4	10.5	28.0	429.5	412.7	3.1	2.5
25	Time Warner	13.2	4.2	213.2	567.5	505.6	2.3	0.8

Note: Dollars are in millions. **Source:** LNA/Arbitron. See Page 2 for methodology and other source information.

AA chart: Kevin Brown

U.S.	1989	1988	% chg
Sales	1,828	1,687	8.3
Operating profit	180	68	165.0
Division sales	**1989**	**1988**	**% chg**
Household, personal care	4,413	4,253	3.8
Specialty marketing	625	482	29.8

■ Annual review:

Colgate-Palmolive's strategy for its U.S. business is to drive new-product growth with funds generated by brand lines. This has led the company to hold the line on costs, including clipping advertising and promotional support for sluggish brands.

The company scrapped its centralized ad functions directed by Clay Timon, vp-director worldwide advertising, who left this month. C-P says he left because of "deep philosophical differences." Global ad implementation remains in the hands of operating executives. Mr. Timon was responsible for consolidating most of Colgate's accounts with Young & Rubicam and FCB/Leber Katz Partners.

During 1989, an overall 30% cut in U.S. media spending led to substantial market-share losses within core categories, said Jay Freedman, analyst at Kidder Peabody & Co., New York.

Colgate also is sacrificing shelf facings—and perhaps incremental bargaining power at the retail level—to accomplish its goal of enhanced profitability, he noted. Shelf space does not go begging as retailers constantly search for products to replace slow-moving ones, the latter often resulting from reduced advertising. A higher slotting allowance may be required to keep a slower-moving product on the shelf.

Media slashing largely affected Fab 1 Shot detergent, said Michael Hoye, exec VP-marketing and sales effectiveness at Colgate. Support was pulled from the product after it failed to meet share expectations, he said.

But while $9 million indeed was clipped from Fab 1 Shot (from $16.8 million in '88), an additional $21 million in cuts were spread among other Colgate lines, according to LNA/Arbitron.

Colgate sliced $16.3 million in all from its detergent lines—$3 million from Ajax cleaning products, $4.3 million from Dynamo—leaving it with no measured spending in 1989, in addition to Fab 1 Shot cuts.

Ajax, Dynamo, Fab and Fresh Start brands now hold an 8.4% share of the $3.8 billion U.S. laundry detergent category, compared with 11% last fall. P&G claims 53.5%, up from 51.0%.

Colgate's share of the light-duty dishwashing liquid category remained stable, with Ajax, Palmolive, Crystal White Octagon and Dermassage combining for a 27% share, up slightly from 26.7%. Palmolive dishwashing liquid, supported with $7.7 million in media, a 3.6% decline from 1988, was reintroduced in 1989 with a richer formula. A refill pack for Palmolive is in test.

Media spending on Palmolive automatic dishwasher liquid plunged 43%, producing a time-release effect on market share. The product gained half a share point to 12% in the $500 million category in 1989 but by summer 1990 had eroded to 9.5%. P&G's Cascade leads with a 55% share.

Spending slipped 4.4% on Colgate toothpaste brands as a whole. The company exited the year with a 29.5% share of the $1.05 billion U.S. toothpaste category, off from 33% in 1988. Viadent, acquired from Vipont Pharmaceutical in 1989, holds a 1.2% share. Colgate brand holds 42% of the $2.6 billion worldwide market.

The company in mid-1990 broke a $30 million "Colgate Smiles" umbrella campaign, replacing "Wisdom Tooth" ads featuring actor Pat Morita. The umbrella campaign will be supplemented with ads for individual brands.

A new Colgate Plus toothbrush for sensitive gums was introduced in the U.S., and "Smile-O-Saurs" characters were added to the Colgate Junior toothbrush line. Colgate in mid-1990 began distributing Colgate Gum Protection Formula, an anti-plaque toothpaste, in six countries. The product awaits FDA approval.

In food stores, Colgate is volume share leader in the toothbrush category, according to syndicated scanner data.

Colgate cut media spending 65% for mouthrinse to $5.5 million. The brand currently holds a 1.7% share of the $550 million U.S. mouthwash category, down from 5% last year.

Media outlays dropped 7% on bar and liquid soaps in 1989 as Colgate claimed 9.5% (same as in fall 1988) of the $1.35 billion U.S. liquid and bar soap market with its Palmolive and Irish Spring bar soap and Softsoap liquid soap. Softsoap accounted for 3.5 of the percentage points. Spending behind Softsoap declined 19.9% to $1.4 million.

Softsoap Enterprises in mid-1990 introduced nationally a line of effervescent aromatic bath tablets in three fragrances under the Village Bath name. Nelson Henry, Minneapolis, handles on a project basis. The tablets seemed to blunt a move by Andrew Jergens Co. to introduce Actibath tablets.

Sales of Hill's small animal dietary products grew 41% to $500 million in 1989, with Hill's benefiting from two well-established lines—Prescription Diet, dispensed by veterinarians, and Science Diet, sold by authorized pet shops, pet professionals and veterinary hospitals.

Colgate strenghtened its Hill's Pet Products by acquiring the veterinary distribution business of McKesson Corp. in 1989.

■ Headquarters

Colgate-Palmolive Co.
300 Park Avenue
New York, N.Y. 10022
(212) 310-2000

■ Corporate personnel

Reuben Mark, chmn-pres-ceo; William S. Shanahan, sr exec vp-coo; Roderick L. Turner, sr exec vp-chief of operations & specialty mktg; Robert M. Agate, exec vp-cfo; Silas M. Ford, exec vp-exec offices; William G. Cooling, exec vp-chief tech officer; Douglas M. Reid, sr vp-human resources; Katharine R. Tarbox, vp-investor relations.

■ Marketing personnel

Household and Personal Care: Brian F. Bergin, pres-Colgate, Europe; Lois D. Juliber, pres-Colgate, Far East & Canada; David A. Metzler, pres-Colgate, Latin America; Michael S. Roskothen, exec vp-commercial operations, Colgate-Europe; Edgar J. Field, grp vp-intl business devel; Craig B. Tate, vp-grp head, global business devel; Thomas G. Davies, vp-fabric care, global business devel; Javier Garcia Teruel, vp-body care, global business devel; Kathleen Thornhill, vp-oral care, global business devel; Douglas R. Wright, vp-household surface care, global business devel. Colgate US: Edward T. Fogarty, pres; Michael L. Hoye, exec vp-mktg & sales effectiveness; Robert E. Blanchard, vp-gm, home care div; Donald R. Kitchen, vp-gm, fabric care; Jane Parker, gm-body care div; Douglas L. Meyer, vp-gm, oral care div; Christian A. Nast, vp-sales; Grace Richardson, vp-consumer affairs; Larry Wilhelm, pres-SoftSoap Enterprises; Cyrill R. Siewert, pres, Colgate-Hoyt; Greg Andrews, gm, African-American mktg; Herney Nisimblatt, gm-Hispanic mktg.

■ Brands

Palmolive dishwashing liquid, Palmolive Automatic liquid for dishwashers, Dynamo detergent, Fab detergents, Ajax multi-surface cleaner, Ajax cleanser, Ajax laundry detergents, Ajax dishwashing liquid, Fresh Start detergent, Axion powder, Palmolive soap, Ultra Brite toothpaste

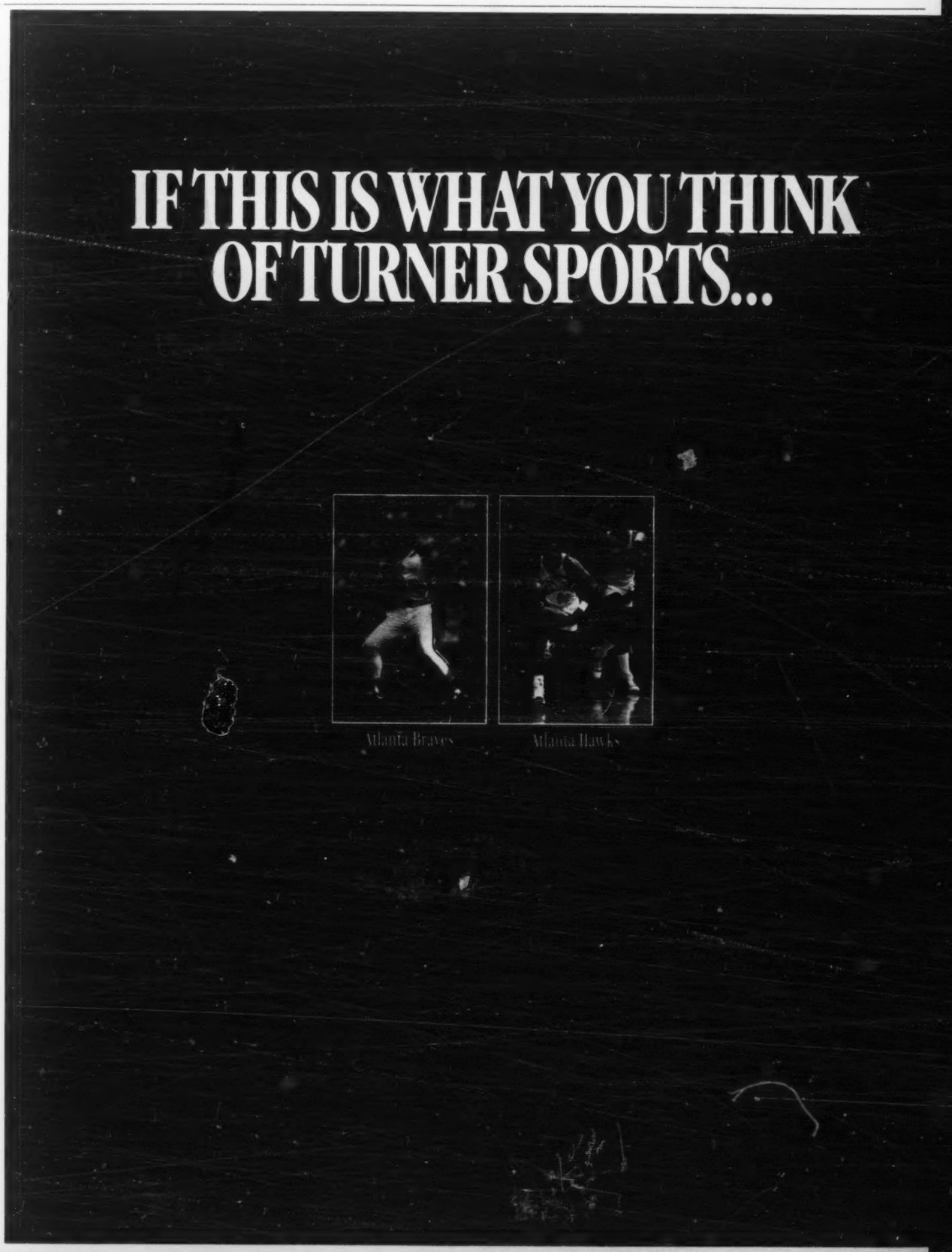
Ad agency: FCB/Leber Katz Partners, New York. William McDonough, sr vp-worldwide acct dir; Colleen Gowl, exec vp-grp mgmt dir, US; Patti Albanese, vp-acct dir.

Hispanic (all brands)

Ad agency: Siboney Advertising, New York. Luis Nasr, gm; Susan Baird, acct super.

Colgate dental cream, Colgate Tartar Control toothpaste and mouthwash, Colgate Jr. toothpaste, Colgate Gum Protection toothpaste, Irish Spring soap, Colgate toothbrushes, Fluorigard mouthwash, Colgate shave prep

Ad agency: Young & Rubicam, New York. Gerard Dufour, sr vp-worldwide acct dir;



Avi Dan, sr vp-mgmt super, US; Adrienne Darling, Claudia Eisen, David Sable, vps-acct supers.

Subsidiary
Hill's Pet Products
Topeka, Kan.

Marketing personnel
Robert C. Wheeler, pres-ceo; Stephen J. Fogarty, exec vp-mktg & sales; David J. Geier, vp-mktg comms; Richard F. Hawkins, vp-intl; J. Richard Woodall, vp-sales; James Humphrey, vp-vet mktg; Dr. Larry Hawk, grp mktg mgr; Ted R. Freese, dir-pet mktg.

Brands
Prescription Diet
Ad agency: Harmon Smith Advertising, Kansas City, Mo. Scott Johnson, vp-client svcs, Prescription Diet.
Science Diet
Ad agency: Y&R/Wunderman Worldwide, Detroit, Mich. Chuck Riley, exec vp-dir client svcs; Mark Zucco, mgmt super.

Subsidiary
Institutional Financing Services
Benicia, Calif.

Marketing personnel
E. Peter Raisbeck, pres-ceo; Jim Cascino, exec vp-sales & mktg; Michael Takagawa, vp-mktg.

Subsidiary
Princess House Inc.
North Dighton, Miss.

Marketing personnel
Stephen K. Zrike, pres-ceo; Patrick E. Tahaney, sr vp-global sales & mktg; William O. Porteous, vp-field sales devel; Elizabeth A. Bowes, vp-incentive mktg.

Brands
Princess House lead crystal-home party plan
Ad agency: Creamer, Dickson, Basford, Providence, R.I. Peg Holda, acct exec.

Subsidiary
Colgate-Palmolive Institutional Products
Tenafly, N.J.

Marketing personnel
Kenneth E. Snyder, pres-ceo; Bernard J. Rafferty, vp-sales; Al Chadourne, mktg mgr-soap & dishwashing prods; Gary Clarke, mktg mgr-cleansers, all purpose cleaners & new prods; Edward R. Gagliardi, dir mktg.

RANK: 51

ConAgra

Omaha

Ad spending: $211.3 million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	15,104	6,878	119.6
Sunday magazine	457	772	(40.8)
Newspaper	1,284	4,992	(74.3)
Outdoor	86	133	(35.2)
Network TV	35,141	34,598	1.6
Spot TV	25,608	27,669	(7.4)
Syndicated TV	6,750	5,630	19.9
Cable TV networks	3,452	2,325	48.5
Network radio	622	1,494	(58.3)
Spot radio	6,193	11,410	(45.7)
Measured media	94,698	95,900	(1.3)
Unmeasured	116,600	118,100	(1.3)
Total	211,298	214,000	(1.3)

By top brands	1989	1988	% chg
Orville Redenbacher snacks	14,531	15,601	(6.9)
Hunts dinners	10,885	2,070	425.8
Hunts sauces	10,622	12,647	(16.0)
Healthy Choice frozen meals	10,226	0	NA
Peter Pan peanut butter	9,216	9,288	(0.8)

By top brands	1989	1988	% chg
Swift meats	8,138	8,539	(4.7)
Hunts condiments	4,723	1,955	141.5
Wesson oils	2,996	7,400	(59.5)
Eckrich meats	2,539	2,689	(5.6)
Swift Premium Brown sandwich	2,461	1,238	98.8

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	19,763	15,406	28.3
Earnings	244	203	20.1

Division sales	1990	1989	% chg
NSI (Beatrice)	1,985	1,913	3.8
Swift-Eckrich (Beatrice)	1,328	1,306	1.7
Beatrice-U.S. Food	953	853	11.7
Beatrice	(4)	(6)	NA
Agri-products	2,330	2,243	3.9
Trading & processing	1,959	1,869	4.8
Prepared foods	11,032	7,085	55.7
Finance companies	160	144	25.2

Notes: Financial figures are pro forma for BCI Holdings and ConAgra as if the merger were completed at the start of their fiscal year 1989. BCI's current fiscal year ended Feb. 28, 1990, and ConAgra's May 27, 1990.

Annual review

Food giant ConAgra has significantly increased its profile in supermarkets and with consumers with two key steps: the introduction of Healthy Choice frozen foods and acquisition of Beatrice Co.

The acquisition of Beatrice this August made ConAgra the second largest U.S. food company, behind Kraft General Foods. Together, ConAgra's $15.5 billion and Beatrice's $4.3 billion in sales nearly totaled $20 billion last year. ConAgra paid $1.34 billion in cash and stock for Beatrice, and assumed $1 billion in debt from previous owner Kohlberg, Kravis, Roberts & Co.

ConAgra's far-flung divisions, ranging from frozen foods and agri-products to pet products and direct-marketed beef, are relatively new to big-budget consumer advertising; the $12 million budget that supported the Healthy Choice rollout represented most of ConAgra's $15 million in measured-media spending last year.

But adding Beatrice's three divisions—Beatrice/Hunt-Wesson, Swift-Eckrich and Beatrice Cheese—means adding businesses that rely on media exposure, which last year totaled $74 million, according to LNA/Arbitron.

Most of Beatrice's brands—which include Butterball turkeys, County Line cheese, Eckrich hot dogs and lunchmeats, Hunt's tomato products, Orville Redenbacher's popcorn, Wesson oils—seem in relatively good shape despite a roller coaster ride through three different owners and a leveraged buyout in the past four years.

Among the stellar performers are Orville Redenbacher's, which has a leading 41% of the $500 million popcorn market, and Wesson oil, with 24.1% of the $1 billion cooking oil market. More troublesome are some of the Swift and Eckrich meat lines, with relatively small market shares, and newer products like Hunt's spaghetti sauce and barbecue sauce, and Minute Gourmet dinner mixes.

In addition to maintaining No. 2 market shares in the U.S. beef (25%), pork (13%) and poultry (10%) markets, ConAgra increased its presence in value-added foods with Beatrice. Although its agri-products and commodities divisions are large, ConAgra takes in 71.2% of its sales and 63.5% of its profit from prepared foods; the percentage of sales should increase to more than 75% with Beatrice officially added to the corporate ledger.

ConAgra's method of market growth has largely been through acquisition. Just as Beatrice gave it instant market share in the dry grocery section of supermarkets, a series of acquisitions in the 1980s made it the largest marketer of prepared frozen foods.

Last year was a turning point for ConAgra Frozen Foods, which was ranked No. 2 in the $3.2 billion entree market in 1989 with a 14.26% share behind Nestle's Stouffer lines with 24.35% and ahead of Kraft General Foods' 11.60%, Heinz Weight Watchers' 10.5%, Tyson's 6.49% and Campbell's 2%. It moved away from simply building its acquired product lines—Banquet, Morton, Patio, Chun King and Armour—to developing its own brands. The landmark brand was Healthy Choice, a line of frozen dinners low in calories, cholesterol, fat and sodium, that reached national distribution in the fall of 1989. Even without full distribution for the whole year, Healthy Choice became a nearly $200 million brand in ConAgra's fiscal 1990, ended May 28. Following the dinners' success, ConAgra introduced a line of Healthy Choice entrees late last year, and plans to look for other opportunities to expand the Healthy Choice name.

ConAgra bolstered its leading Banquet brand name earlier this year with the national rollout of Kid Cuisine, frozen dinners for 3-to-9-year-olds. It also broadened the distribution of Zap microwaveable snacks—pizza, sandwiches and french fries—into more midwestern markets.

THINK AGAIN.

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TBS

TNT
TURNER NETWORK TELEVISION

Reflecting the trend toward fresh branded meats, ConAgra's poultry division last year hired DDB Needham, Chicago, to produce a $10 million TV and print campaign for its Country Pride chicken line. Ads are tagged, "It's hard to be humble when you're serving Country Pride." The company tested products to add value to the Country Pride name, including ground chicken and marinated chicken parts.

In April, Armour Food Co. resuscitated its 20-year-old jingle, "What kind of kids eat Armour hot dogs?" in a TV, radio and print campaign from Bernstein-Rein, Kansas City, Mo., named Armour's agency of record last year. Armour also introduced a lower-fat, lower-salt hot dog last year.

ConAgra Pet Products, maker of Geisler pet health products and accessories (using Snoopy as spokesdog), last year acquired the Sergeant's line of pet products from A.H. Robins Co. This summer, ConAgra broke a spot TV, print and promotional campaign timed for flea and tick season, central to the promotion was an 18-minute video featuring explanations of and tips on avoiding Lyme disease. Campbell-Mithun-Esty, Minneapolis, handled creative on a project basis.

As a sign of its growing seriousness in marketing value-added prepared foods, ConAgra hired James Tindall as president-coo of its prepared foods division. Mr. Tindall, formerly senior VP-general manager of Quaker Oats Co.'s North American Foods division, also is heading up the ConAgra division's frozen foods unit for the present.

■ Headquarters
ConAgra Inc.
One ConAgra Drive
Omaha, Neb. 68102
(402) 595-4000

■ Corporate personnel
Charles M. Harper, chmn-ceo; Philip B. Fletcher, pres-coo; L. James Kennedy, vp-corp dir, mktg.

■ Division
ConAgra Prepared Foods Co.
Omaha, Neb.

■ Marketing personnel
James R. Tindall, pres-coo, ConAgra Prepared Foods Cos.; Thomas Studer, sr vp-mktg & sales, ConAgra Frozen Foods; John White, vp-mkt, Armour Food Co.; Dan Davis, sr vp-sales & mktg, Singleton Seafood Co.; Steve Susnjar, vp-retail sales, Singleton Seafood Co.; Jack Perkins, vp-sales & mktg, Country Skillet Catfish Co.; Topper Pardoe, dir-mktg, Home Brands Co.; John Schranck, prod mgr-branded prods, Home Brands Co.; Gary Baumstark, bid business mgr, Home Brands Co.; Jeanette Hall, dir-mktg, ConAgra Deli Co.; Rich Porter, vp-sales & mktg, Lamb-Weston Inc.; Tony Moseley, dir-mktg, Lamb-Weston Inc.

■ Brands
Armour meats
Ad agency: Bernstein-Rein, Kansas City, Mo. Mike Schreiber, vp-mgmt super.
Healthy Choice, new products
Ad agency: Campbell-Mithun-Esty, Minneapolis. Madeline Betsch, exec vp-dir, acct svcs; Roxann Goertz, vp-mgmt super.
Armour Classics Lites, Armour Dinner Classics, Armour Dining Lite, Banquet brands, Chun King frozen foods, Kid Cuisine, Home Brands, Patio, Zap
Ad agency: D'Arcy Masius Benton & Bowles, St. Louis. Richard Spatz, sr vp-dir, acct mgmt; Steve Kempf, vp-mgmt super; Michele Fite, acct super.
Singleton Seafood
Ad agency: Fahlgren Martin Benito, Tampa, Fla. Duke Miller, exec vp-client svcs.
Lamb-Weston
Ad agency: The Food Group, Westlake Village, Calif. Steve Schiedermayer, gm.
Country Skillet
Ad agency: John Malmo Advertising, Memphis, Tenn. Buddy Boswell, acct exec.

■ Division
ConAgra Direct Marketing Cos.
Omaha, Neb.

■ Corporate personnel
Patrick Stewart, pres.

■ Marketing personnel
Roger Waters, vp-mktg, ConAgra Pet Products Co.; Sue Kristy, business mgr, ConAgra Consumer Direct.

■ Brands
Pet products
Ad agency: Smith, Kaplan, Allen & Reynolds, Omaha, Neb. Ronald Kaplan, sr exec vp-principal.

■ Division
ConAgra Broiler Co.
El Dorado, Ark.

■ Marketing personnel
Larry Hogrefe, vp-dir, mktg.

■ Brands
Country Pride chicken
Ad agency: DDB Needham Worldwide, Chicago. Wendy Wallis, vp-mgmt rep.

■ Division
Beatrice/Hunt-Wesson
Fullerton, Calif.

■ Marketing personnel
Albert J. Crosson, pres-ceo; Robert D'Ornellas, Michael D. Jeans, vps-consumer mktg; Edward A. Snell, vp-special markets & mktg svcs.

■ Brands
Hunt's All Natural barbecue sauce, Hunt's Snack Pack, LaChoy products, Peter Pan peanut butter, new products
Ad agency: Dailey & Associates, Los Angeles. Brian Morris, exec vp-dir, client svcs; Robert Berger, sr vp-mgmt super; Linda Krakowsky, vp-acct super; Beth Alexander, Erica Wallenbrock, acct execs.
Hunt's tomato paste, sauce and spaghetti sauce, Hunt's ketchup, Manwich, Orville Redenbacher popcorn, Rosarita Mexican foods, Wesson oils, new products
Ad agency: Ketchum Advertising, San Francisco. John Faville, sr vp-dir, acct svcs; Dennis Sones, vp-mgmt super; Suzan Briganti, Kristi Fordham, acct supers.

■ Division
Swift-Eckrich
Oak Brook, Ill.

■ Marketing personnel
Greg Ostrander, sr vp-consumer prods; Tim Harris, vp-gm, Eckrich; Don Andler, vp-business devel; Bill Heitz, vp-gm, Butterball; Randy Irion, dir-mktg svcs; Paul Reich, gm-breakfast meats; Patrick Riley, dir-mktg.

■ Brands
Butterball, Eckrich, Swift
Ad agency: Grey Advertising, New York. C. Jeffrey Stein, exec vp; Michael Gaertner, vp-grp mgmt super; Hugh Esposito, vp-mgmt super.

■ Division
Beatrice Cheese
Milwaukee

■ Marketing personnel
Robert H. Burns, pres; Jack Hallenbeck, sr vp-mktg sales.

■ Brands
County Line, Treasure Cave, Reddi Wip
Ad agency: no agency of record.

RANK: 94

Continental Airlines Holdings

Houston
Ad spending: **$119.6** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	2,396	2,335	2.6
Sunday magazine	2,613	477	447.9
Newspaper	72,209	82,197	(12.2)
Outdoor	1,072	1,437	(25.4)
Network TV	1,878	44	NA
Spot TV	11,002	11,288	(2.5)
Syndicated TV	24	0	NA
Cable TV networks	334	188	77.4
Spot radio	7,596	8,765	(13.3)
Measured media	99,123	106,732	(7.1)
Unmeasured	20,500	22,100	(7.2)
Total	119,623	128,832	(7.1)
By top brands	**1989**	**1988**	**% chg**
Continental Airlines	47,760	49,252	(3.0)
Eastern Airlines	43,764	48,150	(9.1)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	6,685	8,573	(22.0)
Earnings	(886)	(719)	NA
Division sales	**1989**	**1988**	**% chg**
Passenger	5,705	7,584	(24.8)
Cargo, mail, other	980	989	(0.9)

■ Annual review
The holding company for Continental and Eastern Airlines is entering a new era after a year of major changes in ownership, top management and ad agencies.

Even the name, Texas Air Corp., has been changed to Continental Airlines Holdings to reflect a new focus on primary business units.

Most significantly, Chairman-CEO Frank Lorenzo in August said he would sell most of his investment in Continental Holdings to Scandinavian Airlines System, already a 9.9% owner. The sale, awaiting government approval, means that Mr. Lorenzo will step down from chairman of the holding company and the Continental unit.

Mr. Lorenzo was expected in many quarters to be replaced by SAS President-CEO Jan Carlzon as chairman of the holding company. Instead, Carl Pohlad, a Continental director, banker and owner of the Minnesota Twins baseball team, was given the reins this month. Hollis L. Harris also was named chairman of the Continental Airlines unit. He was president-coo at Delta Air Lines.

Eastern Airlines has been under federal bankruptcy protection since March 1989. The court took operating control from Mr. Lorenzo and the parent company (then Texas Air) this April. Continental Airlines Holdings remains Eastern's largest shareholder.

The bankruptcy judge appointed Martin Shugrue as Eastern trustee with the mission of turning around the troubled airline, whether through existing or downscaled operations.

Philip J. Bakes Jr., Eastern president-CEO, left the company almost immediately after Mr. Shugrue's appointment. Mr. Shugrue dismissed agency of record Lintas:New York and hired Ogilvy & Mather, New York, for the $45 million account.

Under Mr. Shugrue's guidance, the agency and airline marketing staff put together a "100 Days" TV campaign to position the carrier as one with new leadership. The campaign message allowed former frequent fliers to criticize Eastern in TV spots, demonstrating the company's new openness and strategy to make change happen.

A fall campaign will center on a new business-class program involving a doubling of first-class seats. The goal is to offer executives first-class service at fares below those of competitors.

Continental Airlines in late January dismissed agency of record N W Ayer, Houston and New York. After a review, it named Wells, Rich, Greene, New York, to handle the $40 million-to-$50 million account.

Shortly after the review, James O'Donnell, senior VP-marketing and Continental marketing veteran, was abruptly fired. His position has not been filled but John Nelson, exec VP-marketing, has assumed advertising and marketing responsibilities.

Continental continues its strategy to upgrade its image among business travelers. A new corporate image program is in the works.

The once high-flying Texas Air Corp. held nearly a 20% share of total revenue passenger miles in 1987. The machinists strike that crippled Eastern reduced the carrier's presence while Continental's share has dropped somewhat.

Now the combined shares of the two carriers is 12.8%. Continental overall ranks No. 5 while Eastern is No. 9, based on PaineWebber figures for revenue passenger miles.

For the first seven months of 1990, Continental held an 8.7% share, down from 9.3% for the same period in 1989. Eastern grew to 4.1% from 2.3% in 1989 when the strike did the most damage.

The two airlines, which virtually split the $99.1 million in media advertising for the holding company in 1989, concentrated more than 80% of their ad dollars on newspapers and the rest on spot TV and spot radio. Network TV advertising has never been a big factor in spending by either airline.

■ Headquarters
Continental Airlines Holdings
333 Clay St., Suite 4040
Houston, Texas 77002
(713) 658-9588

■ Corporate personnel
Carl Pohlad, chmn; John Adams, James W. Arpey, Charles Goolsbee, sr vps.

■ Division
Continental Airlines
Houston

■ Corporate personnel
Hollis Harris, chmn; Mickey Foret, pres; Lewis H. Jordan, exec vp-system gm.

■ Marketing personnel
John Nelson, exec vp-mktg; Tim Brier, vp-pricing revenue mgmt; Tim Griffin, vp-mkt mgmt; Bob Lepisto, staff vp-passenger sales; Earl Quenzel, staff vp-mktg programs; Richard Metzner, sr dir-mktg svcs.

■ Brands
Continental Airlines
Ad agency: Wells, Rich, Greene, New York. Jim Lawrence, exec vp-grp dir; Gary Verrill, sr vp-mgmt super; Leslie Farrand, Teri Steele, vps-acct supers.
Ad agency: Wells, Rich, Greene, Houston: David Fraser, acct super; Ken Allen, acct exec.

■ Division
Eastern Airlines
Miami

■ Corporate personnel
Martin Shugrue, trustee.

■ Marketing personnel
George Brennan, sr vp-mktg; Richard Blake, vp-mktg planning & svcs; Michael Henderson, staff vp-adv & mktg comms.

■ Brands
Eastern Airlines
Ad agency: Ogilvy & Mather, New York. Bill Hamilton, exec vp-creative dir; Bill Gray, Gerry Lantz, sr vps-grp dirs; Tony Nieves, vp-acct dir; Rob Rosenberg, acct mgr; Yvonne Rivera, acct coord.

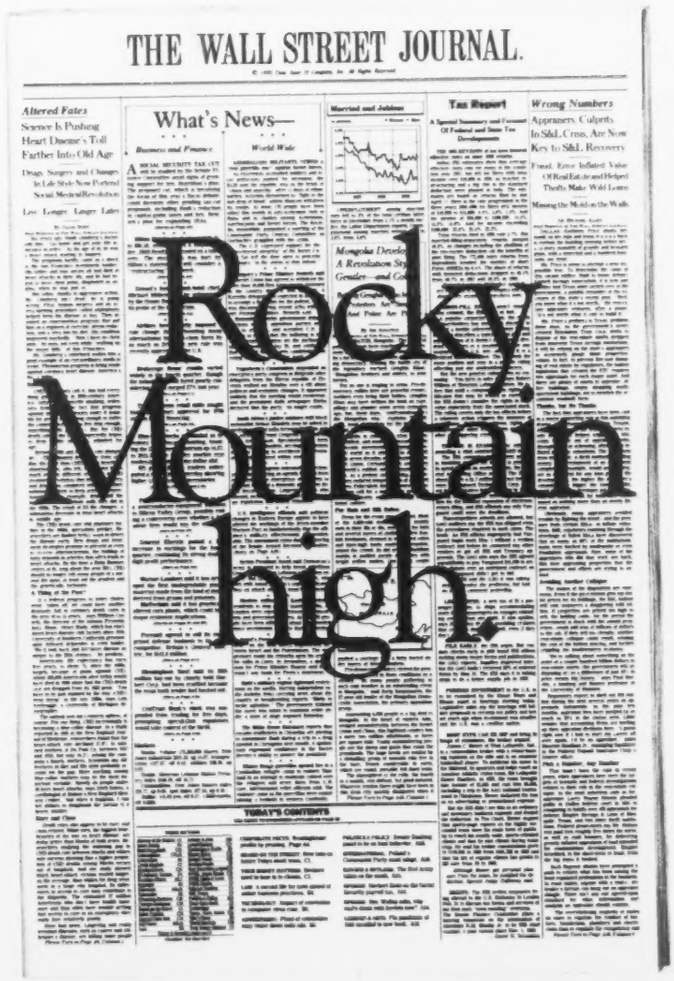
RANK: 55

Adolph Coors Co.

Golden, Colo.
Ad spending: **$201.0** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	2,828	3,019	(6.3)
Sunday magazine	324	277	16.9
Newspaper	1,429	1,496	(4.5)
Outdoor	3,778	2,867	30.4
Network TV	42,893	43,728	(1.9)
Spot TV	48,621	50,533	(3.8)
Syndicated TV	10,957	4,796	128.5
Cable TV networks	3,512	4,327	(18.8)
Spot radio	12,288	15,442	(20.4)
Measured media	126,631	126,514	0.1
Unmeasured	74,400	74,300	0.1
Total	201,031	200,814	0.1



The Rocky Mountain advertising region of The Wall Street Journal delivers subscribers with an average household income of $115,300. 73% with HHI $50,000 or more. 84% in top or middle management positions. At rates competitive with the Denver Post or the Rocky Mountain News. For details, call your Journal representative.

Source: WSJ 1988 Worldwide Subscriber Study.
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Top 25 cable TV network advertisers

Rank	Advertiser	Cable TV network spending 1989	1988	% chg	Total U.S. ad spending 1989	1988	Cable TV network as % of total 1989	1988
1	Procter & Gamble Co.	$39.3	$31.5	24.5	$1,779.3	$1,655.8	2.2	1.9
2	Time Warner	35.5	24.4	45.4	567.5	505.6	6.3	4.8
3	Anheuser-Busch Cos.	26.3	21.7	21.3	591.5	645.9	4.4	3.4
4	General Mills	21.3	20.0	6.5	471.0	447.8	4.5	4.5
5	General Motors Corp.	21.0	9.2	128.7	1,363.8	1,290.6	1.5	0.7
6	Philip Morris Cos.	20.5	23.1	(11.2)	2,072.0	2,028.4	1.0	1.1
7	RJR Nabisco	19.1	13.9	37.4	703.5	740.9	2.7	1.9
8	Mars Inc.	14.0	10.0	39.9	293.3	334.5	4.8	3.0
9	Sears, Roebuck & Co.	13.3	4.7	186.9	1,432.1	1,031.4	0.9	0.5
10	Chrysler Corp.	11.8	10.7	9.7	532.5	476.4	2.2	2.3
11	American Home Products Corp.	11.1	8.5	30.4	456.1	461.1	2.4	1.8
12	Eastman Kodak Co.	10.6	11.4	(6.5)	718.8	732.2	1.5	1.6
13	Clorox Co.	10.6	11.0	(3.3)	179.9	165.4	5.9	6.6
14	Bristol-Myers Squibb Co.	9.9	7.1	38.9	451.6	424.2	2.2	1.7
15	PepsiCo Inc.	9.7	4.7	106.9	786.1	710.9	1.2	0.7
16	Levi Strauss & Co.	9.5	7.1	34.3	123.1	122.9	7.7	5.7
17	Gillette Co.	9.2	8.2	11.7	185.1	158.1	5.0	5.2
18	Wm. Wrigley Jr. Co.	8.0	7.1	13.7	124.3	134.1	6.5	5.3
19	Dow Chemical Co.	7.6	5.8	31.9	160.2	150.1	4.7	3.8
20	Unilever NV	7.4	9.1	(17.8)	604.1	649.1	1.2	1.4
21	Ford Motor Co.	7.3	6.3	15.7	602.1	565.2	1.2	1.1
22	McDonald's Corp.	7.2	1.8	303.2	774.4	728.1	0.9	0.2
23	Johnson & Johnson	7.13	4.9	45.7	487.1	473.3	1.5	1.0
24	U.S. Government	7.07	2.4	200.2	309.5	294.3	2.3	0.8
25	AT&T Co.	6.6	7.8	(15.6)	567.7	547.1	1.2	1.4

Note: Dollars are in millions. **Source:** LNA/Arbitron. See Page 2 for methodology and other source information. **AA chart:** Kevin Brown

By top brands	1989	1988	% chg
Coors beer	105,167	108,810	(3.3)
Keystone beer	7,338	0	NA
Adolph Coors	1,581	1,190	32.8

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	1,764	1,522	15.9
Earnings	13	47	(72.0)
Division sales	**1989**	**1988**	**% chg**
Beer business	1,366	1,272	7.4
Ceramics business	167	152	9.7
Other	240	154	56.3

Annual review

Adolph Coors Co. outpaced the stagnant beer industry in 1989 as its shipments rose 7% to 17.7 million barrels, volume growth spurred by double-digit movement from Coors Light (up 18% last year to 10.5 million barrels), and unexpectedly strong sales from Keystone and Keystone Light—its first entries in the popular-price category.

Coors early this year shot past Stroh Brewery Co. as the nation's third largest brewer. Analysts predict shipment growth of 10%-12% in 1990.

Measured media advertising rose a modest 2.9% mostly from its new $7.3 million expenditure backing Keystone brands, which captured an unexpected 3% market share.

Barrelage gains left Coors short of brewing capacity. It solved the dilemma by buying Stroh Brewery Co.'s Memphis brewery. An effort to buy all of Stroh's was nixed by the U.S. Justice Department.

Coors Light passed Bud Light to become the nation's third best-seller among light beers, but it dropped from eighth to ninth among all brands. Its continued deterioration (down 19.7% to 5.1 million bbls.) in 1989 forced the company to switch from a national to a market-by-market approach and to a new campaign from GSD&M. In fact, Coors set up four regional marketing offices for all brands which directed their own local promotional and ad campaigns.

Once-hopeful Coors Extra Gold stagnated to the 2 million bbls. level as rival Miller Genuine Draft set growth records. Coors cut Extra Gold support from the normal $20 million-a-year level to just $2 million through midyear, tested advertising approaches and at mid-year finally moved the ad assignment from GSD&M to Foote, Cone & Belding, Chicago.

Coors quietly pulled the plug on Herman Joseph's and Herman Joseph's Light, its entries in the superpremium category, apparently to concentrate on Killian's Irish Red in the segment. It canned Turbo 100, its malt liquor, thereby dropping Tatham-Laird & Kudner, Chicago, as a Coors agency. Testing began on the Coors Rocky Mountain Spring Waters product.

Ironically, growth in shipments coupled with beer price wars hurt its bottom line, although more than half the 72% decline in earnings was due to writing down some non-brewing businesses. As of mid-year 1990, the company was reporting a 16% increase in revenues and a near tripling of profits.

Continuing efforts to expand from its brewing base into industrial ceramics and packaging materials influenced Coors adoption of a holding company format in 1989 with three semi-autonomous units—Coors Brewing Co. under Peter Coors; Coors Technology Co., under Jeff Coors, and Coors Ceramics Co., led by Joe Coors Jr.

Headquarters

Adolph Coors Co.
Golden, Colo. 80401
(303) 279-6565

Marketing personnel

Bob Rechholtz, exec vp-mktg; Robert Klugman, vp-brand mktg; Michael Marranzino, vp-devel & intl; Richard E. Franklin, vp-field mktg; Bob McBride, brand dir-Coors Light & Winterfest; Craig Guthrie, brand dir-Keystone & Keystone Light; Mark Stankovic, dir-intl mktg & Killian's; George Mansfield, brand devel mgr-Killian's; Steve Ritter, brand dir-Coors brand; Gary Skovsted, brand mgr-Coor Extra Gold; Mark Reiss, dir-media & field events; Bill Holbrook, dir-mktg svcs; Bob Joanis, dir-mtkg operations; John Meadows, dir-community relations; Anita Russell, dir-corp communications.

Brands

Coors Light, Coors Extra Gold, Keystone brands, Killian's Irish Red, Rocky Mountain Spring Waters

Ad agency: Foote, Cone & Belding Communications, Chicago. Dan Fox, exec vp-grp acct dir; Dave Solitt, mgmt dir; Tom Hollerbach, acct dir-Keystone; Diane Sprenger, acct dir-Coors Light; Bob Simon, vp-grp acct creative dir.

Coors brand, Hispanic mkts

Ad agency: GSD&M, Austin, Tex. Steve Gurasich, chmn-ceo; Chuck Grady, sr vp-acct dir, Hispanic; Steve Wille, sr vp-acct dir, Coors brand; Raoul Rodriguez, sr vp-Hispanic services; Tina Williamson, sr vp-assoc media dir, Hispanic; Gary Brahl, sr vp-exec creative dir; Tony Sandoval, vp-assoc creative dir, Hispanic.

Corp. community relations/women

Ad agency: Evans/Denver. Charles Bartholomew, chmn-acct super; Susan Davis, acct exec; Kelli McDonald, pres-media dir.

Marketing to blacks

Ad agency: Uniworld Group, New York. William Webster, vp-grp ad dir; Bernard Baskett, vp-acct super; Bruce Lewis, acct exec; Valerie Graves, sr vp-creative grp head; Aaron Bell, vp-assoc creative dir.

RANK: 65

CPC International

Englewood Cliffs, N.J.
Ad spending: **$166.2** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	11,387	9,478	20.1
Sunday magazine	179	163	10.1
Newspaper	39	168	(76.7)
Outdoor	57	237	(75.8)
Network TV	30,168	18,731	61.1
Spot TV	16,005	17,522	(8.7)
Cable TV networks	2,849	310	818.0
Spot radio	264	1,378	(80.9)
Measured media	60,947	47,987	27.0
Unmeasured	105,300	82,900	27.0
Total	166,247	130,887	27.0

By top brands	1989	1988	% chg
Hellmanns mayonnaise	19,435	12,530	55.1
Skippy peanut butter	13,083	5,403	142.1
Mazola margarines & oils	9,413	10,573	(11.0)
Thomas bakery products	8,452	5,667	49.2
Knorr mixes	3,408	4,005	(14.9)
Best Foods mayonnaise & dressings	1,429	1,030	38.8
Arnold bread	1,310	1,202	9.0

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	5,103	4,700	8.6
Earnings	328	289	13.5
U.S.	**1989**	**1988**	**% chg**
Sales	2,260	2,044	10.6
Operating income	294	244	20.5
Division sales	**1989**	**1988**	**% chg**
Consumer foods	4,049	3,815	6.1
Corn refining	1,054	886	19.0

Annual review

CPC International's brand franchises, which include Hellmann's mayonnaise, Mazola corn oil and Knorr soups, sauces and flavorings, continued to gain in market share as the company rolled out new products and acquired companies that parallel CPC's existing products.

Its core brands are being aggressively promoted and backed by an estimated $34 million (with $21 million for Hellmann's mayonnaise and $13 million for Skippy peanut butter) in consumer ad spending this year, according to Robert Gillespie, CPC's Best Foods division president.

Flagship brand Hellmann's benefited in what had been a declining category from its introduction of cholesterol-free and lighter versions of its mayonnaise product. The company sells mayonnaise under the Hellmann's label in the eastern U.S. and Best Foods logo in the West.

Backed by close to $19.5 million in media spending in 1989, up 40.3%, according to LNA/Arbitron, with $15 million promoting the lightened versions, Hellmann's (39.3% share) and Best's (15.6%) command nearly 54.9%, up from 50% last year, in the $693 million mayonnaise market in dollar volume, well ahead of Kraft General Foods at 24%, up from 23% last year. Private label brands held a collective 8.2% share.

This year the health-watcher segment is expected to account for 35% of total mayonnaise sales—although sales of lightened version of mayonnaise appear to be softening, according to Alan Miller, a consultant with Arbitron/SAMI who estimates the total mayonnaise market at $693 million retail.

Skippy peanut butter strategy continued to focus on augmenting uses of the product. Advertising, which totaled $13 million in 1989, up 130%, promoted "Skippy Dippin," the immersion of vegetables, fruits, pretzels, etc., in Skippy. A new 4-pound-size container was introduced to facilitate both dipping and consumption, and as a response to consumer interest in larger containers. The name was licensed for Skippy peanut bar ice cream to be manufactured by Hood Ice Cream Co. Pillsbury Co. uses Skippy in its cookie mix.

Jif peanut butter led the category as of mid-July, with a 29.7% share of the market, up 2.3 percentage points. Skippy followed closely at 24.2% based on sales of $229 million, up 5%. Category sales totaled just over $1 billion retail, according to Arbitron/SAMI.

BBDO Worldwide, New York, was awarded both the Skippy and Hellmann's/Best accounts, a total of $34 million, from Saatchi & Saatchi Advertising, New York. In April of this year, Saatchi & Saatchi resigned its $10 million Mazola corn oil account, its last in dwindling business at CPC. The Mazola products were picked up by Backer Spielvogel Bates, New York, which already had Thomas' English muffins.

Mazola corn oil placed third in the $590 million vegetable oil market, with a 17% share behind Procter & Gamble's Crisco and Puritan at 25%, and Beatrice Hunt-Wesson's Wesson brands at 23%. Mazola leads the corn oil segment of that category with a 60% share. The Mazola product line got $11.1 million in measured media, up 18%.

CPC pulled out of the American Heart Assn.'s Heartguide labeling program because of FDA's objections to overall program product claims. The corn oil marketer had been Heartguide's largest participant. Advertising continues to emphasize the health benefits of diet modification that includes the use of corn oil.

The umbrella concept in advertising and package graphics helped build a Mazola identity for brand-name spinoffs, margarine and cooking sprays.

CPC's most extensive product line, Knorr soups, sauces and flavorings, accounted for $1.1 billion of CPC's total sales in 1989, $800 million of which came from European markets and only $100 million from the U.S.

Its U.S. strategy with the line is building on its Old World image of family and fine dining, and also targeting Hispanic consumers, many of whom were exposed to the Knorr name in their native countries.

Thomas' English muffins, part of Best Foods Baking Group, enjoys market leadership in its category, bolstered by the introduction of an oat bran version at the end of last year. Advertising spending totaled $8.5 million in 1989, up 41.7%. Sahara Pita and Arnold Bakery Light breads address consumer preference for low-fat, high-fiber foods, a successful niche in today's market.

Mueller's is America's largest single brand of pasta. Targeting the kiddie sector, Mueller's unveiled "Super Shapes" this year, a dry pasta product in the shape of dinosaurs, outer space characters, jungle animals and monsters.

Headquarters

CPC International
International Plaza
Englewood Cliffs, N.J. 07632
(201) 894-4000

Division

Best Foods
Grocery Division
Englewood Cliffs, N.J.

Marketing personnel

Jan A. van Amerongen, vp-mktg svcs; Stanley M. Hakmiller, vp-sales; Joan S. Dargery, vp-new business devel; Malcolm Fletcher, vp-mktg; Sue B. Huffman, dir-consumer affairs; Aaron Straus, dir-information & mktg research; Robert T. Viscardi, media dir.

Division

CPC Food Service
Englewood Cliffs, N.J.

Marketing personnel

Robert J. Nemec, vp-mktg & sales; Mike Taylor, Donna Micali, prod mgrs.

Division

Knorr Special Products
Englewood Cliffs, N.J.

Marketing personnel

Bruce Hillenbrand, mktg dir; Charles E. Lloyd, prod mgr.

Division

Best Foods Baking Group
Fairfield, N.J.

Marketing personnel

Donald Berman, vp-business mgmt; Brian Anderson, vp-genl mgr, dry prods.

Brands

Thomas' English muffins, Karo syrup, Mazola products, new products, spot TV buying

Ad agency: Backer Spielvogel Bates, Worldwide, New York. Alan Kellam, mgmt super; Susan Rudolph, acct super; Harry Towers, acct exec.

Hellmann's/Best Foods mayonnaise, Skippy peanut butter, Mueller's Super Shapes dry pasta products, select new products, network TV media buying

Ad agency: BBDO Worldwide, New York. Anthony R. Brescia, sr vp-acct dir, Hellmann's/Best, Skippy, Mueller's; John Berg, vp-acct super, Skippy & Mueller's; Sean Clarkin, acct super-Hellmann's/-Best; Peter Goddard, acct exec-Hellmann's/Best; Matthew Dodds, acct exec-Mueller's; Karen Mans, account exec-Skippy.

Hispanic adv: Mazola corn oil

Ad agency: Bravo Group, New York. Daisy Esposito, pres-chief creative officer; Linda DeJesus, acct exec.

Mazola corn oil-medical profession promo

Ad agency: Medicus Intercon, New York.

Niagara spray starch, new products

Ad agency: Campbell-Mithun-Esty, New York. Joanne Chrisalli, mgmt super.

Hispanic adv: Hellmann's/Best Foods mayonnaise

Ad agency: Conill Advertising, New York. Liz Castelis, vp; Meg Kutler, sr acct exec.

Arnold Bakery light line, Arnold Bran-nola-bread, Brownberry breads

Ad agency: North Castle Partners, Stanford, Conn. Catherine Kramer, acct super; Lisa Field, acct exec.

Knorr soups, Knorr sauces, Knorr liquid sauces, Knorr bouillons

Ad agency: Warwick Baker & Fiore, New York. Walker Berwick, sr vp-grp dir; Marjorie Porter, vp-acct super; Loren Levin, acct exec.

RANK: 96

Daimler-Benz AG

Stuttgart, W. Germany
Ad spending: **$115.5** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	17,598	17,169	2.5
Sunday magazine	115	40	183.7
Newspaper	21,415	21,027	1.8
Outdoor	0	54	NA
Network TV	23,573	19,453	21.2
Spot TV	14,301	8,190	74.6
Cable TV networks	1,513	792	90.9
Spot radio	7,129	7,153	(0.3)
Measured media	85,642	73,879	15.9
Unmeasured	29,900	25,800	15.9
Total	115,542	99,679	15.9

By top brands	1989	1988	% chg
Mercedes-Benz passenger cars	73,453	63,628	15.4
Daimler-Benz	3,756	12	NA

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	40,705	42,054	(3.2)
Earnings	3,628	974	272.5
U.S.	**1989**	**1988**	**% chg**
Sales	6,944	6,762	2.7

Notes: Sales and earnings figures are converted at the rate of 0.53285 and 0.57220 dollars to the mark in 1989 and 1988, respectively.

Annual review

The marketing emphasis at Mercedes-Benz of North America, the U.S. subsidiary of Daimler-Benz AG, detoured from image to product attributes in 1989.

Interrelated factors of new competition in the luxury segment, a decline in Mercedes sales, a sluggish car market and upward pressure on prices due to currency shifts influenced the West German carmaker to shift its focus to safety, durability, resale value, dependability and overall brand leadership for its three basic tiers of cars.

Mercedes boosted its measured ad spending in 1989 by 15.9%, spreading its ad message through network radio, magazines, newspapers and TV, the latter (spot and network) accounting for the largest media increase of 40%. Mercedes also used local media for advertising funded jointly by Mercedes and its dealers. Heaviest media allotment of $32 million backed non-line-specific Mercedes-Benz passenger cars, up 19.4%.

The shift in marketing focus came when Mercedes car sales were dropping to 75,714 cars, down 9.6% from 1988, and far below 1986's high water mark of 99,314. The decline has since been reversed.

Mercedes, unlike some of its luxury competitors who cut prices on 1990 models, raised prices about 2.2%.

This summer, Mercedes re-introduced the four-cylinder 190E 2.3, which was dropped from the U.S. line for the 1989 model year. The car is the only Mercedes priced to compete against the under-$30,000 offerings from BMW of North America and Infiniti, Nissan Motor Corp.'s luxury division. Mercedes expects to sell 6,000 to 7,000 of the sedans this year.

For the first half of 1990, sales stood at 37,707 units, up 2.9% from the same period the year earlier, led by the top-of-the-line S-class series ($60,000-plus) and mid-range 300 class ($39,000-$56,000). The entry-level 190 ($32,000) class dropped by 5.1%.

Mercedes had feared that S-class sales would drop off as customers waited to buy the re-designed 1992 model. Mercedes offered special lease deals on its S and 300 class lines, which account for about 70% of its total sales volume.

Two new convertibles contributed to the sales gain. Through May, SL sales were up nearly 15% to 3,776, with 10,000 SL models a year expected when supply catches up with demand next year.

Mercedes also introduced two diesel models, engineered to be quicker, quieter and cleaner than earlier diesels. A third diesel model will be added in 1991.

Mercedes is counting on its new diesel engine to help it meet current federal standards for corporate average fuel economy and more stringent tail pipe emission standards in a new clean-air bill. Mercedes paid penalties for several years for failing to meet federal fuel economy standards. Nearly 80% of Mercedes' sales in early 1980 were diesel-powered.

Mercedes is in the midst of an overhaul of its product line. Future product plans include a replacement of its S-class in 1992, its entry level 190 series around 1992 and its 300 class in the middle of the decade. Plans also include the addition of the Daimler-Benz Gelaendewagen sport utility vehicle and possibly the addition of a minivan.

During 1989, the company backed its 190 series with $6.3 million in media, down 64%. Sales for the 190 were $14,503, down 13.4%. The 300 series attracted $20.1 million in measured ad spending, down 14.9%. Sales were 22,650, up 7%. The upscale 560 series, with prices ranging from $73,000 and up, got only $1.5 million in media, down 57%. Sales were 7,477, down 36.9%.

■ Headquarters

Daimler Benz AG
BPA
Postfach 80 02 30
D-7000 Stuttgart 80
West Germany

Mercedes-Benz of N. America Inc.
1 Mercedes Dr.
Montvale, N.J. 07645-0350
(201) 573-0600

■ Corporate personnel

Erich Krampe, pres-ceo; Karl-Heinz Faber, sr vp-prod compliance, svc & parts; Wolfgang Hartung, sr vp-finance & admin; Mike Jackson, sr vp-mktg & sales; Gerd Klauss, vp-mktg; Bob Erzen, vp-human resource mgmt; Allan Freund, vp-genl counsel; Paul Halata, vp-N. American affairs; Bob Crolic, vp-Southern region; Jerry Giaquinta, vp-Western region; Jack McDonough, vp-Northeast region; Wayne Samson, vp-North Central region.

■ Marketing personnel

Albert Weiss, gm-mktg comms; Hans Kaemmlein, gm-strategic mktg & prod mgmt; Kevin Davidson, mgr-adv.

■ Brands

Mercedes-Benz

Ad agency: McCaffrey & McCall, New York. Will Metzger, acct dir.

RANK: 34

Dayton Hudson Corp.

Minneapolis
Ad spending: **$314.2** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	1,998	1,059	88.7
Sunday magazine	4,448	879	405.8
Newspaper	106,462	91,500	16.4
Outdoor	191	178	7.8
Network TV	114	0	NA
Spot TV	44,198	27,206	62.5
Spot radio	7,911	5,799	36.4
Measured media	165,323	126,620	30.6
Unmeasured	148,900	114,000	30.6
Total	314,223	240,620	30.6
By top brands	**1989**	**1988**	**% chg**
Mervyn's misc	26,884	32,484	(17.2)
Target misc	19,605	20,518	(4.4)
Mervyn's apparel	13,483	2,954	356.5
Marshall Field's misc	10,760	3,698	191.0
Marshall Field's apparel	10,099	2,854	253.9
Marshall Field's household	8,347	1,288	547.9
Target apparel	7,956	9,042	(12.0)
Target household	7,599	7,992	(4.9)
Hudson apparel	7,172	5,481	30.8

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	13,644	12,204	11.8
Earnings	410	287	42.9
Division sales	**1989**	**1988**	**% chg**
Target	7,519	6,331	18.8
Mervyn's	3,858	3,411	13.1
Department stores	1,801	1,693	6.4
Lechmere	466	769	(39.4)

■ Notes: Marshall Field & Co. is not included in sales and earnings.

■ Annual review

The purchase of Chicago-based Marshall Field & Co. this April by Dayton Hudson Corp. has newspaper executives shaking in Field's major marketing areas of Illinois, Ohio, Wisconsin and Texas.

Cutbacks appear imminent now that Field's has been linked up to DH's "Dayton Hudson Today" Sunday newspaper color insert issued 26 times per year. Such use of inserts by Hudson's in the Detroit area has carved in half the ROP linage previously used there. Newspaper ROP is about twice the expense of inserts.

The Field's equivalent insert, "Marshall Field's Today," will hit the Chicago market in November.

In all, Field's spent $33 million in measured media in 1989, up from only $8.4 million in 1988. Some $26 million of Field's '89 media spend was in national newspaper advertising, according to LNA/Arbitron. Field's spent $15 million alone with the *Chicago Tribune* last year.

The Minneapolis-based retailer, with 37 department stores primarily in Michigan and Minnesota, acquired Field's from Batus Inc., the U.S. subsidiary of B.A.T. Industries PLC, London, for $1.04 billion after a management-led buyout attempt failed. Its chairman, Philip Miller, left to head up Saks Fifth Avenue.

Marshall Field's 1989 revenues of $1.1 billion from 24 stores enables Dayton Hudson to pass May Co. as the largest department store chain in the Midwest.

The acquisition resulted in the elimination of an estimated 1,000 Field employees from the company's central organization. Included in that figure is the 100 people Field's employed in its in-house ad agency, Creative Field's.

Advertising for Field's is now handled by the 100-person in-house DH department in Minneapolis. Remaining in Chicago will be the 12-person Field's public relations department to handle special events for the chain.

Dayton Hudson's three major units spent $124 million in media advertising in 1989, up 19% over 1988 levels when eliminating $14 million credited that year to Lechmere, a unit sold last November.

Field's and DH are a good fit, says Harry Mortner, consultant with C.J. Lawrence, New York. "In the back room, a lot can be added in terms of merchandising, distribution and finance. Savings will be realized in many areas. Dayton Hudson might teach Field's a few tricks about merchandising, or buying in mass," he said.

The price of $1 billion was a good value, he noted, particularly good because Field's was the No. 1 franchise in a city the size of Chicago.

More than half DH sales and a third of the corporate media total ($48 million) in 1989 were accounted for by Target, the discount operation specializing in nationally branded and private label active and casual apparel. In 1989, Target opened 31 stores in the Southeast and 29 elsewhere bring the total to 399.

Target handles advertising in-house. Its measured spending increased 17.3% to $48 million in 1989. Virtually all the increase came from spot TV, which rose from $11 million to $19 million in 1989.

Mervyn's, DH's 221-unit moderate-priced department store chain, recently starting upgrading its private label stock, which accounts for 50% of sales.

Mervyn's reissued this past March its now year-old TV ad campaign themed "For the clothes you love to live in." Previous executions emphasized price. The campaign, handled by Cohen & Johnson, Los Angeles, runs in series of three during 30-minute programs. Of the DH units, Mervyn's advertised most in spot TV at $19.9 million, up 99%. Its overall media spend was $43.2 million, up 22.7%.

Mervyn's print advertising (exclusively in newspaper), which declined 8% to $23.3 million, is handled in-house. This year, the chain shifted from b&w to color newspaper inserts distributed to 12.5 million households per week.

■ Headquarters

Dayton Hudson Corp.
777 Nicollet Mall
Minneapolis, Minn. 55402
(612) 370-6948

■ Division

Dayton Hudson Department Store Co.
Minneapolis

■ Marketing personnel

Stewart Widdess, sr vp-mktg; Paul Karmann, dir-media planning; Jack Mugan, dir-creative svcs; Karen Bohnhoff, vp-trend merch & special events.

■ Brands

Dayton Hudson department stores

Ad agency: Pidgin Productions, Minneapolis. Gary Jensen, pres; Kate Stanford, vp.

Corp media buying

Ad agency: Haworth Group, Minneapolis. Dale Haworth, pres; Claude Steven, exec vp.

■ Division

Mervyn's
Hayward, Calif.

■ Marketing personnel

Susan Sprunk, vp-sales promo; Pat Holt, dir-creative adv; Ruth Lindley, dir-media planning & operations.

■ Brands

Mervyns's

Ad agency: Cohen & Johnson, Los Angeles. Howie Cohen, chmn-creative dir; Mark Johnson, pres.

■ Division

Target Stores
Minneapolis

■ Marketing personnel

John Pellegrene, sr vp-mktg; Robert Thacker, vp-mktg.

Top 25 network radio advertisers

Rank	Advertiser	Network radio spending 1989	1988	% chg	Total U.S. ad spending 1989	1988	Network radio as % of total 1989	1988
1	**Sears, Roebuck & Co.**	$71.0	$67.6	5.0	$1,432.1	$1,031.4	5.0	6.6
2	**General Motors Corp.**	35.3	38.3	(7.7)	1,363.8	1,290.6	2.6	3.0
3	**Procter & Gamble Co.**	24.2	26.2	(7.6)	1,779.3	1,655.8	1.4	1.6
4	**AT&T Co.**	19.8	12.3	60.5	567.7	547.1	3.5	2.3
5	**U.S. Government**	17.8	11.8	50.9	309.5	294.3	5.7	4.0
6	**City Investing Co.**	17.4	11.5	50.9	NA	NA	NA	NA
7	**Cotter & Co.**	16.0	18.3	(12.5)	NA	NA	NA	NA
8	**Warner-Lambert Co.**	14.3	16.9	(15.2)	585.9	605.6	2.4	2.8
9	**Campbell Soup Co.**	14.0	18.6	(24.8)	196.7	194.6	7.1	9.5
10	**K mart Corp.**	13.6	11.8	15.2	561.4	631.7	2.4	1.9
11	**Chrysler Corp.**	13.3	11.2	18.8	532.5	476.4	2.5	2.4
12	**J.C. Penney Co.**	11.9	5.0	136.9	407.5	394.8	2.9	1.3
13	**Bayer AG**	11.6	18.7	(38.2)	112.0	126.6	10.3	14.8
14	**Ford Motor Co.**	11.2	12.0	(7.2)	602.1	565.2	1.9	2.1
15	**Black & Decker Corp.**	9.9	7.5	32.8	NA	NA	NA	NA
16	**Hershey Foods Corp.**	9.2	6.0	54.3	288.2	294.6	3.2	2.0
17	**Philip Morris Cos.**	8.8	8.7	0.9	2,072.0	2,028.4	0.4	0.4
18	**Volkswagen AG**	8.3	1.7	375.8	131.9	140.4	6.3	1.2
19	**Nestle SA**	8.1	5.7	43.2	608.4	552.8	1.3	1.0
20	**Schering-Plough Corp.**	7.8	9.2	(14.8)	150.2	178.6	5.2	5.1
21	**Anheuser-Busch Cos.**	7.7	15.4	(50.1)	591.5	645.9	1.3	2.4
22	**State Farm Mutual Auto Insurance**	7.4	5.8	26.8	NA	NA	NA	NA
23	**Dow Jones & Co.**	6.92	10.2	(32.3)	NA	NA	NA	NA
24	**National Livestock & Meat Board**	6.89	3.6	89.1	NA	NA	NA	NA
25	**Eastman Kodak Co.**	6.8	4.7	43.9	718.8	732.2	0.9	0.6

Note: Dollars are in millions. **Source:** LNA/Arbitron. See Page 2 for methodology and other source information.

AA chart: Kevin Brown

■ Brands

Target Stores

Ad agency: Chuck Ruhr Advertising, Minneapolis. Chuck Ruhr, pres.

RANK: 95

Delta Air Lines

Atlanta
Ad spending: **$116.0** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	3,125	589	430.3
Sunday magazine	12	28	(58.0)
Newspaper	28,471	25,325	12.4
Outdoor	1,659	1,329	24.9
Network TV	29,295	23,143	26.6
Spot TV	4,126	6,617	(37.6)
Syndicated TV	17	127	(87.0)
Cable TV networks	1,973	1,602	23.2
Spot radio	18,283	19,948	(8.3)
Measured media	86,959	78,707	10.5
Unmeasured	29,000	26,200	10.7
Total	115,959	104,907	10.5
By top brands	**1989**	**1988**	**% chg**
Delta Air Lines	68,640	58,748	16.8

■ Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	8,089	6,915	17.0
Earnings	461	307	50.2
Division sales	**1990**	**1989**	**% chg**
Passenger	7,580	6,443	17.6
Cargo	394	350	12.5
Other	116	122	(5.2)

■ Notes: Fiscal year ended June 30, 1990.

■ Annual review

Delta Air Lines took an important step in becoming a truly national carrier by inaugurating transcontinental service in June. The nation's No. 3 carrier also expanded its presence on the West Coast after the 1987 merger with Western Airlines.

"We see a lot of growth out of Los Angeles," said Judy Jordan, Delta assistant VP-advertising and sales promotion. "Offering transcontinental service will go a long way in reinforcing our position that we're a major airline."

The carrier used this new Newark-to-Los Angeles nonstop service to launch its Person-to-Person business-class program in late May. A multimedia ad campaign from BBDO, Atlanta, touted inflight amenities such as complimentary champagne, silver-tray service in first class, free newspapers and multicourse meals.

Delta is developing expanded terminal facilities in Atlanta, Dallas/Fort Worth, Cincinnati, Orlando, Portland and Salt Lake City. The largest project is in Orlando which will include six international arrival gates.

Dovetailing with domestic system growth is a recent regional marketing strategy to supplement the national program. Marketing pushes to promote new and existing service at important hubs got under way in 1990.

Ad spending is up about 20% this year, influenced by a network buy on the Super Bowl broadcast that showcased new creative. Last year, Delta's media spending reflected its growing presence as a national airline as network TV more than picked up the decline in spot TV spending, and consumer magazines became a major medium for the airline with spending of $3.1 million.

For the first seven months of 1990, Delta slipped to a 13.2% share of the total domestic market (in revenue passenger miles) from 14.4%. Analysts attributed Delta's 1989 share gains to Eastern Airlines' bankruptcy filing, a temporary boon to Delta and others.

Still, Delta remains a solid third to American Airlines at 16.9% and United Airlines at 16.6%, according to Paine-Webber.

The airline was taken by surprise by the August departure of Hollis L. Harris, president-coo, who was named Continental Airlines' new chairman. Mr. Harris had been with Delta for 36 years.

Delta Chairman-CEO Ronald Allen assumed Mr. Harris' responsibilities and the added title of president. At the same time, W. Whitley Hawkins was promoted to exec VP-marketing & stations from senior VP-marketing.

■ Headquarters

Delta Air Lines
Hartsfield Intl Airport
Atlanta, Ga. 30320
(404) 765-2600

■ Corporate personnel

Ronald W. Allen, chmn-pres-ceo.

■ Marketing personnel

W. Whitley Hawkins, exec vp-mktg & stations; R.W. (Bob) Coggin, vp-mktg devel; Al H. Kolakowski, vp-sales; Harold Achtziger, vp-intl; Marcey McCann, vp-reservations sales; Judy Jordan, asst vp-adv & sales promo; Matt Guilfoyle, dir-consumer mktg; Harry Dunham, dir-industry mktg; Russ Gariota, dir-field mktg; Sandy Rowan, mgr-adv; Kathy Field, staff mgr-adv & promotion; Jon Proctor, system mgr-promotion.

■ Brands

Delta Air Lines

Ad agency: BBDO, Atlanta. Don Mitchum, pres-ceo; Jack Walz, exec vp-worldwide acct dir; Jim Garrison, sr vp-mgmt super, domestic; Mike DiPrima, Sandra Ryder, vps-acct supers; Marina Costarides, Eve Ullery, Diane Richardson, acct execs; Peter Shelton, sr vp-mgmt super, intl; Chris Kean, vp-acct super-intl; Tim Mapes, sr acct exec-intl; Dwain Thomas, acct exec-intl.

RANK: 33

Walt Disney Co.

Burbank, Calif.
Ad spending: **$338.7** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	22,654	24,209	(6.4)
Sunday magazine	16	597	(97.4)
Newspaper	24,628	23,967	2.8
Outdoor	313	543	(42.3)
Network TV	43,239	34,179	26.5
Spot TV	66,835	62,955	6.2
Syndicated TV	9,144	3,565	156.5
Cable TV networks	3,044	2,351	29.5
Network radio	275	687	(60.0)
Spot radio	8,035	7,137	12.6
Measured media	178,182	160,188	11.2
Unmeasured	160,500	144,300	11.2
Total	338,682	304,488	11.2
By top brands	**1989**	**1988**	**% chg**
Touchstone films	56,686	51,222	10.7
Walt Disney World resort	47,547	35,954	32.2
Walt Disney Productions movies	18,440	11,890	55.1
Disneyland amusement park	14,727	16,398	(10.2)
Buena Vista film distributors	10,505	0	NA
Touchstone home video	7,053	4,889	44.3
Walt Disney home video	6,051	7,866	(23.1)
Disney Channel cable TV	4,395	5,265	(16.5)
KHJ TV station	2,909	3,202	(9.2)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	4,594	3,438	33.6
Earnings	703	522	34.7
Division sales	**1989**	**1988**	**% chg**
Theme parks, resorts	2,585	2,042	26.6
Filmed entertainment	1,588	1,149	38.1
Consumer products	411	247	66.5

■ Annual review

Walt Disney Co. expanded the boundaries of its communications kingdom in 1989 and 1990, launching a second record label, a third motion picture banner, a fast-food restaurant and a new children's magazine.

But with the rising cost of movie production and the pervasiveness of Disney characters, observers expect Disney's growth to slow in the early 1990s. That follows a period of explosive growth that began when Michael Eisner took the Disney helm in 1984.

Disney looked to offset its marketing costs by lining up cross-promotions with its films, home video releases, syndicated TV product, theme parks and consumer products.

On a corporate level, Disney this January signed a 15-year worldwide marketing agreement with Coca-Cola Co. giving Coke first rights at negotiating joint promos in several categories. Disney also linked with Nestle, allowing the marketer to create branded food products and promotional packages in Europe and the U.S.S.R.

Other major cross-promotions linked the theatrical release of "The Little Mermaid" with McDonald's Corp., the "Dick Tracy" film with McDonald's and Quaker Oats, the home video release of "Peter Pan" with Nabisco Brands crackers and the syndicated "Disney Afternoon" with Kellogg Co. and McDonald's.

The "Disney Afternoon" cross-promo is part of a new brand-management approach at Disney's Buena Vista Television, under which the syndicator will buy consumer media and design consumer promotions for its syndicated shows. Traditionally, syndicators have furnished on-air promotion packages to stations and left it to stations to market the shows to viewers.

Also in conjunction with the "Disney Afternoon," Disney will launch in October *Disney Adventures*, its first ma consumer magazine.

Disney's share of the record $5.02 million U.S. and Canadian box office fell to 13.9% in 1989, from 19.4%, making it the No. 4 film studio in box office draw. Nevertheless, Disney had a solid year theatrically by counterprogramming

other studios' typical summer action blockbusters with "Honey, I Shrunk the Kids," "Dead Poets Society" and "Turner and Hooch," and by marketing its holiday animated film, "The Little Mermaid," to adults as well as children.

Disney supported its 18 films (the same number as in '88) with $85.6 million in media in 1989, up 31%. Seven films received over $5 million in media backing, led by "Dead Poets" with $8.7 million. Network and spot TV pulled the dominant share of ad dollars for film.

In the first half of this year, Disney rebounded with an 18.4% share, a surge mainly due to the surprise hit and top film of the year at presstime, Touchstone Pictures' "Pretty Woman" ($167 million gross receipts) and Touchstone's comic book action film "Dick Tracy" ($103 million).

The first film from Disney's Hollywood Pictures unit, "Arachnophobia," opened in July and by mid-August had taken in a respectable $45 million.

Disney in early 1990 used its muscle to ban paid screen ads before movies distributed under the Disney, Touchstone and Hollywood Pictures banners. The major U.S. theater chains are complying with the ban.

Measured ad spending in 1989 for Disney's theme parks, hotels and resorts increased only 15% to $62.9 million, after a 45% leap in 1988, despite the opening in May 1989 of its third Florida attraction, Disney-MGM Studios.

In May 1990, MCA Recreation Services opened Universal Studios Florida, just 12 miles down the highway from the Disney complex. Operational problems at the MCA park made it little competition for Disney-MGM studios, despite the fact that it is twice as large as Disney-MGM and by many reports, twice as entertaining. Disney plans major theme park and real estate expansions in both southern California and Orlando.

Disney Consumer Products, once a sleepy division, has opened Mickey's Kitchen, a prototype restaurant next to a Disney Store in Montclair, Calif. It's also expanding the Disney Store chain to 50 stores, with 100 stores planned by the end of 1991.

Walt Disney Records formed a live artists division and in 1990 released its first recording "Minnie 'n Me," accompanied by a push for Minnie Mouse licensed merchandise. Disney also formed Hollywood Records, a mainstream record label.

■ Headquarters

Walt Disney Co.
500 S. Buena Vista St.
Burbank, Calif. 91521
(818) 560-1000

■ Corporate personnel

Michael Eisner, chmn-ceo; Frank Wells, pres-coo.

■ Marketing personnel

Walt Disney Studios: Jeffrey Katzenberg, chmn; Rich Frank, pres; Bob Levin, pres-worldwide mktg; Robert Jahn, sr vp-creative svcs; Gary Kalkin, sr vp-domestic mktg; Bobbi Blair, sr vp-media; Hy Levine, vp-print adv; Ed Pine, vp-publicity & promo. Buena Vista Television: Bob Jacquemin, pres; Carole Black, sr vp-mktg; Rick Haskins, vp-mktg. Buena Vista Home Video: Bill Mechanic, pres; Ann Daly, sr vp-mktg; Mary Kincaid, vp-adv. Disney Consumer Prods: Bo Boyd, pres; Stephen McBeth, exec vp-U.S. & Canada; Paul Pressler, sr vp-licensing. Walt Disney Attractions: Richard Nunis, pres; Tom Elrod, sr vp-mktg. The Disney Channel: John F. Cooke, pres; Tom Wszalek, vp-consumer mktg.

■ Brands

Walt Disney Studios, Buena Vista Television, Buena Vista Home Video-media buying, Walt Disney Attractions, The Disney Channel-media buying

Ad agency: Western International Media, Los Angeles. Dennis Holt, pres.

Buena Vista Home Video adv

Ad agency: DDB Needham Worldwide, Chicago. Vicki Mondae, grp acct dir.

Disney Consumer Products

Ad agency: Janklow Bender, New York. Bruce Janklow, pres.

The Disney Channel adv

Ad agency: Rubin Postaer & Associates, Los Angeles. Gerry Rubin, pres.

RANK: 67

Dow Chemical Co.

Midland, Mich.
Ad spending: **$160.2** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	19,264	17,309	11.3
Sunday magazine	3,885	379	925.1
Newspaper	112	319	(65.0)
Outdoor	41	82	(49.8)
Network TV	75,466	73,407	2.8
Spot TV	2,540	7,122	(64.3)
Syndicated TV	6,186	3,288	88.2
Cable TV networks	7,607	5,766	31.9
Network radio	2,619	2,154	21.6
Spot radio	1,524	1,828	(16.6)
Measured media	119,245	111,653	6.8
Unmeasured	41,000	38,400	6.8
Total	160,245	150,053	6.8
By top brands	**1989**	**1988**	**% chg**
Ziploc food storage bags	18,888	17,508	7.9
Marion Merrell Dow pharmaceuticals	13,495	14,420	(6.4)
Texize cleaning products	12,501	12,891	(3.0)
Dow Chemical	9,988	15,652	(36.2)
Dow cleaning products	6,633	4,924	34.7
Lakeside Pharmaceuticals	6,065	4,526	34.0
Freezloc wrap	5,662	0	NA
Gaviscon antacid	5,277	5,773	(8.6)
Perma Soft shampoos	5,104	79	NA
Texize cleaners	4,937	4,194	17.7

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	17,600	16,682	5.5
Earnings	2,487	2,398	3.7
U.S.	**1989**	**1988**	**% chg**
Sales	8,084	7,497	7.8
Operating income	1,876	1,651	13.6
Division sales	**1989**	**1988**	**% chg**
Chemicals	5,407	5,190	4.2
Plastics	6,994	6,938	0.8
Hydro-carbons	1,778	1,502	18.4
Consumer specialties	3,407	3,029	12.5

■ Annual review

Dow Chemical Co. expanded deeper into consumer markets in 1989 as it entered joint ventures with two huge pharmaceutical companies: Eli Lilly & Co. and Marion Laboratories.

The alliances will join the DowBrands unit in the consumer specialties group, ballooning the group's total sales to more than $5 billion in 1990, up 47%. DowBrands, meanwhile, spent heavily, launching new products that virtually created a new home cleaning category.

DowElanco, formed in April 1989, represented the merger of Dow and Lilly's agri-chemical businesses. The resulting company, to be headquartered in Indianapolis, will have sales of $1.5 billion in 1990, ranking it No. 1 in the $5 billion U.S. agri-chemicals business and sixth in the world. Dow owns 60% of the venture.

In July 1989 Marion Merrell Dow was formed when Dow merged its Merrell Dow division with Marion Laboratories. The venture had $1.4 billion in sales in 1989, ranking it 13th among U.S. pharmaceutical marketers. Dow, which took 67% of the venture, expects $2.2 billion in sales in 1990. The new company is a separate publicly held company.

DowBrands boosted its home cleaning product advertising by 53% to $45.2 million with some $19.3 million to roll out Spiffits, dispenser-packed disposable cleaning towels in five varieties: bathroom, glass, multipurpose, soft scouring and furniture.

Spiffits proved a double-threat success. It created a new household cleaner segment now worth an estimated $100 million. It inspired its DowBrands corporate cousins at Fantastik to create their new Fantastik S'wipes multipurpose moist cleaning towels, which debuted this May with a national print and couponing campaign from Henderson Advertising, Greenville, S.C.

DowBrands' second product area, food care, rose to $28.5 million in ad spending, up 13.7%. Of that, $5.7 million was for Freezloc heavy-duty plastic freezer wrap with Cling Strip, introduced October 1989. Network TV got $5.1 million of the total. Saran Wrap drew $4.4 million in media, down 29%, while Ziploc bags got $18.4 million, even with the prior year.

The consumer division's personal care line dropped $7.5 million in advertising as support dropped for the Textra care line which drew $5.2 million in 1988. Perma Soft brand of conditioners, cleaners and gels continued to be the big ad draw, with $4.6 million, down 34%, according to LNA/Arbitron.

Pharmaceutical ad support at Dow was down 7.9% to $24.8 million. Marion Laboratories' 1989 totals would have doubled pharmaceutical ad support had the Marion Merrell Dow marriage been consummated by the end of the year.

Receiving a 22% cut to $1.6 million was Cepacol mouthwash, No. 5 among the top U.S. brands with a 4.5% market share. Citrucel, bulk laxative, the orange-flavored methyl-cellulose competitor to Metamucil, dropped 54% in ad spending to $1.6 million.

The former Lakeside Pharmaceutical unit of Merrell Dow Pharmaceuticals climbed 14.7% in 1989 ad support to $6 million. Nicorette smoking cessation chewing gum, in Lakeside's product array prior to the Marion Merrell Dow linkup, got a year's ad budget of about $6 million in 1989 with the kickoff of a new print program that promoted the prescription gum by name, contrary to the standard practice for ethical drugs.

The "Dow lets you do great things" corporate image campaign that received $14 million in 1988 support, dropped to $7.6 million, including network TV at $6.5 million. D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich., continues creating the series, now in three versions: "Baseball," touting recycling—a strong theme now for plastics-maker Dow, "Corporate Angel," showing the role of a corporate jet in aiding the ill, and "Discovery," depicting a children's learning museum.

The creation of Marion Merrell Dow, amidst numerous other mega-pharmaceutical combinations industrywide, involves changes in structure and shifts of product lines: Lakeside Pharmaceuticals' name was changed to Marion Merrell Dow Consumer Products Division. While keeping its popular Cepacol, Novahistine and other OTC lines, it lost Nicorette and other prescription lines.

In another company change, DowBrands' Home Care Products Division, once Texize Inc., relocated in October 1989 from its original Greenville, S.C., base to DowBrands' headquarters in Indianapolis, where it joined the Food Care Products Division to form the new Household Products Division of DowBrands.

Agency changes include DowElanco's dropping Vitt Media, New York, for media planning and adding Carmichael-Lynch, Kansas City, Mo., for its professional turf and ornamental advertising.

■ Headquarters

Dow Chemical Co.
2030 Willard H. Dow Center
Midland, Mich. 48674
(517) 636-1000

■ Corporate personnel

Paul F. Oreffice, chmn; Frank R. Popoff, pres-ceo.

■ Division

Dow Chemical USA
Midland, Mich.

■ Corporate personnel

Keith R. McKennon, pres; William S. Stavropoulos, grp vp-plastics & hydrocarbons; Enrique J. Sosa, grp vp-chemical & performance prods; Thomas K. Smith, vp-government & public affairs; Richard K. Long, dir-corp comms; Richard F. Dalton, mgr-corp adv.

■ Brands

Corp programs

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. H.J. Hogan, sr vp-mgmt super; W.L. Gaer, vp-acct super.

■ Headquarters

Chemicals & Performance Products
Midland, Mich.

■ Marketing personnel

John W. Tysse, vp-sales & mktg; Ron S. Ihrig, dir mktg-performance prods, latex, separation systems & new ventures; Ron E. Taylor, dir-mktg, chemicals & metals; R.N. "Bo" Miller, grp mgr-comms; Joy B. Hutchison, comms mgr-chemicals & metals; Terry F. McNeill, comms mgr-performance prods; Jean Aukerman, comms mgr-separation systems.

■ Brands

Chemicals & metals

Ad agency: Hoffman, York & Compton, Milwaukee. John Murphy, sr vp-acct grp super; Reed Allen, sr vp-creative dir.

Public relations adv: chemicals & metals, performance products, Latex products

Ad agency: Gibbs & Soell, New York. Cos Malozzi, pres; Richard Kerrigan, acct super.

Latex products

Ad agency: Weller, Cook & Misamore Advertising, Grand Rapids, Mich. Robert Cook, vp.

Performance products, Separation systems, new ventures

Ad agency: Alexander Marketing Services, Grand Rapids, Mich. Robert Milroy, pres-acct grp super; Richard Hill, vp-acct super; Christopher Beaudon, acct super.

■ Division

Dow Plastics
Midland, Mich.

■ Marketing personnel

Lee A. Schobe, vp-sales & mktg; Mike Butcher, dir-comms; Mary Beth Curtiss, public comms mgr; Rick Proskow, Dan Showalter, grp comms mgrs.

■ Brands

Dow Plastics products

Ad agency: Anderson & Lembke, Stamford, Conn. Mike Romans, vp-client business mgr.

Ad agency: Alexander Marketing Services, Grand Rapids, Mich. Robert Milroy, pres.

Ad agency: Jayme Organization, Cleveland. Lawrence Cavanaugh, exec vp.

Dow Plastics products & public relations adv

Ad agency: Sefton Associates, Grand Rapids, Mich. Gary Petertyl, sr vp.

Public relations adv

Ad agency: Gibbs & Soell, Chicago. Guy Tichy, vp.

Ad agency: Proconsul, Cleveland. Judy Fenninger, acct exec.

■ Division

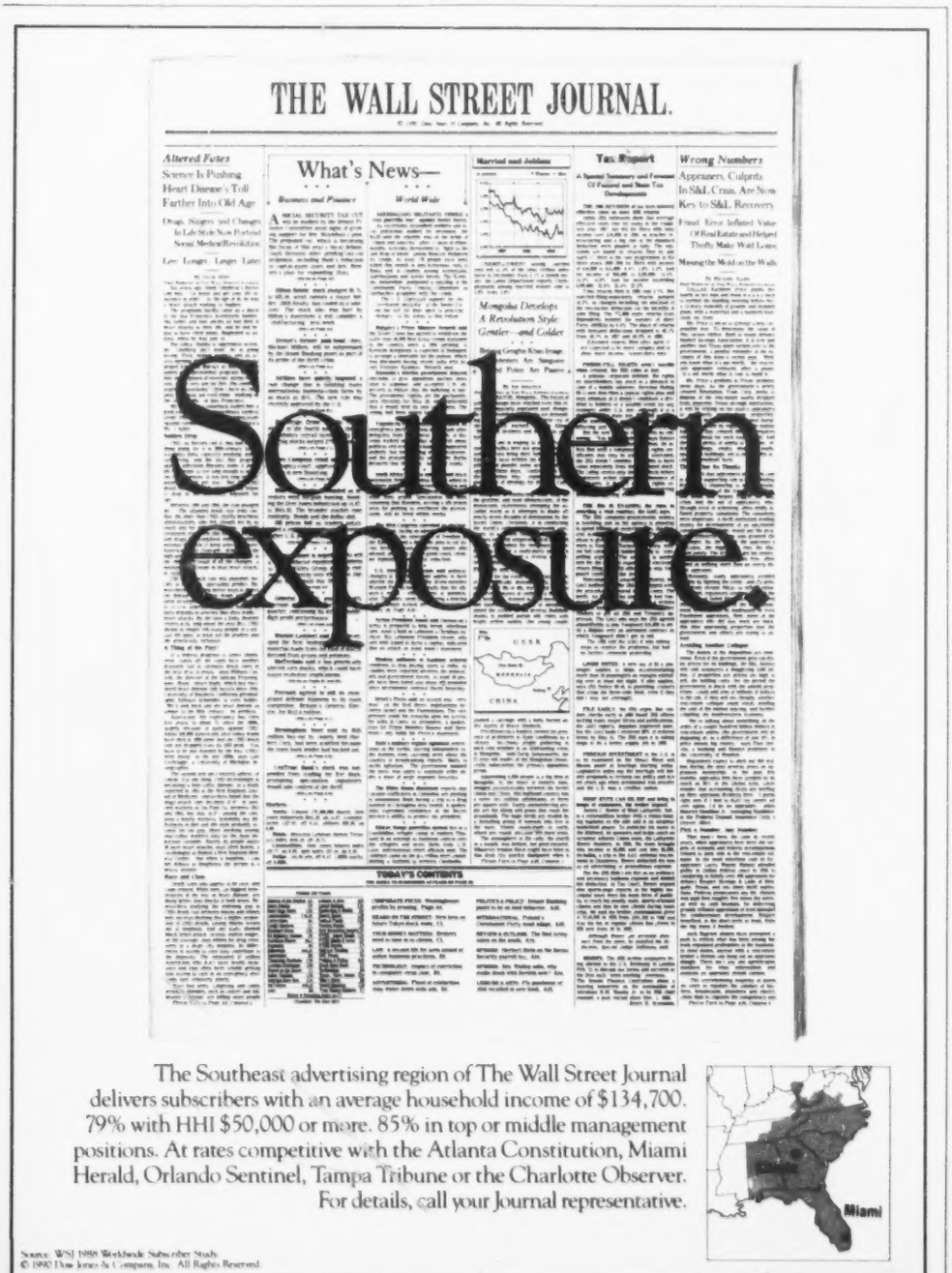
DowElanco agricultural products
Indianapolis, Ind.

■ Marketing personnel

J.L. Hagaman, pres; W.W. Dieckamp, mgr-mktg comms; E.N. German, mgr-mktg sales support svcs; Bill Culpepper, commercial dir; Dick Holzschu, gm; Roger Foulks, mgr-mktg comms & research.

■ Brands

Slinger, Curtail, Tordon, professional pest control, vegetation management, retail turf & or-


THE WALL STREET JOURNAL.
What's News—
Business and Finance
World Wide
Tax Report
Wrong Numbers
Altered Fates
Science Is Pushing Heart Disease's Toll Farther Into Old Age
Drugs, Surgery and Changes in Life Style Now Extend Social Medical Revolution
Live Longer, Longer Later
Married and Jobless
Mongolia Develops A Revolution Style Gentler—and Colder
Southern exposure.
TODAY'S CONTENTS

The Southeast advertising region of The Wall Street Journal delivers subscribers with an average household income of $134,700. 79% with HHI $50,000 or more. 85% in top or middle management positions. At rates competitive with the Atlanta Constitution, Miami Herald, Orlando Sentinel, Tampa Tribune or the Charlotte Observer. For details, call your Journal representative.

Source: WSJ 1988 Worldwide Subscriber Study.
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Top 25 spot radio advertisers

Rank	Advertiser	Spot radio spending 1989	Spot radio spending 1988	% chg	Total U.S. ad spending 1989	Total U.S. ad spending 1988	Spot radio as % of total 1989	Spot radio as % of total 1988
1	Philip Morris Cos.	$42.7	$40.1	6.5	$2,072.0	$2,028.4	2.1	2.0
2	Anheuser-Busch Cos.	42.1	42.7	(1.5)	591.5	645.9	7.1	6.6
3	Chrysler Corp.	40.3	19.4	107.4	532.5	476.4	7.6	4.1
4	General Motors Corp.	39.5	40.2	(1.8)	1,363.8	1,290.6	2.9	3.1
5	Sears, Roebuck & Co.	36.1	25.4	41.8	1,432.1	1,031.4	2.5	2.5
6	PepsiCo Inc.	33.4	28.2	18.4	786.1	710.9	4.2	4.0
7	Southland Corp.	33.2	22.1	50.3	NA	NA	NA	NA
8	Grand Metropolitan PLC	26.6	21.1	26.0	823.3	754.6	3.2	2.8
9	News Corp.	24.8	13.4	85.3	128.9	130.2	19.2	10.3
10	Delta Air Lines	18.3	19.9	(8.3)	116.0	104.9	15.8	19.0
11	Honda Motor Co.	17.2	11.5	48.8	298.8	243.3	5.7	4.7
12	Montgomery Ward & Co.	16.4	10.2	60.0	213.6	154.0	7.7	6.6
13	Melville Corp.	15.3	14.6	4.4	NA	NA	NA	NA
14	Toyota Motor Corp.	15.2	6.6	131.9	417.6	273.0	3.6	2.4
15	Procter & Gamble Co.	14.3	16.9	(15.6)	1,779.3	1,655.8	0.8	1.0
16	Coca-Cola Co.	13.9	12.8	8.6	385.3	376.7	3.6	3.4
17	AMR Corp.	13.8	10.7	29.5	131.0	120.5	10.5	8.8
18	Ford Motor Co.	13.4	11.8	13.2	602.1	565.2	2.2	2.1
19	Citicorp	13.1	2.6	406.8	146.3	119.1	9.0	2.2
20	Adolph Coors Co.	12.3	15.4	(20.4)	201.0	200.8	6.1	7.7
21	BellSouth Corp.	11.3	15.8	(28.6)	NA	NA	NA	NA
22	Hyundai Group	11.2	8.5	32.9	212.8	204.8	5.3	4.1
23	U.S. West	10.84	9.5	13.9	NA	NA	NA	NA
24	K mart Corp.	10.81	6.6	63.9	561.4	631.7	1.9	1.0
25	Chevron Corp.	10.5	8.1	29.2	NA	NA	NA	NA

Note: Dollars are in millions. **Source:** Radio Expenditure Reports. See Page 2 for methodology and other source information. **AA chart:** Kevin Brown

Ad agency: Bader Rutter & Associates, Milwaukee; Miller Hogan, vp-acct super; Gene Hintze, Angela Bendorf, Mark Bjorgo, Julia White, acct execs-pest control, vegetation mgmt & retail turf; Greg Nickerson, acct super-pest control, vegetation mgmt & retail turf.

Lorsban, Treflan, Sonolan, N-Serve, Stinger (corn), Lontrel, Tordon, Curtail, Surflan, Telone, Paarlan, Rubigan

Ad agency: Creswell, Munsell, Fultz & Zirbel, Cedar Rapids, Iowa; M. White, sr vp-mgmt super.

Professional turf & ornamental business

Ad agency: Carmichael Lynch, Kansas City, Mo.; Jeff Morris, acct exec; Sam Meers, acct super.

■ Division

Prescription Products Division

■ Marketing personnel

David D. Roche, pres; John R. Julian, vp-mktg; John Burton, dir-adv.

■ Brands

Carafate

Ad agency: McCann Healthcare, Chicago; Mike Perry, vp-grp acct super.

Cardizem, Cardizem SR

Ad agency: Rolf Werner Rosenthal, New York; John Clay, grp vp; Joe Holden, acct super-Cardizem SR.

Seldane

Ad agency: Medicus Intercon, New York; Jennifer Greenblatt, vp-acct super; Carol De Losa, acct exec.

Nicorette

Ad agency: Rubin, Reed, Noto, & Ehrenthal, New York; Francis Gace, mgmt super.

■ Divison

Marrion Merrell Dow
Consumer Products Division

■ Marketing personnel: John Dishaw, pres; George Quesnelle, dir-mktg; Gregory Westerbeck, adv dir.

■ Brands

Cepacol Gold, Cepacol Mint, Cepacol-Cepastat Lozenges, Citrucel, Gaviscon, Novahistine

Ad agency: Rubin, Reed, Noto, & Ehrenthal, New York. Herb Ehrenthal, acct super.

Os-Cal Throat Discs

Ad agency: In-house, Cincinnati. Gregory Westerbeck, adv dir.

■ Division

DowBrands
Household Products Division

■ Marketing personnel

Robert M. Baughman, pres-ceo, Dow Brands; Jim Holtshouse, vp-gm; Peter Wade, vp-mktg; Linda Esposito, grp brand mgr-Ziploc bags; Eric Steinhouse, grp brand mgr-wraps; John Borgo, grp prod mgr-laundry prods; Mike Cooper, grp brand mgr.

■ Brands

Food Care Products

Ad agency: Della Femina, McNamee/-WCRS, New York. Larry Pollare, vp-mgmt super.

Cleaning products

Ad agency: Henderson Advertising, Greenville, S.C. Mike Zeller, sr vp-grp acct dir.

■ Division

Personal Care Products

■ Marketing personnel

Jack Soranno, vp-gm; Nina Diamond, vp-mktg.

■ Brands

Personal Care Products

Ad agency: Campbell-Mithun-Esty, Minneapolis. Richard Rosenberg, sr vp-mgmt super.

RANK: 100

Dr Pepper/-Seven Up Cos.

Dallas

Ad spending: **$104.3** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	136	977	(86.1)
Newspaper	381	500	(23.9)
Outdoor	202	532	(62.0)
Network TV	41,502	35,035	18.5
Spot TV	9,915	29,108	(65.9)
Syndicated TV	9,475	4,949	91.5
Cable TV networks	1,942	1,592	22.0
Network radio	484	414	16.8
Spot radio	3,413	5,101	(33.1)
Measured media	67,449	78,207	(13.8)
Unmeasured	36,900	42,800	(13.8)
Total	104,349	121,007	(13.8)
By top brands	**1989**	**1988**	**% chg**
7UP soft drinks	27,237	27,255	(0.1)
Dr Pepper soft drinks	17,826	14,566	22.4
Dr Pepper sugar free soft drinks	9,410	9,705	(3.0)
Diet 7UP soft drinks	5,168	7,035	(26.5)
Cherry 7UP soft drinks	4,396	14,546	(69.8)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	514	311	65.3
Earnings	(42)	(44)	NA
Division sales	**1989**	**1988**	**% chg**
Dr Pepper	267	244	9.2
Seven-Up	247	266	(7.2)

■ Annual review

Dr Pepper/Seven-Up Cos. is chipping away at the cola segment by positioning its products as taste alternatives and, through separate marketing efforts, the company is placing greater emphasis on its diet products.

The Dallas-based company commands about a 10% share of the total soft drink market. Its Dr Pepper products rose 0.2 share points to 5.4% of market in 1989. By contrast, Seven-Up products slipped 0.4 share points to 4.1%, according to John Maxwell, analyst at Wheat, First Securities. The two companies operate independently of each other.

Share movement by the two companies also tracked ad spending movement in 1989. Media spending for Dr Pepper brand rose 10% to $27.2 million, while Seven-Up brand's media total hit $37 million, down 24.9%, according to LNA/-Arbitron.

Seven-Up's return to a core brand focus this year has helped the lemon-lime leader stabilize its market share, ending a six-year downward spiral. Among key developments has been the relaunch of Diet 7UP that includes a taste reformulation and ad theme, "Break the ice."

To capitalize on the popularity of diet drinks, Seven-Up plans to boost its 1991 media plan by 47% over 1990 media buys, said Russ Klein, Seven-Up senior VP-marketing. A series of five humorous commercials in 1991 will invite consumers to rediscover Diet 7UP.

For brand 7UP advertising, the company will continue to rely on its animated character called "Spot." Created from the red dot on the 7UP logo, Spot will be the centerpiece of the brand's entire ad effort including promotions. Licensing efforts, most notably to Virgin Mastertronic for a Nintendo videogame in the summer of 1990, are helping to build 7UP brand awareness among virtually all age groups.

Seven-Up next year hopes to revive Cherry 7UP, a huge success in 1987 when it was introduced. It quickly captured about a 2% share of the total market but by 1989 its share had slipped to 0.2%. The company is making local funds available to bottlers to tap opportunities by market.

Regular Dr Pepper, the No. 5 soft drink, is the leading non-cola with a 4.4% market share. Dr Pepper Co. is implementing a strategy of targeting light-to-medium Dr Pepper users to boost overall consumption.

"We have positioned Dr Pepper as the product that makes good things happen," said John Clarke, Dr Pepper senior VP-marketing. The company is continuing its ad theme, "Just what the doctor ordered."

The company last year changed its Diet Dr Pepper advertising by giving up comedienne Judy Tenuta as spokeswoman but keeping the theme "Like nothin' else."

Like its sister company Seven-Up, Dr Pepper plans aggressive growth for Diet Dr Pepper. "For the next two to three years, our goal is to lead the non-cola charge in the diet segment," said Mr. Clarke. "We want to establish ourselves as the No. 1 diet non-cola."

■ Headquarters

Dr Pepper/Seven Up Cos.
8144 Walnut Hill Ln.
Dallas, Texas 75231-8144
(214) 360-7000

■ Marketing personnel

John Albers, pres-ceo (corp), Seven-Up ceo-coo; True Knowles, Dr. Pepper exec vp-coo; John Clarke, Dr. Pepper sr vp-mktg; Russ Klein, Seven-Up sr vp-mktg.

■ Brands

Dr Pepper

Ad agency: Young & Rubicam, New York. John Swan, mgmt super; Charles Hurdman, John O'Brien, acct supers.

Seven-Up

Ad agency: Leo Burnett USA, Chicago. John Miller, exec vp; Jack Woods, vp-acct dir; Sue Matson, Peter Boczar, acct supers.

RANK: 78

E.I. du Pont de Nemours & Co.

Wilmington, Del.

Ad spending: **$133.2** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	40,980	34,676	17.9
Sunday magazine	2,221	1,757	26.4
Newspaper	43	621	(93.1)
Outdoor	82	74	10.8
Network TV	27,002	31,418	(14.1)
Spot TV	13,226	11,864	11.4
Syndicated TV	649	283	220.4
Cable TV networks	1,741	1,185	57.8
Spot radio	3,157	2,719	16.1
Measured media	88,993	84,436	5.4
Unmeasured	44,200	41,900	5.5
Total	133,193	126,336	5.4
By top brands	**1989**	**1988**	**% chg**
Du Pont carpets	34,664	31,962	8.5
Du Pont fibers apparel	15,856	14,136	12.2
Du Pont coatings	15,447	15,180	1.8
Du Pont fabric fibers	6,292	8,214	(23.4)
Du Pont Corian surfacing materials	3,501	3,973	(11.9)
Du Pont Antron carpet fibers	2,060	399	417.0
Du Pont herbicide	1,926	1,525	26.3
Conoco gas & oil	1,890	3,106	(39.2)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	35,534	32,360	9.8
Earnings	2,480	2,190	13.2
U.S.	**1989**	**1988**	**% chg**
Sales	21,382	19,539	9.4
After tax op. income	1,985	1,607	23.5
Division sales	**1989**	**1988**	**% chg**
Industrial products	3,702	3,082	20.1
Fibers	5,966	5,465	9.2
Polymers	5,581	5,423	2.9
Petroleum	12,314	10,995	12.0
Coal	1,818	1,757	3.5
Diversified businesses	6,153	5,638	9.1

■ Annual review

Du Pont struck joint ventures in pharmaceuticals and paints, and began to phase out ozone-depleting chlorofluorocarbons (CFCs) and its Orlon fiber businesses in 1989.

The moves to discontinue its CFC and Orlon product lines, in particular, will be costly. Earnings were down for the first six months of this year because of costs associated with those phase-outs and with reduced market activity for its other apparel and carpet synthetic fibers.

Du Pont as in the past spent the lion's share of its media advertising on carpets, particularly Stainmaster. Of the $34.7 million (up 8.4%) in carpet spending, Stainmaster drew $32 million, same as in 1988 and mostly in network TV for both years. Corporate general promotion media spending hit $11.5 million, about the same as in 1988, and agricultural chemicals reached $3.1 million, up 107%.

Among Du Pont's fiber brand names, Teflon stain repellent drew $4.7 million, down 20%, and Lycra fibers got $4.3 million, down 8.5%. Du Pont provides heavy co-op spending for its fibers. Lycra, for example, is touted by such brand names as Maidenform bras and Fruit of the Loom underwear. Teflon is promoted in ads for home furnishing by Serta and Simmons bedding.

Du Pont continues to advertise Silverstone coating, supporting the brand with $950,000 in 1989, up 55%. The company basically provides maintenance spending for its brands like Silverstone once they catch hold in the market. In the mid-1980s when the coating was relatively new, Silverstone drew more than $9 million in media support as a tagline to ads for such cookware brands as Sunbeam and Regal.

Joint venture deals are being struck by a number of leading pharmaceutical companies to share the burden of research and development and marketing, a need that led to the agreement between Du Pont and Merck & Co. to created Du Pont-Merck Pharmaceuticals.

The venture, headquartered in Wilmington, merged Du Pont's blood pressure and congestive heart failure medications and Merck's Parkinson and blood-pressure preparations. The merger combines Du Pont's strong pharmaceutical network with Merck's huge research and international drug marketing structure. The unit will operate with a research staff of about 1,500, sales staff of 600 and R&D budget of about $230 million. It is projecting first-year sales of $700 million.

Du Pont's diagnostic, biotechnology systems and X-ray products, producing more than $1 billion in sales, are not included in the venture with Merck.

Merck earlier in 1989 struck a deal with Johnson & Johnson to develop and market OTC versions of Merck's ethical drugs.

Du Pont also entered into a joint venture with Japan's Kansai Point Co., the first such linkup here between American and Japanese paint producers. The venture will develop and market paints for Japanese auto and auto parts makers in the U.S., Mexico and Canada.

After 40 years of producing Orlon acrylic fiber, a prime yarn ingredient for socks, sweaters and other knit goods, Du Pont reported this June that it was leaving the business—though not the whole field of acrylonitrile production.

The company generated sales of $200 million from Orlon in 1989, a drop in Du Pont's fiber bucket that produced $6 billion in sales. Cotton and polyester competition had cut increasingly into profits from Orlon, its acrylic brand name.

Du Pont has never spent heavily to support Orlon in co-op advertising. The fiber drew only $127,000 in spending in 1989, all in consumer magazines, according to LNA/Arbitron. Burlington and Wigwam sock lines have been big Orlon users.

■ Headquarters

E.I. du Pont de Nemours & Co.
1007 Market St.
Wilmington, Del. 19898
(302) 774-1000

■ Corporate personnel

Edgar S. Woolard Jr., chmn; Elwood P. Blanchard, vice chmn.

■ Marketing personnel

R.E. Williams, mg dir-mktg comms; L.C. Tashjian, mg dir-public affairs, agricultural prods & corp adv; T.F. Hoffman, vp-pr, Consolidation Coal, Consol & Remington; Shel Vedlitz, mgr-adv & mktg, Conoco; H.E. Davis, dir-comms, polymer prods; J.M. Murray, dir-comms, imaging; R.W. Nightengale, dir-comms, fibers; P.G. Beyers, G.W. Hale, mgrs-mktg comms grp, medical; T.Q. Cressy, mgr-comms grp, automotive; M.J. Keating, mgr-comms grp, electronics; K.H. Forte, mgr-pub affairs, chemical & pigments-petrochemicals.

■ Brands

Polymer products

Ad agency: N.W. Ayer, New York. Theodore M. Regan, exec vp.

Corp adv, Chemicals & pigments, Fibers

Ad agency: BBDO, New York. Margaret Evans, sr vp.

Consol, electronics, imaging, polymer products, Phillips/Du Pont Optical (PDO), Remington

Ad agency: Ketchum Communications, New York, Pittsburgh & Philadelphia. Robert Kroyer, pres-Pittsburgh; Samuel Rand, pres-Philadelphia.

Conoco

Ad agency: Taylor, Brown, Smith & Perrault, Houston. Larry Brown, chmn.

Hotel du Pont

Ad agency: Reese, Tomases & Ellick, Wilmington, Del. Alan B. Poland, sr vp.

Agricultural products, Chemicals & pigments, Fibers

Ad agency: Rumrill-Hoyt, Rochester, N.Y. Richard D. Thomson, chmn-ceo.

Automotive products, Fibers, Imaging systems, Polymer products

Ad agency: Young & Rubicam, Detroit & New York. Dan Wagner, sr vp-mgmt super-Detroit; Philip M. Asche, sr vp-N.Y.

RANK: 8

Eastman Kodak Co.

Rochester, N.Y.

Ad spending: **$718.8** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	45,647	33,392	36.7
Sunday magazine	3,916	3,988	(1.8)
Newspaper	1,059	1,380	(23.3)
Outdoor	429	557	(23.0)
Network TV	137,517	144,751	(5.0)
Spot TV	14,733	21,352	(31.0)
Syndicated TV	13,699	16,946	(19.2)
Cable TV networks	10,642	11,387	(6.5)
Network radio	6,797	4,725	43.9
Spot radio	1,499	1,826	(17.9)
Measured media	235,939	240,304	(1.8)
Unmeasured	482,900	491,900	(1.8)
Total	718,839	732,204	(1.8)
By top brands	**1989**	**1988**	**% chg**
Kodak cameras & accessories	72,175	61,823	16.7
Bayer aspirin	25,180	31,858	(21.0)
Lysol disinfectants	18,127	18,919	(4.2)
Kodak batteries	14,810	19,870	(25.5)
Thompson coatings	11,279	12,110	(6.9)
Lysol bathroom cleaners	8,751	8,425	3.9
Phillips Milk of Magnesia laxative	6,492	5,727	13.4
Lysol cleaners	6,099	7,956	(23.3)
Glass Mates cleaners	5,784	113	NA
Minwax wood fillers & finishes	5,747	5,985	(4.0)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	19,398	17,034	13.9
Earnings	529	1,397	(62.1)
U.S.	**1989**	**1988**	**% chg**
Sales	10,869	10,024	8.4
Operating earnings	785	1,851	(57.6)
Division sales	**1989**	**1988**	**% chg**
Imaging	6,998	6,642	5.4
Chemicals	3,522	3,129	12.6
Health	4,009	3,597	11.5
Information systems	4,200	3,937	6.7

■ Annual review

Eastman Kodak Co., which has been stumbling under the heavy debt incurred from its $5.1 billion acquisition of Sterling Drug in 1988, is starting to show signs of financial recovery.

Kay Whitmore, who in June replaced Colby Chandler as Kodak's chairman-CEO, said the brighter financial picture can be traced to "actions initiated in 1989 to sharpen our focus on the value-adding parts of the business."

The cost-cutting moves in 1989 included eliminating more than 4,500 employees worldwide, restructuring busi-

ness operations and demanding its 28 advertising, promotion and public relations agencies be more cost-efficient.

The restructuring consolidated business operations into four core businesses: consumer imaging (photographic products and batteries); health (Sterling and Lehn & Fink); information systems (business products and electronic imaging products); and chemicals.

Kodak trimmed its overall ad budget by 1.8% as spot TV took the hardest hit, dropping 31% to $15 million. Kodak, which has said it will continue to trim any ad fat, reported its 1990 ad budget will be flat to slightly down.

Kodak this May launched a joint promotion with Walt Disney Co. for its Kodacolor Gold film that was backed by a major ad campaign. It had signed in 1989 a 15-year, multimillion-dollar deal with Disney to become the exclusive supplier of photographic products to Disney's theme parks.

That and other marketing efforts behind its film products hurt Polaroid's entry into the conventional film market with its OneFilm brand. Polaroid said extensive counterattacks by Kodak and, to a lesser extent, Fuji Photo Film USA, slowed OneFilm's entry.

Kodak has an estimated 80% of the U.S. conventional film market, Fuji has an estimated 11%, and Polaroid's OneFilm, less than 3%.

Yet, Polaroid appears committed to the brand and a fight on the film front should reheat again in 1991.

This fall Kodak will introduce a line of low-priced amateur 35mm cameras backed by an estimated $7 million ad campaign from Young & Rubicam, New York. Camera advertising claimed $9.5 million in media spending, up 23% from the prior year. J. Walter Thompson USA, New York, handles film. Film advertising in media grew by 22% to $45.6 million, virtually all new dollars coming in consumer magazines, up from $4.9 million to $12.9 million.

New products out of the consumer imaging division in 1989 and 1990 included line extensions to Kodak's popular Kodacolor Gold film line, new batteries, new single-use cameras and new professional films.

Kodak in 1990 also kept up its sponsorship deals, signing on with the Goodwill Games and CBS-TV as the exclusive film advertiser on the 1992 Winter Olympics telecast.

In its health group, Kodak's Sterling Drug unit, like other aspirin marketers, dropped efforts to promote aspirin as a second heart attack preventative and turned to pain relief themes. Bayer, from Sterling's Glenbrook Laboratories, was repositioned as the aspirin for "adult-size" headaches in an ad campaign in late 1989 featuring Robert Urich. Bayer drew $25.3 million in media, down 22% from 1988 when virtually all aspirin marketers boosted budgets to push second heart attack preventative claims. That claim turned out to address a limited market.

Glenbrook's leading products are Bayer, Phillip's Milk of Magnesia, which drew $6.5 million in measured media, up 10%, and Midol menstrual relief products, backed by $3.2 million in media, down 43%.

Sterling in 1989 switched advertising agencies for its Neo-Synephrine brand and other nasal products from N W Ayer to Slater Hanft Martin, both New York. Advertising for Neo-Synephrine dropped to less than $1 million from $3.8 million in 1988.

Lehn & Fink in 1989 added a "light scent" variation to its Lysol spray disinfectant and Lysol Bathroom Touch-Ups disinfectant cleaning wipes. Despite a 10.3% decline in Lysol brand media spending, it remained Lehn & Fink's heaviest supported brand at $33.2 million in measured media in 1989.

The unit also introduced Glass Mates, premoistened towelettes for cleaning shiny surfaces, backed by $5.8 million in media spending in network and spot TV.

L&F continued to put considerable media clout behind its do-it-yourself product lines, including Formby's wood care products, $2.3 million, down 28%; Minwax, $5.7 million, down 5% and Thompson water seal products, $11.3 million, down 7%.

With restructuring costs factored in, Kodak's net earnings in the second quarter 1990 were $304 million (restructuring resulted in a charge of $80 million against earnings) compared to $77 million for the prior-year period.

Still looming over the company are the damages it must pay Polaroid Corp. for infringing on Polaroid's instant photography patents in the early 1980s. Polaroid is seeking $14 billion in damages; Kodak is suggesting under $200 million. Industry observers estimate damages will run $1 billion to $2 billion.

■ Headquarters

Eastman Kodak Co.
343 State Street
Rochester, N.Y. 14650
(716) 724-4000

■ Corporate personnel

Kay R. Whitmore, chmn-ceo. Operating Business Groups & Commercial Systems Grp: Frank P. Strong Jr., grp vp-gm; Charles L. Trowbridge, vp-gm, copy prods div; Edward V. Ince, vp-gm, customer equipment svc div; C. Harold Gaffin, vp-gm, graphics imaging systems div; Frank D. Zaffino, vp-gm, apparatus div; John J. Powers, vp-gm, support operations. Health Grp: Leo J. Thomas, grp vp-gm; John R. Zeman, vp-gm, clinical prods div; Robert T. Hamilton, vp-gm, health sciences div; Louis P. Mattis, chmn-pres-ceo, Sterling Drug Inc.; Michael R. Gallagher, pres-Lehn & Fink Prods. Imaging Information Systems Grp: Lawrence J. Matteson, grp vp-gm; Edgar J. Greco, vp-gm, business imaging systems div; Gary H. Conners, vp-gm, federal systems div; Dennis M. DeLeo, vp-gm, image acquisition prods div; John P. White, vp-gm, integration & systems prods div. International Grp: Wilbur J. Prezzano, grp vp-gm; Edward P. Hoppe, vp-gm, Asian, African & Australasian region; John E. Riggs, vp-gm, European region; Albert L. Seig, vp-gm, Japanese region; Daniel A. Carp, vp-gm, Latin American region. Photographic Prods. Grp: William E. Fowble, grp vp-gm; Peter M. Palermo, vp-gm, consumer imaging div.; Robert C. Sharp, vp-gm, U.S. mktg & sales, consumer imaging div; Robert L. Smith, vp-asst gm, operations-consumer imaging div; Peter D. Fitzgerald, vp-gm, consumer svcs div; Richard T. Bourns, sr vp-gm, manufacturing & distribution; Robert H. Graulich, vp-gm, distribution; Kenneth O. Hoffman, vp-gm, manufacturing resources div; Ronald L. Heidke, vp-gm, Rochester sensitized prods manufacturing; Vernon A. Dyke, vp-gm, sensitized components manufacturing; Joerg D. Agin, vp-gm, motion picture & television prods div; Raymond H. DeMoulin, vp-gm, professional photography div; David J. Metz, sr vp-dir, comms & public affairs; Richard S. Bartlett, vp-dir, mktg comms.

■ Brands

Professional photography div, Motion picture-AV div, Electronic photography div, consumer products-sales promo, film-trade adv, camera-trade adv, photofinishing-trade adv, batteries-trade adv

Ad agency: Rumrill-Hoyt, Rochester, N.Y. Richard Thomson, chmn-ceo; Nick Orloff, pres-coo; Tim Cronin, sr vp-creative dir; Gale Johnson, sr vp-dir, pr; Helen Hutchings, vp-assoc grp mgr; Vicki Lewis, vp-assoc grp mgr, acct super; Anita Dangel, acct exec.

Amateur film, business & industrial, photofinishing, Ultratech batteries

Ad agency: J. Walter Thompson USA, New York. Jerry Gottlieb, mgmt dir; Marty Susz, acct dir-film & photofinishing; Richard O'Leary, sr vp-acct super, film; John Mittnacht, sr acct super-photofinishing; Jeff Bodenmann, acct super-film; Libby Light, acct rep-film; Anna Suessbrick, acct rep-photofinishing & processing labs; Anna Marie Mer, acct coord-film, photofinishing & processing labs; Doug Foster, vp-acct dir; Robert Losi, sr acct super-business & industrial; Jill Jackson, acct rep-business & industrial; Marty Rose, sr vp-mgmt super, Ultratech; Mitchell Brooks, acct dir-Ultratech; Hunter Madsen, acct super, Ultratech; Susan Resnick, asst acct rep-Ultratech; Lynne Bishop, acct coord-Ultratech.

Cameras

Ad agency: Young & Rubicam, New York. Peter Georgescu, pres; Roby Harrington, exec vp; Fernan Montero, grp dir; Tim Fitzgerald, mgmt super; Jonas Wagner, acct super; Maritza Roche-Smith, acct exec.

■ Division

Eastman Chemical Division
Kingsport, Tenn.

■ Corporate personnel

Ernest W. Davenport Jr., grp vp-pres; R. Wiley Bourne Jr., exec vp-mktg; James L. Chitwood, sr vp-research & devel; Tom O. Nethery, sr vp-manufacturing.

■ Division

Sterling Drug
New York, N.Y.

■ Corporate personnel

Hilary Hinchman, corp dir-adv svcs; Richard F. Gaccione, pres-Glenbrook Laboratories.

■ Marketing personnel

Glenbrook Laboratories: Steven Staves, vp-sales & mktg; Ellen Miller, Susan Danehower, Marcia Bittner, category mgrs.

■ Brands

Phillips' line, pHisoDerm

Ad agency: N W Ayer, New York. Lee Rubin, sr vp-exec acct dir; Kathy Oberg, vp-acct super, Phillips; Carol Foxley, vp-acct super, pHisoDerm.

Medical communications

Ad agency: Dugan/Farley Communications, Montvale, N.J. John P. Dugan, pres.

Bayer line, Panadol

Ad agency: Lintas:New York. Terry Rosenquist, grp exec vp; Elliot G. Dorfman, sr vp-mgmt super; Robert Nadelman, vp-acct super.

Sl:t-Dux, Midol

Ad agency: Warwick Baker & Fiore, New York. Wilder D. Baker, pres; John Sloan, sr vp-mgmt super; Ann Ridell, vp-acct super.

Neo-Synephrine

Ad agency: Slater Hanft Martin, New York. Jerry Martin, chmn; Adam Hanft, pres; Don Slater, exec vp.

■ Division

Winthrop Pharmaceuticals
New York

■ Corporate personnel

Harry A. Shoff, pres.

■ Marketing personnel

Thomas Giordano, vp-mktg, pharmaceutical prods div; John Cornille, vp-sales, pharmaceutical prods div; Dan Peters, vp-diagnostic imaging div; Alan Binaghi, vp-sales; Jack Talley, vp-US diagnostic imaging div.

■ Brands

Talwin Nx, Talacen, Carpujet

Ad agency: Vargas, Levy, New York. Tom Vargas, pres; Paul Hansen, sr vp.

Primacor

Ad agency: Klemtner Advertising, New York. Gavin A. Scotti, pres.

Inocor, Plaquenil, Donocrine

Ad agency: KPR, New York. Gabor Osuath, acct super.

Omnipaque

Ad agency: Lavey/Wolff/Swift, New York. John Dillon, vp-acct super.

Biobrane

Ad agency: S.J. Weinstein, New York. Mel Getzoff, acct exec.

■ Division

Lehn & Fink Products
Montvale, N.J.

■ Corporate personnel

Michael R. Gallaghr, pres-ceo; Peter Black, grp vp-Household grp; Kenneth M. Evans, grp vp, Do-It-Yourself grp. Household Prods. Div: Joseph M. Healy, pres; Kevin Dunn, vp-mktg; Jimmie Byrum, vp-sales. Personal Prods. Div: Peter Stearns, vp-mktg; Brian Curtiss, category mgr. National Laboratories: James Castello, pres; Jon Krance, vp-mktg; Donald Nowlin, vp-sales. Do-It-Yourself Grp.-Minwax Co: Ridgely W. Harrison III, pres; Richard A. Bachman, vp-mktg; Kathy Tousignant, vp-sales. Do-It-Yourself Grp.-Thompson & Formby Inc: Bill Stewart, pres; Frederick D. Miller, vp-mktg, Thomas E. Harris, vp-sales.

■ Marketing personnel

Household Prods Div: Christine McArdle, Craig Karasin, Ken Jones, John Tomcheck, dirs-category mgrs. National Laboratories: Michael Wesnofske, Richard Baiman, Lenore Suchy, John Jordan, dirs-mkt mgrs. Do-It-Yourself Grp.-Thompson & Formby Inc: Richard A. Loomis, S. Lawrence Damore, category mgrs.

■ Brands

Household Products Div: Lysol Pine Action, Lysol Bathroom Touch-Ups, Chubs, Wet Ones, Lysol Direct

Ad agency: Lowe & Partners, New York. Andrew Langer, ceo; Richard Villante, pres; Barry Linsky, exec vp; Steve Rosenblum, sr vp-mgmt super.

Household Products Div: RID-X septic tank additive

Ad agency: Ramm Advertising, Cranford, N.J. Ed Ramon, pres; Jack Hernish, vp.

Household Products Div: Lysol products, Love My Carpet, Mop & Glo

Ad agency: Lintas:New York. John Barnes, exec vp; Mike Lyman, Mike Pile, acct supers; Chris Clarke, Teresa Muench, acct execs.

Household Products Div: Glass Mates, d-CON rodenticides, Resolve Carpet Cleaner

Ad agency: Warwick Baker & Fiore, New York. Wilder Baker, pres-ceo; John Sloan, grp acct dir; Philip Kurier, acct super; Richard Miller, Danielle Serino-Appel, acct execs.

Personal Products Div: Ogilvie, Tussy, Dorothy Gray

Ad agency: Jordan, McGrath, Case & Taylor, New York. Pat McGrath, pres; Jodie Glasser, acct super; Jim Foh, vp-assoc media dir; Wayne Cerullo, vp-assoc research dir.

Personal Products Div: Diaparene

Ad agency: Warwick Baker & Fiore, New York. Wilder Baker, pres-ceo; Bob Fiore, vice chmn-chief creative officer; Jerry Seuferling, assoc media dir.

Do-It-Yourself Grp: Minwax consumer & industrial products

Ad agency: Gilbert, Whitney & Johns, Whippany, N.J. John Mimnaugh, exec vp.

Do-It-Yourself Grp: Thompson's & Formby's

Ad agency: Slater Hanft Martin, New York. Jerry Martin, chmn; Terry Koch-Bostic, sr vp-mgmt super; Lily Li, vp-mgmt super; Adam Hanft, pres-creative dir; Don Slater, exec vp-creative dir.

Do-It-Yourself Grp: Red Devil

Ad agency: Lintas:New York. John Barnes, exec vp; Mike Lyman, acct super, Steve Kaufman, acct exec.

Honda tours national parks

Seeking new print forms, Honda helped fund a 12-page insert in *Reader's Digest* with the National Park Service that highlighted park sites, gave driving tips and carried ads for the Accord.

The St. Louis advertising region of The Wall Street Journal delivers subscribers with an average household income of $124,000. 80% with HHI $50,000 or more. 91% in top or middle management positions. At rates competitive with the St. Louis Post-Dispatch. For details, call your Journal representative.

Source: WSJ 1990 Worldwide Subscriber Study
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Top 25 outdoor advertisers

Rank	Advertiser	Outdoor spending 1989	Outdoor spending 1988	% chg	Total U.S. ad spending 1989	Total U.S. ad spending 1988	Outdoor as % of total 1989	Outdoor as % of total 1988
1	Philip Morris Cos.	$70.9	$61.7	14.9	$2,072.0	$2,028.4	3.4	3.0
2	RJR Nabisco	49.1	57.2	(14.1)	703.5	740.9	7.0	7.7
3	Loews Corp.	34.2	32.8	4.2	143.0	123.3	23.9	26.6
4	B.A.T. Industries PLC	27.7	24.3	14.0	196.4	150.5	14.1	16.1
5	American Brands	10.7	11.8	(9.3)	204.2	168.0	5.3	7.0
6	Seagram Co.	9.0	9.3	(2.7)	136.8	140.8	6.6	6.6
7	Grand Metropolitan PLC	8.1	6.5	24.7	823.3	754.6	1.0	0.9
8	Guinness PLC	6.4	4.5	42.0	NA	NA	NA	NA
9	Anheuser-Busch Cos.	6.1	8.6	(28.2)	591.5	645.9	1.0	1.3
10	McDonald's Corp.	5.9	6.3	(6.1)	774.4	728.1	0.8	0.9
11	Brown-Forman Co.	4.7	3.1	54.0	NA	NA	NA	NA
12	Holiday Corp.	4.7	5.1	(8.2)	NA	NA	NA	NA
13	Adolph Coors Co.	3.8	2.9	30.4	201.0	200.8	1.9	1.4
14	MCA Inc.	3.71	1.5	139.7	219.9	157.1	1.7	1.0
15	PepsiCo Inc.	3.68	3.1	19.5	786.1	710.9	0.5	0.4
16	General Motors Corp.	3.68	3.0	22.8	1,363.8	1,290.6	0.3	0.2
17	BankAmerica Corp.	3.44	2.1	61.2	NA	NA	NA	NA
18	Allied-Lyons PLC	3.43	4.0	(13.3)	NA	NA	NA	NA
19	Ford Motor Co.	3.02	2.2	39.9	602.1	565.2	0.5	0.4
20	Wells Fargo & Co.	2.990	0.0	NA	NA	NA	NA	NA
21	U.S. Government	2.989	11.1	(73.2)	309.5	294.3	1.0	3.8
22	Whitbread & Co. PLC	2.96	2.2	37.1	NA	NA	NA	NA
23	CBS Inc.	2.8	1.9	50.9	NA	NA	NA	NA
24	Colgate-Palmolive Co.	2.5	1.3	82.9	246.3	351.7	1.0	0.4
25	Ramada Inns	2.3	2.8	(16.9)	NA	NA	NA	NA

Note: Dollars are in millions. **Source:** LNA/Arbitron. See Page 2 for methodology and other source information. **AA chart:** Kevin Brown

RANK: 13

Ford Motor Co.

Dearborn, Mich.
Ad spending: **$602.1** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	135,239	125,532	7.7
Sunday magazine	593	603	(1.8)
Newspaper	27,109	24,885	8.9
Outdoor	3,016	2,157	39.9
Network TV	201,372	175,688	14.6
Spot TV	54,871	68,885	(20.3)
Syndicated TV	6,634	4,543	46.0
Cable TV networks	7,253	6,267	15.7
Network radio	11,180	12,043	(7.2)
Spot radio	13,390	11,827	13.2
Measured media	460,656	432,428	6.5
Unmeasured	141,400	132,800	6.5
Total	602,056	565,228	6.5
By top brands	**1989**	**1988**	**% chg**
Ford passenger cars	197,867	214,953	(7.9)
Ford trucks & vans	105,033	74,578	40.8
Mercury passenger cars	65,586	54,410	20.5
Lincoln passenger cars	32,459	40,317	(19.5)
Ford cargo trucks	15,653	4,705	232.7
Jaguar passenger cars	12,812	13,565	(5.6)
First Nationwide banks	10,018	11,741	(14.7)
Ford car stereo systems	7,723	5,774	33.7
Motorcraft automotive products	5,025	6,797	(26.1)
Ford parts	2,982	4,811	(38.0)

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	96,146	92,446	4.0
Earnings	3,935	5,300	(25.8)
U.S.	**1989**	**1988**	**% chg**
Sales	72,784	70,626	3.1
Net income	1,627	3,015	(46.0)
Division sales	**1989**	**1988**	**% chg**
Automotive	82,879	82,193	0.8
Financial svcs	13,267	10,253	29.4

Annual review

Ford Motor Co., the No. 2 domestic automaker, stepped up ad spending in 1989 as it felt the effects of slowing car sales and increased competition. Its earnings dropped 28% for 1989 after three straight years of record returns.

Ford sold some of its operations in late 1989 and 1990 to put its resources into its two core business units, automotive and financial services. Sold between yearend and this month were Ford's Rouge Steel subsidiary, the Ford Aerospace unit and Ford-New Holland tractor and farm equipment operation. Ford still holds a 20% stake in Rouge Steel and Ford-New Holland.

Ford purchased British luxury carmaker Jaguar in November 1989 for $2.5 billion and said goodbye to Chairman Donald Petersen, who announced in November 1989 he would take early retirement. He was succeeded by Harold Poling, former vice chairman-COO. Philip Benton, formerly president of the Ford Automotive Group, succeeded Mr. Poling as COO and gained the title of company president.

Ford introduced a redesigned Lincoln Town Car and four-wheel-drive versions of its Aerostar minivan in the fall of 1989. It also introduced several new products in 1990 including the new Ford Escort, the best-selling car of the 1980s, the Ford Explorer sport utility vehicle (which replaced the Bronco II) and the Australian-built Mercury Capri convertible. Ford said it will spend more on new products and facilities in the next five years than the $23 billion it spent in the last five.

Ford sold 2,205,598 Ford, Lincoln-Mercury and Merkur cars in 1989, down 2.5% from 1988. Its car market share increased to 22.4% in 1989 from 21.6%. Ford truck sales of 1,466,929 declined 3%. Its market share decreased slightly from 29.12% in 1988 to 28.76% in 1989.

Ford light trucks, market leader, lost share points to Chevrolet in 1989. Chevrolet began running ads in the winter of 1989 that showed people in rural Ford County, Ill., prefer Chevrolet trucks over Ford's. Ford argued that it sold more trucks in Ford County and ran a TV spot to counter the claim.

Ford's truck sales got a boost in March when Ford introduced its four-door and two-door Explorer. The Explorer is designed to compete with the Jeep Cherokee and four- and two-door versions of the Chevrolet Blazer. Ford is predicting Explorer will double its sales in the sport utility category in the future. Ford also launched an overall truck campaign themed "The best never rest" in April 1990.

The company's car business continues to give mixed results. Despite domestic leadership in car sales for the Ford nameplate for both the 1989 model and calendar year, Ford is in a tight battle for the 1990 sales crown. Chevrolet, buoyed by its Geo import car lineup, beat Ford sales by nearly 45,000 units for the first half of 1990.

Ford is counting on its 1991 redesigned Escort that went on sale this April. The new Escort, based on the Mazda 323 subcompact, is being called the most important launch in its history. Ford is spending an estimated $65 million-$70 million in advertising to launch the Escort redesign. The car is important to Ford to continue high sales volumes of small cars so it can meet tougher fuel economy standards in the future. The fuel-efficient Escort is important to keep Ford's average low and meet the corporate auto fuel economy (CAFE) standard.

Ford Division continued to use its age-old theme line "Have you driven a Ford lately?" in both print and TV for its cars.

During 1989, the heaviest advertised Ford car was the Ford Taurus at $25.7 million, down 20.2%. Ranger received the most ad support for a Ford truck with $47.8 million, up 72.6%. Ford Division spent $260 million in media advertising for both cars and light trucks in 1989, up 6%, according to LNA/Arbitron.

Two new cars at Lincoln-Mercury, the Mercury Capri and Escort's sister, the Mercury Tracer, entered the market this summer. Both are designed to bring in younger buyers to L-M showrooms. Mercury continued with its year-old theme line "Nothing moves you like a Mercury" showing a live cougar jumping into block letters spelling Mercury.

L-M dropped its Merkur brand in October 1989 after five years of unsuccessfully trying to crack the European import segment with its Ford of Europe-built XR4Ti and Scorpio cars. Dealers and industry analysts applauded the move.

Lincoln enjoyed increased market share from 1.81% in 1988 to 2.01% in 1989 and increased sales so far in 1990, thanks to more interest in luxury cars and its redesigned Town Car for 1990. Golfer Jack Nicklaus appeared in several Lincoln ads as Lincoln continued to use its ad theme, "What a luxury car should be," in both print and TV.

L-M measured advertising rose 3% to $98 million for its cars, including Merkur cars, in the 1989 calendar year. The Mercury Cougar pulled the largest media expenditure of $34.4 million, up from only $11.3 million in 1988, according to LNA/Arbitron.

Ford signed a $43 million deal for commercial time during the 1992 and 1994 Winter Olympics.

Ford Financial Services announced plans in April 1990 to purchase Marine Midland Automotive Financial, the fourth largest automotive financing unit. It also formed Ford Holdings to raise capital for its purchase of Associates Corp. and serve as the holding company for its leasing and insurance subsidiaries.

Its pan-European auto replacement parts account was shifted to Ogilvy & Mather in September 1989 from Lintas' CM:Spectrum.

Headquarters

Ford Motor Co.
The American Road
Dearborn, Mich. 48121
(313) 322-3000

Corporate personnel

Edsel B. Ford II, exec dir-mktg staff; F.R. Wuellner, adv & comms mgr; T.J. Wagner, vp-genl mgr, Ford Div.; R.H. Roberts, vp-gm, Lincoln-Mercury Div; L.R. Miskowski, vp-gm, Ford Parts & Service Div.; J.G. O'Connor, genl sales & mktg mgr-Ford Parts & Service Div.; D.S. Cook Jr., exec vp-N. American auto financing, Ford Motor Credit Co.

Marketing personnel

Ford Div: P.M. Novell, genl sales mgr; J.D. Carey, exec asst-dealer affairs; K.C. Magee, genl mktg mgr; J.M. Ludlow, truck sales promo mgr; J.B. Vanderzee, adv mgr; R.J. Gillooly, car adv mgr; W.L. Glick, truck adv mgr; B.A. Koehler, merch mgr; J.F. Gismondi, car sales promo mgr; J.H. Harnden, training comms mgr; J.H. Merrifield, heavy truck sales mgr; J.H. Hicks, heavy truck adv & merch mgr; J.A. Pierce, heavy truck adv mgr; T.A. Ryan, heavy truck merch mgr. Lincoln-Mercury Div: Mark Hutchins, genl sales mgr; Ian McAllister, genl mktg mgr; Steve Lyons, adv mgr; Ron Robbins, merch mgr; Chuck Schneider, major market dealer adv mgr. Ford Parts & Service Div: K.W. Myers, parts & svc mktg mgr; L.K. Dwiggins, genl sales & svc mgr; A.L. Merritt, adv & sales promo. Ford Motor Credit Co.: J.P. Henley, vp-Western U.S.; V.J. Radzik, vp-Eastern U.S. & Canada; S.M. Poth, vp-business planning; L.C. Larkin, vp-mktg; R.C. Donoghue, mgr quality office; D.J. Wennerberg, mgr operations svcs office; L.J. Mason, mgr tractor & equip.

Brands

Corp adv

Ad agency: Wells, Rich, Greene, New York. James B. Lawrence, sr vp-mgmt dir, Detroit.

Ford cars & trucks

Ad agency: J. Walter Thompson USA, Detroit. Charles Balestrino, exec vp-gm; Dan Topping, sr vp-mgmt dir, Ford car; Richard Howting, exec vp-creative dir; Doug Molloy, vp-mgmt super, family cars; Gerd Leimbach, vp-mgmt super, special cars; Sean Neall, sr vp-mgmt dir, Ford truck; John Scott, exec vp-creative dir; Mike Gonyea, vp-mgmt super, light trucks; Ben Wright, vp-mgmt super, medium/heavy trucks; Hugh Trenkamp, exec vp-gm, regional adv grp.

Lincoln-Mercury minority adv

Ad agency: UniWorld Group, New York. Byron Lewis, chmn-ceo; Fermina Platon, vp-dir mktg.

Lincoln-Mercury

Ad agency: Young & Rubicam, Detroit. Roby Harrington, exec vice chmn-Y&R USA natl grp; John Sanders, chmn-ceo, Y&R Detroit; Don Williams, exec vp-grp dir; Warren Winstanley, vp-grp mgmt super; Tom Ryan, Carol Canestraight, vps-mgmt supers, Mercury; Tim Cooney, vp-mgmt super, Lincoln; Greg Stein, sr vp-dir strategic planning; Al Hogg, vp-acct super, prod info; Chuck Riley, exec vp-dir client svcs; Ken Pool, sr vp-dir, media relations & planning.

Ford Parts and Service

Ad agency: Ogilvy & Mather, Detroit. Jan Starr, sr vp-gm; Steve Kenety, vp-dir mktg; David Murphy, vp-mgmt super; Steve Hamilton, acct super.

Ford Motor Credit

Ad agency: Wells, Rich, Greene, New York. Ailan Vernier, vp-mgmt super.

RANK: 44

General Electric Co.

Fairfield, Conn.
Ad spending: **$243.2** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	38,332	36,747	4.3
Sunday magazine	962	1,900	(49.4)
Newspaper	20,926	26,542	(21.2)
Outdoor	1,413	1,508	(6.3)
Network TV	28,662	42,939	(33.2)
Spot TV	12,115	10,907	11.1
Syndicated TV	12	50	(76.3)
Cable TV networks	2,689	1,290	108.4
Network radio	2,819	1,948	44.7
Spot radio	3,129	1,559	100.7
Measured media	111,056	125,390	(11.4)
Unmeasured	132,100	149,100	(11.4)
Total	243,156	274,490	(11.4)
By top brands	**1989**	**1988**	**% chg**
NBC TV	33,077	34,635	(4.5)
GE corporate	28,752	37,804	(23.9)
GE lighting equipment	8,674	7,584	14.4
GE major appliances	6,749	9,993	(32.5)
GE refrigerators	5,441	2,587	110.4
WNBC TV	3,526	2,732	29.1
CNBC cable network	2,897	0	NA
RCA/Columbia record club	2,828	4,714	(40.0)
KNBC TV station	2,705	3,548	(23.8)
WMAQ TV station	2,426	2,698	(10.1)

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	54,574	50,089	9.0
Earnings	3,939	3,386	16.3
U.S.	**1989**	**1988**	**% chg**
Sales	48,912	46,364	5.5
Operating profit	6,070	4,941	22.8
Division sales	**1989**	**1988**	**% chg**
Aerospace	5,282	5,343	(1.1)
Aircraft engines	6,863	6,481	5.9
Broadcasting	3,392	3,638	(6.8)
Industrial	7,059	7,061	(0.0)
Major appliances	5,620	5,289	6.3
Materials	4,929	3,539	39.3
Power systems	5,129	4,805	6.7
Technicals prods., svcs	4,545	4,431	2.6
GEFS	12,945	10,655	21.5
Other	319	384	(16.9)

Annual review

NBC Television Network's efforts to build viewership for its new fall schedule in a first-ever joint sweepstake promotion with Sears, Roebuck & Co. apparently worked well enough to prompt the leading network to try it again—this time with an even more seasoned promo artist, McDonald's Corp.

NBC, now General Electric's biggest advertised division, and McDonald's Corp. will give away some $35 million in cash during a four-week, watch-and-win game called "McMillions on NBC." NBC has been mum about the success of the Sears venture. However, CBS, which linked with K mart in a similar effort, credited its promotion with helping boost viewership of its new fall prime time shows by more than 20% over premiere showings in 1988.

Until last year, GE spent more media ad dollars on general GE corporate promotion. That spending declined 24.4% in 1989 to $28.8 million, compared with NBC spending of $33.1 million, down 4.3%, according to LNA/Arbitron.

The company also cut media spending on its GE appliances by 36.9% to $11.8 million, most of the decline coming out of general promotion for major appliances. Among its itemized appliances mix, the company nearly doubled advertising for refrigerators/freezers to $5.4 million in 1989.

The restructuring of GE in the 1980s has left the company with less of a consumer orientation. This translates into reduced ad spending. This year's 12.9% companywide decline in measured media erases last year's 3% increase and continues an ad reduction trend that started in 1986.

Few if any products spent more in media in 1989 than in 1988, one exception being home light bulbs, which grew 20.9% to $8.1 million.

NBC remained the ratings leader for the 30-week season ended April 15, but its 14.6 rating was off 17% from the previous year. The three-network average prime-time share of total TV viewers during the 1989-90 TV season dropped slightly to 66%.

NBC still commands more ad revenue than its competitors although prior-year figures reflect heavy spending on NBC and ABC by Olympics advertisers. NBC's network revenue in 1989 hit $3.68 billion, down 3.7%; ABC revenue came in at $3.02 billion for both years, and CBS claimed $2.86 billion, up 4.4%.

Once again NBC led the three networks with about $1.5 billion in sales during the record-setting $4.3 billion upfront prime-time selling season for the 1990-91 TV season.

Earlier this year NBC merged its ad sales operations for broadcast and cable TV. The NBC sales force now oversees ad sales for CNBC and SportsChannel America, which NBC co-owns with Cablevision Corp. The set-up helped NBC complete a $500 million-$750 million, three-year upfront ad deal with General Motors Corp. that includes advertising on NBC's prime-time programs and sports and its cable properties.

NBC executives called the deal "the largest single commitment made by any advertiser in the history of television." Both parties said the agreement extended what had become an established buying pattern on NBC by the nation's No. 1 automaker.

CNBC, launched in April 1989 with 13 million subscribers, had 16.8 million subscribers by June 1990 but is still far short of its 30 million subscriber break-even point. In July, Albert F. Barber, exec VP-CFO of NBC, took over the presidency of the cable network, replacing Michael Eskridge.

NBC also is banking on cable TV to help the network defray the $401 million telecast rights fees and maybe reap a profit on the 1992 Summer Olympic Games in Barcelona. The network initially talked about offering a special cable pay-per-view package for about $150 which would give an Olympics fan around-the-clock coverage on as many as three channels for two weeks. Those plans could change as the network attempts to maximize its Olympic investment.

Headquarters

General Electric Co.
3135 Easton Turnpike
Fairfield, Conn. 06431
(203) 373-2211

Marketing personnel

Richard A. Costello, mgr-corp mktg comms; James R. Harman, mgr-corp adv; Victor H. Alcott, mgr-GE Appliances adv; William D. Rayer, mgr-GE Lighting adv; William S. Kelly, vp-pr & adv, GE Capital.

Brands

Brand image, corp adv, major appliances, lighting

Ad agency: BBDO, New York. Arnold Ross, acct dir-corp mktg & GE Appliance Group; Ken Angel, acct dir-GE automobile headlamps, GE batteries & GE Retail Lighting.

GE Capital

Ad agency: Jordan, McGrath, Case & Taylor, New York. Jack Taylor, vice-chmn.

Subsidiary

NBC Entertainment
New York

Marketing personnel

John D. Miller, exec vp-mktg, NBC-TV Network; Vince Manze, vp-adv & promo, West Coast; Tim Miller, vp-adv & promo, East Coast; Paul Wang, vp-prog & media planning; John Luma, vp, on-air promo; Martha Stanville, vp-affiliate adv & promo svcs; Jenness Brewer, vp-print adv; Marla Goldstein, dir-media planning.

Brands

NBC Entertainment

Ad agency: D'Arcy Masius Benton & Bowles, Los Angeles. Jim Helin, mg dir; John Armistead, deputy mg dir-exec creative dir.

Chris Bullion honors 500th

U.S. Mint eyes 1992 for big ad push behind coin honoring Columbus' discovery.

RANK: 21

General Mills

Minneapolis

Ad spending: $471.0 million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	16,593	18,404	(9.8)
Sunday magazine	104	598	(82.6)
Newspaper	3,417	2,332	46.5
Outdoor	389	295	31.9
Network TV	144,975	137,450	5.5
Spot TV	150,257	145,945	3.0
Syndicated TV	10,907	5,715	90.9
Cable TV networks	21,306	20,011	6.5
Network radio	5,406	5,809	(6.9)
Spot radio	1,913	1,212	57.9
Measured media	355,266	337,769	5.2
Unmeasured	115,700	110,000	5.2
Total	470,966	447,769	5.2
By top brands	**1989**	**1988**	**% chg**
Cheerios cereal	68,108	49,009	39.0
Red Lobster restaurants	57,966	50,790	14.1
Total cereal	42,015	27,095	55.1
Oatmeal Raisin Crisp cereal	14,331	12,711	12.8
Fruit Corners snacks	11,928	12,828	(7.0)
Betty Crocker dinners	11,841	13,929	(15.0)
Lucky Charms cereal	11,113	11,386	(2.4)
General Mills cereal	11,110	620	NA
Raisin Nut Bran cereal	10,696	9,699	10.3
Wheaties cereal	10,254	9,412	8.9

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	6,448	5,621	14.7
Earnings	374	315	18.5
U.S.	**1990**	**1989**	**% chg**
Sales	5,796	5,071	14.3
Operating profits	656	543	20.8
Division sales	**1990**	**1989**	**% chg**
Consumer foods	4,520	3,999	13.0
Restaurants	1,938	1,622	18.9

Notes: Fiscal year ended May 27, 1990

Annual review

General Mills spent the last year racing to keep production up with demand for its popular cereal lines, expanding its restaurant chains and new foodservice concepts and finalizing plans to enter the European market with Big G cereals.

General Mills linked with Nestle S.A. to create a worldwide breakfast cereal business, Cereal Partners Worldwide (CPW), that promptly purchased the U.K. breakfast cereal business of Ranks Hovis McDougall PLC. That foray gave CPW 15% of the $1 billion U.K. cereal business, RHM's market share.

Though second only to Kellogg in the $6 billion U.S. cereal market, General Mills had been a minor player compared to Kellogg in Europe. Sales of cereals are estimated at $1.6 billion there, and are expected to quadruple by the year 2000.

In the U.S., General Mills cereals hold a 27% dollar share of the ready-to-eat cereal market based on its fiscal 1990 cereal sales of $1.6 billion, up 19.5%. Growth came despite production capacity limitations which forced a delay in new-product introductions. Relief will come from a new plant that began production in April and four other plants to come on-line in 1991.

Established brand lines Cheerios and Total accounted for nearly half of General Mills' cereal business. Each line introduced an extension—Apple Cinnamon Cheerios and Total Raisin Bran.

The 49-year-old Cheerios is the country's leading cereal, while 10-year-old Honey Nut Cheerios is third. Apple Cinnamon Cheerios is 14th in dollar sales at 1.5% share. The entire brand commands 9.7% (up from 8% in 1988) of the ready-to-eat cereal market. General Mills is test marketing Cheerios to Go, a package of six snack-size packets of the brand's three flavors. The Cheerios line was backed by $68 million in media last year, a 35% increase, according to LNA/Arbitron. Total, which claimed 2.6% of the market in 1989, down 0.1 points, received $42 million, up 49%.

McDonald's Corp. this March tapped Cheerios and Wheaties for its breakfast menu. If the cereals catch on, they could quickly generate additional revenue of up to $200 million.

Kellogg's market share is estimated at 39.5% to General Mills' 27% of the ready-to-eat cereal market. In hot cereals, General Mills' 8% share ranks third, far behind Quaker Oats' 61% lead. The company introduced a new hot cereal, Undercover Bears, nationally in September, supported by a $10 million network and spot TV campaign from Campbell-Mithun-Esty, Minneapolis. Targeting kids for its hot cereal products has been General Mills' longtime strategy.

Psyllium-based Benefit and line extension Raisin Oat Bran were dropped.

New product rollouts dominated General Mills' activity in the $298 million fruit snacks market, which it leads with a market share nearing 44% compared to 37.8% for runner-up Thomas J. Lipton Inc. The bite-size segment of the market continues to grow as fruit rolls and bars decline. New products included Thunder Jets and Surf's Up fruit shapes and Garfield & Friends fruit rolls with peel-out cartoon characters.

Red Lobster USA, whose sales represent 25% of the $5.3 billion U.S. seafood dinnerhouse segment, increased measured ad spending to $58 million, up 13.7%. Its advertising highlighted special meal promotions in its 460 restaurants. While Red Lobster added 20 units, General Mills' Olive Garden Italian restaurant added 55. Backed by $3.6 million in measured spending and its first promotional event, "The Carnival of Venice," Olive Garden's 200 restaurants claimed a 10% share of the $4.5 billion Italian dinnerhouse segment.

Combined sales for Red Lobster and Olive Garden are expected to reach $3 billion by 1993, as General Mills adds 45 to 50 units per year to each chain.

China Coast, a dinnerhouse concept in test in Orlando, is bringing Oriental food to an audience aged 45-64, the population segment that frequents full-service restaurants the most, said General Mills. China Coast's menu features three popular Chinese regional cuisines, and meals are prepared to be free of cholesterol and MSG.

General Mills is testing a foodservice concept in Minneapolis called Bringer's, which provides home delivery of hot prepared foods, salads and appetizers. With its moderate pricing—the average entree costs $5.50—and a delivery time of 19 minutes, Bringer's is promoted as an alternative to pizza.

Headquarters

General Mills
Number One General Mills Blvd.
Minneapolis, Minn. 55426
(612) 540-2311

Corporate personnel

H. Brewster Atwater, chmn-ceo; F. Caleb Blodgett, vice chmn-cfo; Mark H. Willes, pres-coo; Arthur R. Schulze, vice chmn; Joe R. Lee, pres-General Mills restaurants; Steven M. Rothschild, exec vp-convenience & intl foods, Gorton's, Sperry, Yoplait & new business; Roger W. Rumble, pres-foodservice; Michael E. Cushmore, pres-Sperry div; Stephen W. Warhover, pres-Gorton's; Peter J. Spokes, pres-Yoplait; David K. Murphy, pres-Betty Crocker prods; Stephen W. Sanger, pres-Big G div; Edward K. Bixby, pres-consumer foods; Jeffrey J. O'Hara, pres, Red Lobster USA; Ronald N. Magruder, pres-The Olive Garden Restaurants; Blaine Sweat III, gm-China Coast.

Marketing personnel

Donald L. Knutzen, vp-gm, mktg svcs; Robert J. Blake, dir-adv svcs, consumer foods.

Brands

Grocery & trade adv, worldwide military adv

Ad agency: Bozell, Minneapolis. Eric Forslin, vp-acct super; Ron Oakland, creative dir; George Scott, media planner.

Cinnamon Toast Crunch, Oatmeal Raisin Crisp, Oatmeal Crisp, Oatmeal Swirlers, Undercover Bears, Nature Valley Granola Bars, Bugles, Betty Crocker Pop Secret microwave popcorn, new products

Ad agency: Campbell-Mithun-Esty, Minneapolis. Tom Hanft, Les Mouser, exec vps-dirs, acct svcs; Kate Richardson, vp-mgmt super.

APPLE GO
NETWORK.

There are two kinds of innovations in the computer business. The ones you just talk about. And the ones you actually use.
Introducing 103 of the latter.

Introducing the Mac that gets business communicating at its best.

When Apple Computer and its agency BBDO/LA wanted to reach serious computer buyers to introduce their new "wicked fast" Macintosh IIfx, they went primetime with the *Ziff-Davis PC Network*. What better way to launch a computer that's a serious rival to the PC standard.

Communicating with the best buyers.

With a combination of flexible media schedules in three publications—*PC Magazine*, *PC Week* and *PC/Computing*—Apple can go right to the top of the ratings with 1.5 million computer buyers, reaching circulation numbers and demographics that only the business books used to offer.

Says Ron Harrison, BBDO/LA's Senior Vice President/Director of Media Service, "With the Network, we can appeal to buyers through their different 'points of view'. There is no larger group of buyers than those reached by these three complementary publications. The Network breaks new ground for Apple and helps influence markets that are critical to their success in the 1990s."

Apple, the Apple logo, Macintosh and IIfx are registered trademarks of Apple Computer, Inc. "Wicked fast" is an official sound bite of Frank Casanova and the Macintosh IIfx development team.

Crispy Wheats 'n Raisins, Golden Grahams, Raisin Nut Bran, Betty Crocker dessert mixes, Betty Crocker potatoes, Bisquick, Bac-O's, Wheaties, Hamburger Helper, Chicken Helper, Tuna Helper, Yoplait yogurt brands, Gold Medal flour, Gold Medal whole wheat blend flour, Oriental Classics, Suddenly Salad, Betty Crocker Potato Medleys, Sperry div adv, new main meals, new instant meals

Ad agency: DDB Needham Worldwide, Chicago. Kirk Borland, grp acct dir; Peter Kuntz, mgmt rep-Betty Crocker & Yoplait; Bob Klein, mgmt representative-Big G

Bringers

Ad agency: Fallon McElligott, Minneapolis. Mary Weber, mgmt super; Mike Buchner, acct super; Marilee Fasching, acct exec

Red Lobster Inns, Olive Garden Restaurants

Ad agency: Grey Advertising, New York. Red Lobster: Jordan Rosuck, exec vp; Steve Haber, vp-grp mgmt super; Rick Cusato, vp-mgmt super. Olive Garden: Stew Hegleman, exec vp; Les Strauss, vp-grp mgmt super; Wende Lyman, vp-mgmt super

Gorton's fish, Market Fresh

Ad agency: Laurence, Charles, Free & Lawson, New York. Carey Field, Pam Schreiber, acct supers; Craig Gordon, asst acct exec

Foodservice, bakery flour

Ad agency: Harris & West Advertising, Bloomington, Minn. Dennis Gallaher, genl acct super; Andy Martin, acct exec.

Cheerios cereals, Clusters, Cocoa Puffs, Fiber One, Kix, Total, Total Raisin Bran, Total oatmeal, Fruit Roll-Ups, Fruit Wrinkles, Berry Bears, Shark Bites, Garfield Fruit Snacks, Surf's Up Fruit Snacks, Squeezit fruit drinks, Betty Crocker pancake mix, Soft-as-Silk cake flour, new hot cereal development, new products

Ad agency: Saatchi & Saatchi Advertising, New York. Skip Sims, exec mgmt dir; Michael Burns, mgmt dir; Ann Almaier-Adriance, mgmt super.

Gorton's seafood-special assignment

Ad agency: Wattenmaker Advertising, Cleveland. James S. Wattenmaker, pres-acct mgr; Monica Wesolowski, media director.

McDonald's financials biodegradable

McDonald's, which printed its 1989 annual report on recycled paper generated 100% from its own operations, moved this year to counter criticism of the amount of garbage its packaging creates by avowing to step up its use of recycled paper well beyond annual reports and by testing regionally a promotion that distributed tree seedlings to elementary students. In the latter promotion, McDonald's also provided educational materials on the environment to grade school teachers.

RANK: 4

General Motors Corp.

Detroit

Ad spending: **$1,363.8** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	213,524	190,799	11.9
Sunday magazine	12,327	15,962	(22.8)
Newspaper	55,654	83,337	(33.2)
Outdoor	3,680	2,997	22.8
Network TV	506,514	443,402	14.2
Spot TV	90,921	115,286	(21.1)
Syndicated TV	20,672	6,054	241.5
Cable TV networks	21,039	9,201	128.7
Network radio	35,309	38,255	(7.7)
Spot radio	39,477	40,185	(1.8)
Measured media	999,116	945,478	5.7
Unmeasured	364,700	345,100	5.7
Total	1,363,816	1,290,578	5.7

By top brands	1989	1988	% ch
Chevrolet cars	180,551	184,041	(1.9
Oldsmobile cars	132,965	139,534	(4.7
Buick cars	115,296	119,787	(3.7
Pontiac cars	111,603	128,947	(13.5
Chevrolet light trucks	104,182	111,630	(6.7
GM cars	79,599	42,491	87.3
Geo Metro & Tracker	69,359	9,957	596.6
Cadillac cars	47,923	48,396	(1.0
General Motors auto parts	36,681	32,496	12.9
GMC light trucks	23,548	22,525	4.5

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	126,932	123,642	2.7
Earnings	4,224	4,856	(13.0
U.S.	**1989**	**1988**	**% chg**
Sales	93,878	88,745	5.8
Net income	1,813	1,702	6.5
Division sales	**1989**	**1988**	**% chg**
Automotive	99,106	97,438	1.7
Financing & insurance	11,254	10,665	5.5
Other	12,852	12,285	4.6

Annual review

The beginning of the Robert Stempel era and an apparent bottoming-out of a harrowing slide in market share provided optimistic notes as General Motors Corp. entered the last quarter of 1990.

The new management team that took office Aug. 1 was led by Mr. Stempel as chairman and Lloyd Reuss as president. Both came up through GM's engineering ranks, leading observers inside and outside the company to predict a new emphasis on product at GM. Mr. Stempel replaced Roger Smith, who retired. Like most of his predecessors, Mr. Smith advanced through the financial side.

GM's share of the U.S. new vehicle market, including cars and light trucks, plummeted from 45.7% units in 1980 to 35.1% in 1989. Each share point in 1989 represented about $2 billion in sales. The 1989 share was down from 35.6% in 1988. Total 1989 U.S. vehicle sales for GM were 5,106,224 units, a decline of 7.4% from the previous year.

But for the first seven months of 1990, GM's share rebounded to 36% as the market itself diminished. GM's unit sales for the period also declined, by 1.8% compared to the previous year.

Worldwide factory sales of GM vehicles fell to 7,946,000 in 1989, off 2%. In the U.S., GM sold 3,437,251 cars, down 10.1%, and 1,668,973 light trucks, down 1.2%. Buick maintained a 5.5% share of the U.S. car market; Cadillac rose to 2.7% from 2.5%; Chevrolet dropped from 14% to 13.7%; Oldsmobile fell to 6.1% from 6.8% and Pontiac declined to 6.9% from 7.4%.

In the light-truck market, Chevrolet increased its share from 27.4% to 28%, and GMC went up from 7.2% to 7.6%. Pontiac and Oldsmobile became players in the light-truck market with the late 1989 introduction of new minivans and finished the year with a combined 0.1% of the truck market.

For 1989, Buick media spending declined 2.4%, to $115.4 million; Cadillac boosted its spending by 19.6%, to $57.8 million; Chevrolet spending was up 18.6% to $358.6 million (includes cars, trucks and Geo brand); GMC Truck raised spending 4.9% to $27.3 million; Oldsmobile declined 4.7% to $133 million and Pontiac was up 17.6%, to $111.6 million, according to LNA/Arbitron.

GM tightened its belt in early 1990, lopping an estimated $80 million out of first-half divisional budgets in reaction to the industrywide slowdown in sales. Some of the funds were channeled into a new corporate campaign, themed "GM puts quality on the road," an effort that originated after surveys indicated that perception of GM quality was worse than reality. GM also sought to hold on to owners of GM vehicles built in the mid-1980s by assuring them that quality had improved.

Chevrolet in the fall of 1989 revamped its strategy for its Geo-branded line of cars and sport utility vehicles, settling on a single ad campaign, "Get to know Geo," from Lintas:Campbell-Ewald. The campaign replaced two separate campaigns that had been used regionally, one from Lintas:Campbell-Ewald and the other from West Coast agency Vic Olesen & Partners. Through mid-August, Geo sales were up 46.6% from the same period in 1989, a key reason Chevrolet has overtaken Ford in the race for the 1990 car sales crown.

Buick attempted to capitalize on several high finishes in quality surveys by marketing consultancy J.D. Powers & Associates. Buick first used a new theme line, "The new symbol for quality in America," in July 1989. A year later that line became the predominant theme in Buick campaigns. The former tagline "The great American road belongs to Buick," was kept only as an instrument

Buyers depend on the advertising they read in computer publications.

And why else does Apple choose these publications? Because 70% of the people who buy computers rely most often on computer publications as their source of information. Which explains why the 1989 MediaTrack IQ syndicated research study shows that computer product advertising in the Network publications is read three times as closely as the same advertising in the four leading general business publications.

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With their flexible Network contract, Apple, in tracking their results, can shift media weights to different power segments of the total audience. Among *PC Magazine's* brand specifiers, *PC Week's* corporate volume buyers and *PC/Computing's* champions of business applications.

Apple and BBDO know what it takes to be successful in the rapidly shifting markets of the 1990s. To start, the Mac IIfx and the power of the *Ziff-Davis PC Network* to sell it.

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You too can win in the 90's. A minimum of only 30 pages annually will get your product in front of the total PC market. For more information, contact Scott Briggs, Senior Vice President, *Ziff-Davis PC Network*, at 617-497-2526.

To find out where the nearest authorized Apple reseller is, call 1-800-538-9696, ext 990.

ZD | PC Network

PC Magazine / PC Week / PC/Computing

musical theme.

Cadillac was one of several marketers to put new emphasis on safety in the 1990 model year. When ads touted safety features, the theme line "Building a safer automobile, Cadillac style" was brought into play. "The only way to travel is Cadillac style" line remained the overall theme.

Oldsmobile tried to build confidence in its products by announcing in September 1989 that it would permit dissatisfied owners to return cars for full credit toward another vehicle. "The new generation of Oldsmobile" remained the theme line for the 1990 model year, but Olds dropped the well-known copy line, "This is not your father's Oldsmobile," a line criticized in some quarters as patronizing to the division's older buyers.

GM was preparing to launch in late October 1990 the first two models from its Saturn subsidiary, created to battle Japanese imports and to experiment with new manufacturing and marketing strategies. A teaser campaign scheduled to break this month was to explain the company's background by profiling employees and dealers. "A different kind of company. A different kind of car" is the theme.

GM announced in April 1990 that it would go into production at an unspecified date with an electric car, based on its Impact prototype that accelerates from zero to 60 mph in eight seconds, has a top speed of 110 mph and a range of 125 miles between battery charges.

On the media front, GM in April 1990 struck a three-year, estimated $750 million agreement with NBC assuring the automaker access to top-rated, prime-time shows and sports programming. NBC said the deal was the largest commitment ever made by an advertiser in the history of television.

■ Headquarters

General Motors Corp.
3044 W. Grand Blvd.
Detroit, Mich. 48202
(313) 556-5000

■ Corporate personnel

J.B. Fitzpatrick, vp-comms & mktg staff; P. Guarascio, exec dir-mktg programs & adv; G.H. Pruette, Jr., dir-public affairs adv; W.G. Quigley Jr., exec. comms; R.J. Muratore, mgr-public affairs adv; D.J. Teasdale, dir-adv operations; M.A. Browner, genl dir-media operations; M.J. O'Malley, genl dir-strategic merch & mktg programs; D.P. Bolen, adv operations mgr; K.M. Smagacz, adv super.

■ Brands

Corp adv

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. Ronald Monchak, mg dir; Theodore Teegarden, exec vp-mgmt super; James Aldrich, vp-grp acct super; Stephen Kopcha, exec vp-creative dir.

Corp public relations adv

Ad agency: N.W. Ayer, New York, Detroit-New York office: Jerry Siano, chmn-pres-ceo; Tom Maxey, vice-chmn, intl; Dominick Ross Jr., exec vp-pres, Ayer-New York/Detroit; Patrick Cunningham, exec vp-worldwide creative officer; Fred Posner, exec vp-mg dir, mktg planning & research; James Donius, sr vp-dir, research; Keith Gould, exec vp-mg dir, creative; John Walsh, exec vp-mg dir, creative; Earl Shorris, sr vp-creative; Bill Taylor, sr vp-exec creative dir; Aaron Cohen, sr vp-network bdcast dir; Frederick Dubin, network bdcast super.
Detroit office: Robert Kingsbury, sr vp-mg dir; Richard Prince, sr vp-mgmt super; R.C. Morrison, sr vp-mgmt super; Deborah Worrell, vp-acct super; David Wozniak, sr acct exec; Eric Paczewitz, asst acct exec; Robert Reuschle, vp-media dir; Richard Doyle, vp-assoc media dir; Tom Wehner, vp-assoc creative dir; Bruce Engelson, creative super-art dir; Cindy Sand-Sosin, traffic & prod mgr; Denise Mazzetti, media planner & buyer; David Bork, media planner & buyer; Rita McKay, admin coord.

Minority adv

Ad agency: The Mingo Group, New York: Samuel Chisholm, pres; Allan Corwin, exec vp-crea dir; William McGugins, vp-mgmt super.

■ Division

Buick Motor Division
Flint, Mich.

■ Marketing personnel

E.H. Mertz, vp-gm; R.E. Coletta, genl sales & svcs mgr; W.E. Powell, asst genl sales mgr-admin & DAC; J.J. Faerber, asst genl sales mgr, Southeast; W.K. Ramsey, asst genl sales mgr, West; F.H. Dorgin, asst genl sale mgr, Northeast; L.D. Robbins, asst genl sales mgr, svcs; D.E. Clark, genl mktg mgr; J.W. Qualman, genl dir-adv; M. Wright, mgr-natl adv; J.E. DeCou, dir-pr.

■ Brands

Buick Motor div

Ad agency: McCann-Erickson, New York: Robert James, chmn-ceo; John Dooner Jr., exec vp-worldwide, pres-N. American region.
Ad agency: McCann-Erickson, Troy, Mich.: Gerald Atkin, exec vp-gm; John Mead, exec vp-exec creative dir; Richard Hill, sr vp-mgmt rep; Buick acct grp: Karen Ritchie, sr vp-media dir; Harold Randall, vp-acct super; George Bak, vp-grp acct super; Gary Kopicko, vp-acct super; John Holowaty, sr acct exec.

■ Division

Cadillac Motor Car Division
Detroit

■ Marketing personnel

John Grettenberger, gm; Peter Gerosa, genl sales & svcs mgr; Karl Pierce, asst genl sales mgr-admin; William Lewellen, asst genl sales mgr-svcs; Ellie Torre, asst genl sales mgr-mktg; Peter Levin, dir-adv; Mike Washington, asst mgr-shows & exhibits; Jerry Churchvara, asst mgr-dealer mktg assocs-west; William O'Neill, dir-pr.

■ Brands

Cadillac Motor Car div.

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. Ronald Monchak, mg dir; Robin Smith, deputy mg dir; Alexander Morton III, exec vp-mgmt super; George Rogers, sr vp-dir, media svcs; John Klinger, vp-group creative dir; John Johnson, vp-grp acct super; Timothy Copacia, vp-acct super; Gretchen Snow, vp-dir regional mktg programs; Patrick McCarthy, coo-Intergroup Mktg. & Promos.; William Haney, sr vp-dir, acct devel; Roger Bailey, vp-acct super CDMA; Jo Bourjaily, vp-mg dir, pr.

■ Division

Chevrolet Motor Division
Warren, Mich.

■ Marketing personnel

J.C. Perkins, gm; R.W. Starr, genl sales & svcs mgr; R.F. Sobrero, asst genl sales mgr-field; F.F. Raine, mktg mgr-trucks; S.D. McAvoy, mktg mgr-passenger car; Dannielle Colliver, mgr-passenger car adv; C.M. Robbins, mgr-truck adv; R.J. Kramer, dir-pr.

■ Brands

Chevrolet Motor div

Ad agency: Lintas:Campbell-Ewald, Warren, Mich. Richard O'Connor, chmn-ceo, vice chmn, Lintas:USA; Peter Dow, pres-coo; Louis Schultz, exec vp-dir, media svcs, Lintas:USA; Anthony Hopp, exec vp-Chevrolet acct dir; William Ludwig, exec vp-Chevrolet creative dir; Ronald Mitchell, exec vp-dir, agency planning; Thomas Thomson, sr vp-grp mgmt super, car adv; Ronald Geskey, sr vp-grp mgmt super, area mktg; Michael Ryan, sr vp-grp mgmt super, Geo; D.G. Connaughton, sr vp-grp management super, merch, Lintas:CECO Comms.

Chevrolet regional adv-West

Ad agency: Vic Olesen & Partners, Culver City, Calif. Victor Olesen, pres-partner; Irwin Davis, partner; Eric Davison, partner; William Donaldson, partner; Eric von der Lieth, gm-partner; Lee Wilson, media dir.

■ Division

Delco Electronics Corp.
Kokomo, Ind.

■ Marketing personnel

Donald Almquist, chmn-ceo; Thomas Evernham, dir-engineering & mktg; David Bastin, asst genl sales mgr-mktg & ventures; James Smidebush, dir-public affairs.

■ Brands

Delco Electronics

Ad agency: Lintas:Campbell-Ewald, Warren, Mich. Deborah Karnowsky, exec vp, co-creative dir; Robert Schirmer, exec vp-dir, client svcs; Dennis Connaughton, sr vp-mgmt super; Robert Hrtanek, vp-acct super; James Arthur, grp sr vp-creative dir; John Hartgen, sr vp-assoc creative dir; Robert Gervason, sr vp-assoc media dir; James Plagens, media planning super; John Farsakian, sr vp-dir, research; James Huchok, sr vp-mgr, strategic planning.

■ Division

Delco Products Division
Dayton, Ohio

■ Marketing personnel

Gerald Collins, gm; William Bender, dir-sales & mktg; Robert Chandler, genl dir-personnel & pr; Charles Kronbach, div mgr-comms & pr; Richard Westfall, mgr-sales promo; Richard Lee, sales mgr-suspension systems; Chester Pardee, sales mgr-wiper systems; Bruce Sing, mktg mgr; Gerald Furrey, sales mgr-chassis & body sealing systems.

■ Brands

Delco prods

Ad agency: Lintas:Campbell-Ewald, Warren, Mich. Richard O'Connor, chmn-ceo, vice chmn-Lintas:USA; Peter Dow, pres-coo; Louis Schultz, exec vp-dir, media svcs, Lintas:USA; Jan Homan, exec vp-strategic planning, Lintas:USA; Deborah Karnowsky, exec vp-co-crea dir; Robert Schirmer, exec vp-dir of client svcs; R. Hamilton, exec vp; Michael Brogan, vp; Jeff Jacobs, vp; Kelly Greenwald, acct exec.

■ Division

General Motors Acceptance Corp.
Detroit

■ Marketing personnel

J.R. Edman, chmn; W.J. Lovejoy, pres; H.L. Davis, grp vp-mktg; G.P. Whitlinger, exec vp-operations; C.A. Krauss Jr., vp-public affairs & adv.

■ Brands

General Motors Acceptance Corp.

Ad agency: Lintas:Campbell-Ewald, Warren, Mich. Richard O'Connor, chmn-ceo, vice chmn-Lintas:USA; Peter Dow, pres-coo; Louis Schultz, exec vp-dir, media svcs-Lintas:USA; Jan Homan, exec vp-strategic planning, Lintas:USA; Deborah Karnowsky, exec vp, co-creative dir; Robert Schirmer, exec vp-dir, client svcs; Jeffrey Seregny, sr vp-grp mgmt super; Michael Tuite, sr vp.

■ Division

GMAC Mortgage Corp.
Elkins Park, Pa.

■ Marketing personnel

G.C. Thomas, pres-ceo; F.A. Henderson, exec vp; R.A. Gillespie, vp-pr & adv.

■ Brands

GMAC Mortgage Corp.

Ad agency: Lintas:Campbell-Ewald, Warren, Mich. Richard O'Connor, chmn-ceo, vice chmn-Lintas:USA; Peter Dow, pres-coo; Louis Schultz, exec vp-dir, media svcs-Lintas:USA; Jan Homan, exec vp-strategic planning, Lintas:USA; Deborah Karnowsky, exec vp, co-creative dir; Robert Schirmer, exec vp-dir, client svcs; Jeffrey Seregny, sr vp-grp mgmt super; Michael Tuite, sr vp.

■ Division

General Motors Service Parts Operations
Detroit

■ Marketing personnel

A.M. Long, exec, svc parts operations; R.J. Sherman, genl dir-sales & mktg, US; D.P. Robison, dir-mktg; D.E. Poole, dir-pr.

■ Division

AC-Delco
Detroit

■ Marketing personnel

A.H. Schwerzel, genl sales mgr-warehouse distributors; G.S. Cashion, genl sales mgr-natl accts; E.C. Hunt, sales mgr-warehouse distributors, West; J.M. McKenzie, sales mgr-warehouse distributors, East; C.A. Lamberson, area sales mgr-natl accts, East; P.D. Cody, area sales mgr-natl accts, West; W.A. Carlson, adv & sales promo mgr; D.J. Smith, mktg mgr.

■ Brands

GM Service Parts Operations

Ad agency: Lintas:Campbell-Ewald Co., Warren, Mich. Richard O'Connor, chmn-ceo, vice chmn-Lintas:USA; Peter Dow, pres-coo; Louis Schultz, exec vp-dir, media svcs-Lintas:USA; Jan Homan, exec vp-strategic planning, Lintas:USA; Deborah Karnowsky, exec vp, co-creative dir; Robert Schirmer, exec vp-dir, client svcs, Jeffrey Jacobs, sr vp-mgmt super; Peter Toundas, acct super; Phillip Ruffino, Lisa Saks, acct execs.
Ad agency: Lintas:Ceco Communications, Warren, Mich. Bob Henry, sr vp-grp dir, mktg comms; Dale McAfee, vp-acct dir, mktg comms; Paul Curtis, vp-acct super, mktg comms; Christine Orth, acct exec-mktg comms.

■ Division

GM Parts
Detroit

■ Marketing personnel

J.T. O'Connor, genl sales mgr; E.J. Carey, sales mgr-East; S.D. Segalini, sales mgr-central; E.L. Schreitmueller, sales mgr-West; K.F. Robinson, adv mgr; F. Pardo, mktg mgr.

■ Brands

GM Parts

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. John Bowmen, chmn-coo; Ronald Monchak, mg dir; Theodore Teegarden, exec vp-mgmt super; Charles Brandt, vp-grp acct super; Cheryl Morgan, John Ottman, acct execs; Lisa Podolski, acct mgr.

■ Division

GMC Truck Division
GMC Truck & Bus Group
Pontiac, Mich.

■ Marketing personnel

John Rock, gm; Ray Rota, genl sales mgr; Richard Lee, dir-mktg; Donald Huss, grp dir-public affairs staff; Thomas Klipstine, pr dir; Sandra Dellinger, adv & publications mgr.

■ Brands

GMC Truck div

Ad agency: McCann-Erickson, Troy, Mich. Gerald Atkin, exec vp-gm; John Mead, exec vp-exec creative dir; Michael Wilberding, sr vp-mgmt rep; Jan Woznick, sr vp-dir, mktg svcs; Karen Ritchie, sr vp-dir, media svcs; Glenn Sutherland, sr acct exec; Barbara Gaston, vp-pr coord; John Vaglia, vp-media dir; Noel Doran, research dir.

■ Division

GM Hughes Electronics Corp.
Detroit

■ Marketing personnel

Robert Schultz, chmn-pres; J. Bruce McCristal, dir-public affairs.

■ Brands

GM Hughes electronic products

Ad agency: Lintas:Campbell-Ewald, Warren, Mich. Deborah Karnowsky, exec vp, co-creative dir; Robert Schirmer, exec vp-grp dir, acct svcs; Edwin Acker, sr vp-media dir; John Hartgen, sr vp-creativ grp head; Harold Margolis, grp sr vp-strategic planning & research; Michael Tuite, sr vp-mgmt super.

■ Division

Hughes Aircraft Co.
Los Angeles

The Dallas/Ft. Worth advertising region of The Wall Street Journal delivers subscribers with an average household income of $166,000. 86% with HHI $50,000 or more. 89% in top or middle management positions. At rates competitive with the Dallas Morning News, Dallas Times-Herald or the Fort Worth Star-Telegram. For details, call your Journal representative.

Source: WSJ 1990 Worldwide Subscriber Study.
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■ **Marketing personnel**
Dr. Malcolm Currie, chmn-ceo; Kenneth Richardson, pres; Lucius Gregg, staff vp-corp comms; Alma Gonzalez, mgr-corp adv.

■ **Brands**
Hughes aerospace products
Ad agency: Eisaman Johns & Laws Advertising, Los Angeles. Dennis Coe, pres; Adrienne Hall, vice chmn; Consuelo Gomez, vp-mgmt super; Karyn Kremen, acct super; Carrie Adams, acct coord; Eric Hanson, assoc creative dir; Rod Damrow, sr vp-media dir; Dan McCabe, media super.
Ad agency: Bernard Hodes Advertising, Encino, Calif. Steve Petersen, exec vp-branch mgr; Susan Edwards, vp-client svcs; Dave Evans, vp-mgmt super; Linda Kimble, mgr-client svcs; Michelle Skerry, vp-exec creative dir; Steve Mitchell, vp-creative dir; Brenda Day, sr acct coord; Gerri Nesfield, acct coord; Anna Czene, acct exec.

■ **Division**
Hughes Communications
Los Angeles

■ **Marketing personnel**
Stephen Petruccik, pres-ceo; Penelope Longbottom, dir-adv & public affairs; Linda Pierson-Kahn, mgr-mktg comms.

■ **Brands**
Hughes satellite communication services
Ad agency: House & Co., New York. Edgar Jay House, pres; Gary McKee, vp-creative dir; Gloria Kestenbaum, mktg & media dir.

■ **Division**
Motors Insurance Corp.
Detroit

■ **Marketing personnel**
J.R. Edman, chmn-ceo; J.J. Pero, pres; G.S. Barquist, vp-mktg & devel; C.A. Krauss Jr., vp-public affairs & adv.

■ **Brands**
Motors Insurance Corp.
Ad agency: Lintas Campbell-Ewald, Warren, Mich. Richard O'Connor, chmn-ceo, vice chmn-Lintas USA; Peter Dow, pres-coo; Louis Schultz, exec vp-dir, media svcs-Lintas USA; Jan Homan, exec vp-strategic planning, Lintas USA; Deborah Karnowsky, exec vp, co-creative dir; Robert Schirmer, exec vp-dir, client svcs; Jeffrey Seregny, sr vp-grp mgmt super; Michael Tuite, sr vp.

■ **Division**
Oldsmobile Division
Lansing, Mich.

■ **Marketing personnel**
J.M. Losh, vp-gm; A.R. Buenz, dir-pr; D.E. Lainti, genl sales & svc mgr; C.E. Strong, exec asst to genl sales & svc mgr; M.A. Grimaldi, genl mktg mgr; R.L. Ross, dir-field & consumer mktg; D.H. Parkinson, strategic mktg mgr; G.W. Card, adv mgr; R.J. Romero, sales promo mgr.

■ **Brands**
Oldsmobile div
Ad agency: Leo Burnett USA, Southfield, Mich. G. Ted Jordan Jr., sr vp-client svcs dir; N.R. Lichtman, J.F. Phifer, R.M. Abell, vps-acct dirs; W.E. Morden Jr, vp-creative dir; R.J. Wisniewski, vp-media dir.

■ **Division**
Pontiac Division
Pontiac, Mich.

■ **Marketing personnel**
John Middlebrook, vp-gm; Elwood Schlesinger, genl sales & svc mgr; Robert Benson, dir-mktg & prod planning; Kirklin Hobolth, mgr-personnel admin; Edward Lechtzin, dir-pr; John Losch, dir-fleet sales; Joseph Hendrix, asst genl sales & svc mgr-customer svc; Howard Christie, asst genl sales & svc mgr-central; Dwight Logie, asst genl sales & svc mgr-mktg; E.H. (Gar) Smith, dir-svc & customer satisfaction; Charlene Curry, mgr-customer assistance; Timothy Maloney, mgr-natl dealer adv; H.S. Johnston, mgr-merch; James Vancik, mgr-mktg comms.

■ **Brands**
Pontiac div
Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. Ronald Monchak, mg dir; Robin Smith, deputy mg dir; Stephen Kopcha, exec vp-exec creative dir; John Greening, sr vp-dir, strategic planning; Charles Stannard, sr vp-dir, research & mktg; George Rogers, sr vp-dir, media svcs; Robert Brownell, vp-dir, prod & traffic; Ronald Wroblewski, vp-corp mgr, spot bdcast; R. Patrick McCarthy, coo, Intergroup Mktg. & Promos.; William Haney, mg dir, DMB&B Public Relations; Richard Ross, pres-ceo, Intergroup Mktg. & Promos.; Mark Gjovik, sr vp-mgmt super; Mike Valant, vp-grp acct super; Art Pepin, vp-acct super; Noel Nauber, sr vp-grp creative dir; Mark Zapico, vp-assoc creative dir; Richard Halladay, sr acct exec.

■ **Division**
Saginaw Division
Saginaw, Mich.

■ **Marketing personnel**
James Ault, gm; A.J. Deeds, mgr-mktg comms; Gerald Holmes, dir-public affairs.

■ **Brands**
Steering components
Ad agency: Leo Burnett Co., Southfield, Mich. G. Ted Jordan Jr., sr vp-client svc dir; W.E. Morden Jr., vp-creative dir; N.R. Lichtman, vp-acct dir; Robert Wisniewski, vp-media dir; Karen Campbell, media super.
Ad agency: Scott Miller Group, Saginaw, Mich. Thomas Leinberger, pres; Randall Young, vp-creative dir; Terry Grenell, vp-mktg dir.

■ **Division**
Saturn Corp.
Troy, Mich.

■ **Marketing personnel**
Richard LeFauve, pres; Donald Hudler, vp-sales, svc & mktg; Thomas Shaver, dir-mktg svcs; Bruce MacDonald, vp-corp comms; Laurie Kay, dir-corp comms, Tennessee Operations.

■ **Brands**
Saturn Corp.
Ad agency: Hal Riney & Partners, San Francisco. Hal Riney, chmn-ceo.

RANK: 61

Gillette Co.
Boston
Ad spending: **$185.1** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	26,728	15,337	74.3
Sunday magazine	264	363	(27.3)
Newspaper	0	533	NA
Outdoor	6	340	(98.2)
Network TV	46,615	46,540	0.2
Spot TV	4,966	5,243	(5.3)
Syndicated TV	9,382	6,415	46.2
Cable TV networks	9,187	8,226	11.7
Network radio	495	428	15.5
Spot radio	137	115	18.7
Measured media	97,778	83,539	17.0
Unmeasured	87,300	74,600	17.0
Total	185,078	158,139	17.0
By top brands	**1989**	**1988**	**% chg**
Gillette shaving products	29,441	23,329	26.2
Silkience shampoo & conditioner	12,566	0	NA
Braun shaving equipment	10,649	8,350	27.5
Soft & Dri deodorant & antiperspirants	8,752	11,413	(23.3)
Right Guard deodorant & antiperspirants	8,079	11,839	(31.8)
Toni home permanents	7,599	0	NA
Waterman writing instruments	4,946	1,838	169.1
Dry Idea antiperspirants	3,616	11,616	(68.9)
Oral-B dental products	2,964	2,445	21.2
Braun kitchen appliances	2,884	3,045	(5.3)

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	3,819	3,581	6.6
Earnings	285	269	6.0
U.S.	**1989**	**1988**	**% chg**
Sales	1,348	1,251	7.7
Profit from operations	219	229	(4.4)
Division sales	**1989**	**1988**	**% chg**
Blades & razors	1,238	1,147	7.9
Toiletries & cosmetics	1,036	1,019	1.6
Stationery prods	430	385	11.8
Braun prods	892	824	8.3
Oral-B prods	219	202	8.6
Other	4	5	(14.9)

■ **Annual review**
Gillette Co. made a big splash in 1990 with its Sensor razor which grabbed a 5.8% share of the $700 million-plus U.S. wet-razor market by April, its fourth month on the market.
Sensor will boost Gillette's dominance in the wet-razor category, despite anticipated cannibalization of other Gillette brands like Atra Plus. The category is expected to grow by $100 million within the year because of Sensor, industry analysts say.
The Boston-based company in 1989 had an estimated 64% share, followed by Warner Lambert Co.'s Schick with more than 16%. Bic, which markets disposables, had 9.8%, and Wilkinson had 2%.
Gillette ran into supply problems after sales responded to teaser ads for Sensor during the Super Bowl. Sensor's launch in Italy and Spain was postponed. Gillette even shaved part of Sensor's ad spending allocated for the first half to the second when supply improves.
Sensor, Gillette's only shaving system advertised in 1990, was scheduled to have a worldwide marketing budget of $175 million. But with sales continuing to soar, industry observers now question whether Gillette will shell out the entire amount, especially since inventories are still low.
Andrew Shore, first VP at Prudential-Bache Securities, estimates Gillette spent $60 million on Sensor advertising, so far. "There is no way Gillette can spend, or should spend, the remaining $115 million marketing dollars."
Whether Sensor's advertising kicks back in or not, the product will push Gillette's 1990 ad volume far above 1989's $185 million, up 17%. Gillette concentrated its media spending once again on network TV (47.7%) and in magazines (27%), the latter medium getting a 74.3% increase in 1989 to $26.7 million.
In the blade and razor business, Gillette Atra drew the biggest expenditure, $15.1 million in 1989, down 35%. With Gillette moving toward shaving systems in its men's lines, Good News disposables drew no media spending versus $4 million in 1988. Daisy disposable shavers for women pulled $6 million, up from $2.7 million, according to LNA/Arbitron.
Gillette tried to expand its disposable business by acquiring Wilkinson Sword's U.S. disposable razor business from Swedish Match A.B., but the Justice Department nixed the move on antitrust grounds. Wilkinson's international business outside the European Community was acquired, which also quieted a loud dispute over comparative ad claims Wilkinson made against Gillette in TV ads for its Ultra Glide system.
Gillette refocused its toiletries and cosmetics business in early 1990 by divesting several European skin and haircare operations, including such brands as Silkience shampoo and Aapri skincare. The company also merged its toiletries and blade and razor divisions, forming the North Atlantic Shaving and Personal Care Division.
Gillette pared media spending on its major toiletries lines. Dry Idea antiperspirants measured $3.6 million, down from $11.8 million. Right Guard drew $8.1 million, down 32% and Soft & Dri attracted $8.8 million, down 1.5%.
Gillette plans to extend its popular White Rain haircare line to body lotions. White Rain now has a 4.4% unit share of the haircare market, second to Helene Curtis' Suave. Its 1989 media spending was only about $1 million compared to $8.5 million for Suave. In supermarkets, White Rain's share in conditioner/rinses carried it to a 4.1% dollar share, up from 3.6% in 1988 as Suave dropped from 8.7% to 8.1%. White Rain's shampoo dollar share in supermarkets was 3.3% in 1989, down from 4.4%.
Among stationery products, Waterman pen got its first TV commercial since Gillette acquired the brand in 1987. Waterman's media tally was $5 million, up from $1.8 million. McCann-Erickson Worldwide, New York, handles.
Gillette in late 1989, named Ayer Direct, the first direct marketing agency of record for personal care products.

■ **Headquarters**
Gillette Co.
Prudential Tower Building
Boston, Mass. 02199
(617) 421-7000

■ **Marketing personnel**
Michael Nadelberg, vp-adv svcs; Thomas Lux, dir-media; Louise Baranowsky, mgr-media buying; Donald McAllister, mgr-media planning; John Walp, dir-adv prod. North Atlantic Grp: Peter Hoffman, Bruce Cleverly, vps-mktg; Robert Leger, vp-sales & mktg, Shaving Div; Michael Casner, dir business mgmt, Shaving Div; Maryanne Pesce, dir-mktg, Personal Care Div. Stationery Prods Grp: Stephen White, vp-business strategy, new prods & acquisitions; Michelle Stacy, vp-mktg, Stationery Prods Div. Oral-B Div: Thomas Farrow, genl mgr-consumer prods div.

■ **Brands**
Shaving Div: Sensor, Atra line, Trac II, Good News, Daisy. Personal Care Div: Soft & Dri, Dry Idea
Ad agency: BBDO, New York. Symon Marlow, exec vp-sr mgmt rep, Shaving Div; Michael Paxton, sr vp-mgmt rep, Shaving Div; Bruce Myers, exec vp-dir acct mgmt, Prsnl Care Div.
Personal Care Div: Toni Epic Waves, Right Guard
Ad agency: N W Ayer, New York. David Gantman, sr vp-exec acct dir; James Haag, vp-mgmt super.
Stationery Prods Div: Paper Mate writing instruments, Waterman writing instruments, Liquid Paper
Ad agency: McCann-Erickson, New York. David Weiss, vp-grp head dir.
Oral-B Div: Ultra toothbrushes
Ad agency: BBDO, Los Angeles. Terry Bowman, sr vp-mgmt super.

■ **Subsidiary**
Braun, Inc.
Lynnfield, Mass.

■ **Marketing personnel**
Richard Cantwell, dir-mktg, shavers, personal care & clocks; Christina Steele, mktg mgr-shavers, personal care & clocks; Robert Cronon, mktg mgr-household prods; Xanthe Samaras, prod mgr-beverage prods; Alex Resly, prod mgr-haircare & dental prods; Alex McKinnon, assoc prod mgr-clocks & shavers.

■ **Brands**
Shavers, personal care, clocks, household products
Ad agency: Lowe & Partners, New York. Barry Linsky, exec vp-dir, acct mgmt; Dan O'Donnell, sr vp-mgmt super; Mara Gardner, vp-acct super.

RANK: 64

Goodyear Tire & Rubber Co.
Akron, Ohio
Ad spending: **$168.3** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	11,118	12,727	(12.6)
Sunday magazine	596	62	869.8
Newspaper	18,631	2,027	819.2
Outdoor	180	108	67.7
Network TV	15,619	20,657	(24.4)
Spot TV	10,039	10,926	(8.1)
Syndicated TV	181	859	(78.9)
Cable TV networks	1,022	874	17.0
Network radio	6,139	214	NA
Spot radio	3,230	760	324.9
Measured media	66,755	49,212	35.6
Unmeasured	101,500	74,800	35.7
Total	168,255	124,012	35.7
By top brands	**1989**	**1988**	**% chg**
Goodyear tires	43,364	27,777	56.1
Goodyear automotive service store	17,774	19,729	(9.9)
Kelly-Springfield tires	2,084	616	238.1

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	10,869	10,810	0.5
Earnings	207	350	(40.9)
U.S.	**1989**	**1988**	**% chg**
Sales	6,421	6,361	1.0
Operating income	491	439	11.7
Division sales	**1989**	**1988**	**% chg**
Tires, related	8,849	8,897	(0.5)
General products	2,009	1,905	5.4
Oil transportation	12	8	49.4

■ **Annual review**
As Goodyear's 35% share of the North American new tire sales market, worth an estimated $18.3 billion, began to erode last year in the wake of a slump in new car sales, company officials stepped up efforts to increase consumer brand awareness in the replacement market.
Goodyear, still No. 1 in the U.S., lost its position as the world's leading tire marketer when France's Groupe Michelin bought Uniroyal-Goodrich earlier this year producing a combined total share of 20.5% compared to Goodyear's 17.5%. The conglomerate has an estimated 26% share of the North American market.
The decision to emphasize brand building led Goodyear to pull its $40 million domestic ad account from Young & Rubicam late last year and return it to J. Walter Thompson USA, Detroit, which had lost the account in 1987. JWT never lost the estimated $12 million-to-$15 million performance tire account.
JWT's first efforts in the brand-building campaign were a series of four 30-second spots that began airing on network TV earlier this year. The emotion-laden ads were based on the theme, "The best tires in the world have Goodyear written all over them."
Under Y&R's tutelage, Goodyear became a major spender on network and spot radio and newspapers—intimate media suited for building sales in the replacement market—at the expense of network TV. The 1989 surge in the three media contributed $24 million in new ad dollars to the media mix, as network TV declined $5 million.
The company's concentration on moving tire sales is reflected in its media swing away from service centers. The centers, which drew 40% of the measured total in 1988, dropped to 27% in 1989, as Goodyear and Kelly-Springfield brand tires claimed the rest in both years.
According to tire industry analyst Harry W. Millis of McDonald & Co., Cleveland, Goodyear's tire sales increased 11.9% worldwide and 3.3% domestically in the first quarter of 1990.
In the face of a 27% drop in original equipment sales, Mr. Millis said, those sales increases indicate that Goodyear has made sharp gains in the replacement tire market. The volume of original equipment sales is inexorably tied to car sales, which in late 1989 began to drop due to a glut of new cars and consequent cutback in production.
The U.S. tire replacement market for passenger cars in 1989 was led by Goodyear brands (including Kelly-Springfield and others) with a 30% share.
James DeVoe, who had been VP-advertising worldwide, left Goodyear this past spring to become president of Jayme Organization in Cleveland. His duties at Goodyear were assumed by Davis Jones, director of retail advertising, and Donald Clark, director of international advertising.

■ **Headquarters**
Goodyear Tire & Rubber Co.
1144 E. Market St.
Akron, Ohio 44316
(216) 796-2121

■ **Marketing personnel**
Davis M. Jones, dir-adv, N. America; & certified auto svc; Paul Suloff, mgr-adv, truck, farm & specialty tires; George S. Drop, mgr-major mktg programs; Dave Lenox, adv mgr-field productions; Larry Pencock, mgr-retail project control; James T. Manning, mgr-adv, genl productions; John P. Perduyn, vp-public affairs.

■ **Brands**
General productions, retail promo assignments
Ad agency: Malone Advertising, Akron, Ohio. Joan Peloso, acct super; Susan Henry, acct exec-genl productions; Joseph A. Mazzagotti, vp-mgmt super; Donna Hessel, acct exec.
Goodyear tires-broad market, Eagle High Performance tires, Wrangler Truck tires, race enthusiast adv, commercial truck & farm tires, natl retail adv & service
Ad agency: J. Walter Thompson USA, Detroit. Clark Wood, mgmt super-broad market & natl retail adv; Austin Craig, mgmt super-Eagle, Wrangler Truck, race enthusiast, commercial truck & farm; Steve Stepanek, mgmt super-brand devel; Pamela Csatari, acct super-broad market; Frank Brooks, acct super-Eagle, Wrangler Truck & race enthusiast; Robert Toussaint, acct super-commercial truck & farm; Bruce Phillips, Bob Haverback, acct supers-natl retail adv & svc; Bob Brown, acct exec-broad market; Diane Wisniewski, acct exec-Eagle, Wrangler Truck & race enthusiasts adv; Mike Sullivan, acct exec-commercial truck & farm.
Corp adv
Ad agency: Brouillard LGFE, New York. Doug Longmire, sr vp-acct dir; Kate Gomez, vp.
Western region retail adv
Ad agency: HDM, Los Angeles. Chuck Reynolds, pres; Fred Koplin, mgmt super; Jean Gillett, sr acct exec.

■ **Division**
The Kelly Springfield Tire Co.
Cumberland, Md.

■ **Marketing personnel**
B.D. Robbins, vp-sales & mktg; J.L. Florin, dir-adv.

■ **Brands**
Kelly Tires
Ad agency: Marcus Advertising, Cleveland, Ohio. Don Campbell, exec vp; Dick Heislman, acct super; Carolyn Yarnell, traffic mgr; Tracey Kleibscheidel, assoc media dir; Dawn Matsko, acct asst.

■ **Division**
Lee Tire & Rubber Co.
Cumberland, Md.

■ **Marketing personnel**
T.E. Greenwood, vp-sales; Gardner Bates, mgr-comms.

■ **Brands**
Lee Tires
Ad agency: Winchell Marketing Communications, Philadelphia. Carl Shaifer, chmn-acct mgr; Tom Rigg, prodn mgr; Lisa McKenna, media coord.

RANK: 5

Grand Metropolitan
London
Ad spending: **$823.3** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	69,286	61,115	13.4
Sunday magazine	4,594	2,829	62.4
Newspaper	7,880	6,614	19.1
Outdoor	8,108	6,501	24.7
Network TV	148,216	95,823	54.7
Spot TV	75,084	126,956	(40.4)
Syndicated TV	25,351	18,751	35.2
Cable TV networks	5,578	4,154	34.3
Network radio	3,795	0	NA
Spot radio	26,575	21,080	26.0
Measured media	375,074	343,832	9.1
Unmeasured	448,200	410,800	9.1
Total	823,274	754,632	9.1
By top brands	**1989**	**1988**	**% chg**
Burger King restaurants	170,350	152,817	11.5
Pearle Vision Centers	29,163	21,625	34.9
Pillsbury mixes & baking products	17,922	24,733	(27.5)
Pillsbury breads & rolls	15,573	8,693	79.1
Alpo dog food	12,492	13,224	(5.5)
Smirnoff vodkas	10,734	5,966	79.9
Absolut vodka	10,622	7,687	38.2
Green Giant vegetables	9,698	9,677	0.2
J&B scotch whiskys	7,021	6,523	7.6
Grand Marnier liqueur	5,870	4,850	26.0

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	15,567	10,632	46.7
Earnings	884	744	18.1
U.S.	**1989**	**1988**	**% chg**
Sales	6,220	3,115	100.0
Trading profit	661	386	71.2
Division sales	**1989**	**1988**	**% chg**
Food	2,870	2,219	29.3
Drinks	4,661	4,573	1.9
Retailing	3,415	2,960	15.4

■ **Notes:** Sales and earnings figures are converted at the rate of 1.67424 and 1.7717 dollars to the pound in 1989 and 1988, respectively.

■ **Annual review**

motional spending for 1989 went to bolster the brand identity of the newly-acquired No. 2 fast-food giant, Burger King, as well as Pillsbury, Green Giant and Haagen-Dazs brands.

The company succeeded in divesting several sizable food groups to ease its corporate debt, but failed to sell Alpo Petfoods, which it had put on the block. Alpo is now back in the Grand Met camp.

The largest single advertisers among Grand Met U.S. holdings, Burger King, with $170 million in measured spending, saw an 11.5% jump in its media budget. Burger King's advertising reflected the new marketing strategy of making repeated and significant menu changes.

The effort features other brand name products at the restaurants, such as (Paul) Newman's Own salad dressing and Domino's pizza, along with special versions of its hamburger and sandwich offerings. Burger King also secured the service of the animated spokesfamily The Simpsons.

The fast-food marketer ventured into the public service arena with a campaign of docu-ads with a "stay in school" message targeted at teens on Whittle Communications' Channel One in-school TV network.

New Pillsbury Foods COO Paul Walsh, formerly exec VP of Grand Met's U.S. operations, targets a 60% ad spending increase for his division, which includes the independent operating units of Pillsbury bakery products, Green Giant vegetables, Pizza and Haagen-Dazs ice cream.

To help boost Pillsbury's core baking businesses, Grand Met launched a $30 million ad campaign featuring the Pillsbury Doughboy, who was newly energized courtesy of state-of-the-art animation. The campaign, representing the company's first multi-product coordinated effort in six years, was orchestrated by Leo Burnett USA. Unleashed in the third quarter 1989, it featured refrigerated dough products, quick bread mixes and cake mixes.

Green Giant doubled its ad budget to $15 million during 1989, and has targeted an additional increase in spending to $20 million for fiscal year 1991, which begins Oct. 1, 1990, according to division President Gary Klingl.

Grand Met's drinks sector, International Distillers & Vintners, accounted for seven of the top 34 selling alcoholic beverages in the country. Its leader is the No. 2 liquor brand—Smirnoff vodka—a Heublein product. With 7.8 million case depleted, it is just slightly behind top-selling Bacardi rum with 8 million cases depleted, according to figures compiled by John C. Maxwell Jr., Wheat, First Securities analyst. Total measured spending on Smirnoff, the top-selling vodka in the $3 billion category, climbed by 79% to $10.7 million.

As a group, International Distillers & Vintners is the country's leading liquor marketer, though Seagram Co. has the largest individual company share with 14%. Heublein is second with 13.8% while Carillon is eleventh with a 2.2% share. Measured spending by IDV operating companies, Paddington, Carillon and Heublein, increased by 1.2% to $67.3 million.

Mid-1990, Heublein, citing a desire for "a new strategic direction for the brands as the beverage alcohol business becomes increasingly competitive," severed ties with longtime agency Young & Rubicam. It awarded its account to Goodby, Berlin & Silverstein, San Francisco.

While solidifying its position in key market segments, Grand Met also has moved to improve its cash position by streamlining some of its holdings in softening markets.

In mid-1989, it sold Pillsbury's Bumble Bee Seafoods and Van de Kamp's Frozen Foods, which company officials did not see as being a key strategic fit with other Pillsbury operations. Earlier this year it disposed its All Brand Importers, which markets Foster's Lager, Moosehead and Dos Equis, to Guinness Import Co. The brands had been hurt by declines in the $3.5 billion imported beer market.

Alpo Petfoods, long part of Grand Met's U.S. properties, spent heavily in advertising to launch Alpo's venture into cat food late last year. The company moved into both canned and dry cat food with licensed cartoon character Garfield as presenter. Alpo Premium (canned) and Alpo Gourmet Dinner (dry) claimed sales of $17.7 million and $7.4 million, respectively, representing about 1% of the $2.4 billion cat food market, according to Mr. Maxwell.

The move into cat food by Alpo put it into a faster-growing pet category than dog food, which grew only 3.8% to $3.63 billion in 1989, although volume levels declined. Cat food increased 6.4% in dollars.

Alpo canned dog food held off a strong surge by Kal Kan Pedigree to claim top spot in that $1.06 billion segment with sales of $273.5 million, up 4.2%, for a market share of 25.9%, slightly down from 26.5% in 1988. Pedigree moved up from a 22% to a 24.5% share. Alpo was backed by $15.2 million in media advertising, down 19.6%. Kal Kan Pedigree spending was $16.3 million.

■ Headquarters

Grand Metropolitan PLC
11-12 Hanover Square
London W1A 1DP

Grand Metropolitan
200 South Sixth St.
Minneapolis, Minn. 55402
(612) 330-4966

■ Corporate personnel

Ian A. Martin, chmn; J. Howard Chandler, exec vp-legal, personnel & external affairs; Robert C. Lowes, exec vp-cfo.

■ Division

Alpo Petfoods
Allentown, Pa.

■ Corporate personnel

H. Robert Hawthorne, pres-Alpo; Katherine Hillman, pres-coo; Jim Dandy Co.

■ Marketing personnel

H. Robert Hawthorne, pres-Alpo; Katherine Hillman, pres-coo; Jim Dandy Co.

■ Marketing personnel

Robert Beckwith, vp-sales.

■ Brands

Alpo canned & dry dog food, Alpo Dinner canned & dry dog food, Alpo Jerkey Bits, Alpo Light canned dog food, Alpo puppy food, Alpo Snaps treats, Alpo stew biscuits dog food, Bi-ta dog biscuits, Beef Bites treats, Tabby cat food

Ad agency: Weightman Inc., Philadelphia. John Goodchild, pres; Mark Plamondon, exec vp; Paul Burger, mgmt super; Neil Harrison, sr vp-media.

■ Division

Burger King Corp.
Miami, Fla.

■ Corporate personnel

Ian A. Martin, chmn; Barry Gibbons, ceo; Fredy M. Dellis, pres-Burger King, Intl; Robert J. Stetson, coo-Burger King USA.

■ Marketing personnel

G.L. Langstaff, exec vp-mktg; C. Scott Connor, exec vp-operations, Southeast; David I. Geddes, exec vp-operations, West.

■ Brands

Burger King brand identity

Ad agency: D'Arcy Masius Benton & Bowles, New York. Roy Bostock, pres; Steve Gramps, sr vp-acct dir.

Burger King brand retailing

Ad agency: Saatchi & Saatchi Advertising, New York. Edward L. Wax, ceo; Harvey Hoffenberg, exec vp.

■ Division

Pillsbury Foods
Minneapolis

■ Corporate personnel

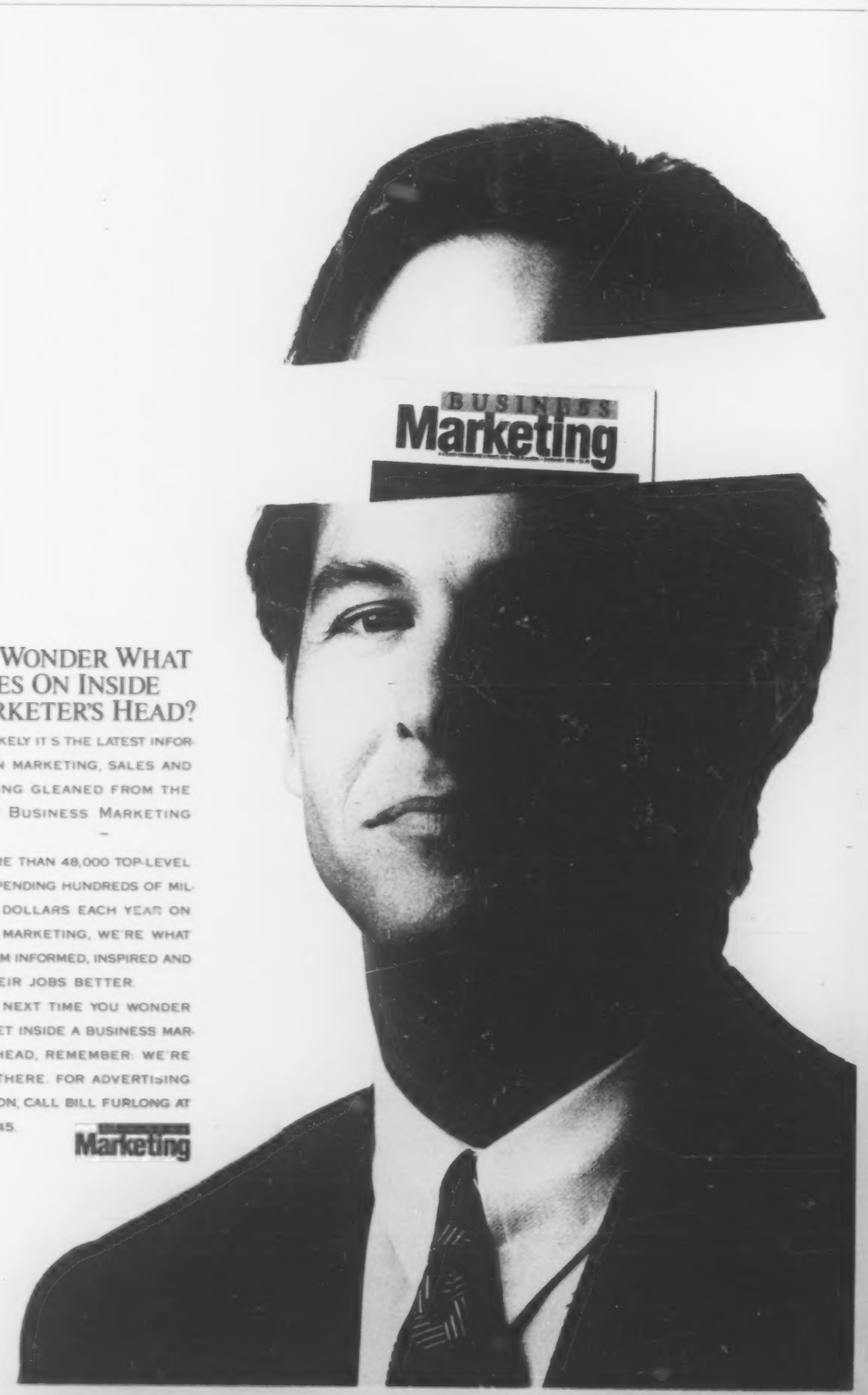
Ian A. Martin, chmn-ceo; Paul S. Walsh, divisional coo.

■ Marketing personnel

Michael J. Paxton, pres-Bakery Prods Div; Gary Klingl, pres-Vegetable Grp.; Peter Thompson, div ceo, Haagen-Dazs ice cream; Ove Sorensen, pres, Haagen-Dazs ice cream, sr vp, Haagen-Dazs Intl; Jim Reid-Anderson, sr vp-chief, Haagen-Dazs; Beth Bronner, sr vp-strategies, Haagen-Dazs; John Schwab, pres-Pizza Div; Russell J. Bragg, chmn-ceo-Grand Met Food Service USA; Don E. Loadman, chmn-Pillsbury Canada; John Speirs, sr vp-mktg; Greg Lincoln, media dir.

■ Brands

Cakes & frosting mixes, Green Giant products,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Business Marketing

refrigerated products, Hungry Jack potatoes & pancakes, Pillsbury microwave products, Totino's pizza, Jeno's pizza
Ad agency: Leo Burnett USA, Chicago. Jan Klug, acct super; John Miller, sr vp-grp acct dir; Edson Sessions, sr vp-acct dir.
Ad agency: Campbell-Mithun-Esty, Minneapolis. Madeline Betsch, exec vp-client svcs; Steve Gordon, sr vp-mgmt super.
Ad agency: Chiat/Day/Mojo, Toronto. Tony Wright, vp-mgmt super.
Haagen-Dazs
Ad agency: Doyle Graf Raj, New York. Marianne Collins, vp-mgmt super; Sarah Hiner, acct exec.

■ **Division**
Pearle Health Services
Dallas, Texas
■ **Marketing personnel**
Howard Stanworth, pres-ceo; John Antioco, coo; Joe Dono, sr vp-mktg; Debbie Tippett, dir-mktg; Randy Henry, dir-field mktg; Barbara Pijot, creative mktg mgr.
■ **Brands**
Pearle Vision Centers, Texas State Optical Service
Ad agency: Foote, Cone & Belding, Chicago. Joan Black, sr vp-grp acct dir; Bob Kubis, vp-acct dir.

■ **Division**
International Distillers & Vintners
Paddington Corp.
Fort Lee, N.J.
■ **Corporate personnel**
G. William Seawright, pres-ceo.
■ **Marketing personnel**
Roger Slone, sr vp-mktg; Joe McKenna, sr vp-human resources; Anthony Foglio, sr vp-sales; Kevin Mc Hugh, vp-sales, Eastern region; Keith Greggor, brand dir-Bailey's Original Irish Cream; Cinzano & Amaretto di Saronno; David Margolis, brand dir-J&B; Jim Signorile, grp mktg dir-Malibu rum, Cinzano, Rumple Minze & Amaretto di Saronno; James Longley, brand mgr-Cinzano; Jamie Friedman, brand mgr-Rumple Minze; Mark Teasdale, brand mgr-Amaretto di Saronno & Bailey's Original Irish Cream.
■ **Brands**
Bailey's Original Irish Cream liqueur, Cinzano vermouth, Sambuca Romana
Ad agency: Berenter, Greenhouse &. Webster, New York. Bill Berenter, chmn; Martin Greenhouse, exec vp; Barrie Webster, pres.
Amaretto di Saronno, Malibu Rum, Rumple Minze schnapps
Ad agency: Geer, DuBois, New York. Dave Eastbrook, vp-mgmt super; Robert Rosengarten, vp-acct super; Dawn Dresher, sr acct exec.
J&B rare scotch, Knockando scotch, Metaxa brandy
Ad agency: Grace & Rothschild, New York. Gordon Sleeper, gm; Tom White, mgmt super; Gene Wilhoft, dir-media svcs; David Corr, creative dir.

■ **Division**
Carillon Importers
Teaneck, N.J.
■ **Corporate personnel**
Michel Roux, pres-ceo; Jerry Ciraulo, vp-finance, admin.
■ **Marketing personnel**
Dick McEvoy, sr vp-mktg & sales; Ernie Capria, vp-dir, mktg svcs; Pamela Taylor, mgr-pr.
■ **Brands**
Absolut vodka, Absolut Peppar, Absolut Citron, Bombay gin, Champagne Devonaye, Catullo red & white wine, Cremant rose, Fernet Blanca, Grand Marnier, La Grand Passion, O'Kir, O'Mint mineral water, Piat d'Or wine
Ad agency: TBWA Advertising, New Yor
Richard Costello, pres-coo; Willia
Tragos, chmn-ceo; Richard Lewis, Bria
Barry, vps-mgmt supers; Claude Fromi
sr vp-media dir; Reatha Braxton, vp
media super; Page Murray, Darren Fi
nie, acct execs.

■ **Division**
Heublein Inc.
Hartford, Conn.
■ **Corporate personnel**
John A. Powers, chmn; Robert M. Fure
pres-ceo; G.T. Eisenberg, exec vp-sales
mktg.
■ **Marketing personnel**
David G. Eickholt, vp-mktg svcs; Wi
liam F. Engster, pres-Intl Vintage Wine
Co.; Edward Gaultieri, pres-gm, Var
guard Div.; Charles Wheeler, dir-ad
svcs; Steve Goldstein, dir-pr.
■ **Brands**
Blossom Hill wines, Black Velvet Canadia whisky, Smirnoff vodka, Smirnoff Silver vodka The Famous Grouse scotch whisky, Yukon Jac Canadian liqueur
Ad agency: McCann-Erickson, New York
Dave Cohen, sr vp-grp super; Davi
Katz, Kathy Faust, Margot Jackson, acc
execs.
Almaden wines, Christian Brothers wines, Fir landia vodka, Heublein Cocktails, Inglenook Napa Valley wines, Inglenook Navalle wines Jose Cuervo tequila, Lancers wine, Mouto Cadet wines, Baron Philippe de Rothschil wines, Truffles Liqueur du Chocolat
Ad agency: Goodby, Berlin & Silverstein
San Francisco. Colin Probert, pres; Mart
Wenzell, grp dir; Rene Cournoyer, acc
dir; Rob Kabus, media dir; Luanne Cal
bert, media super; Lawrence Teheran
media planner.
Christian Brothers Brandy
Ad agency: Waring & LaRosa, New York
Saul Waring, pres.
Pernod
Ad agency: D'Arcy Masius Benton &
Bowles, New York. Dan Cole, acct super.
Hispanic adv: Smirnoff vodka, Lancers wine
Ad agency: Robles Communication, New
York. Neil Campbell, acct exec.
Black adv: Smirnoff vodka
Ad agency: UniWorld Group, New York
Byron Lewis, ceo.

NATIONAL ACCOUNT MARKETING

ONE-DAY SEMINAR

NOTE:
DATE CHANGE

8:00 A.M. to 4:30 P.M.

INJECT *QUALITY*—NOT CONFUSION INTO YOUR NATIONAL ACCOUNT PROGRAM

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Tuesday, December 11, 1990
Forum Hotel
Michigan Avenue
Chicago, IL
312/944-0055

Thursday, December 13, 1990
Newark Airport Vista Hotel
Newark, NJ
201/820-2941

WHO SHOULD ATTEND

- Corporate marketing and sales executives
- National account managers
- Business unit and division general managers
- Corporate planners, customer service directors

THE SEMINAR PROGRAM

- Anatomy of a National Account Organization.
- The role of quality in National Account Marketing.
- How to design and present your Account plan to your customer.
- How to develop a vertical National Account market.
- How to build quality into your customer relationships.
- Can International Account Marketing work . . . and at what price?
- How to motivate distributors.
- The best way to select and motivate a National Account Manager.
- How to make effective use of lap-top micro computers.
- How National Account Marketers use modern Marketing Information Systems.
- Why you must sometimes change your existing organizational structure to succeed.
- How to develop a very effective National Account Program within your existing sales department.

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Fees for this seminar are $425
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There are NO REFUNDS for cancellations. You may, however substitute another person in your place.

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RANK: 76

Hallmark Cards

Kansas City, Mo.
Ad spending: **$138.2** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% ch
Magazine	3,503	1,720	103
Sunday magazine	14,235	12,150	17
Newspaper	6,589	7,986	(17)
Outdoor	1	1	0
Network TV	43,292	38,180	13
Spot TV	3,851	2,975	29
Cable TV networks	825	424	94
Syndicated TV	5,320	2,085	155
Network radio	2,998	433	592
Spot radio	1,294	4,709	(72)
Measured media	81,917	70,723	15
Unmeasured	56,300	48,600	15
Total	138,217	119,323	15

By top brands	1989	1988	% ch
Hallmark stationery	62,039	46,074	34
Hallmark gifts	7,838	11,811	(33)
Hallmark Christmas ornaments	5,205	2,170	139
Crayola toys	3,294	3,627	(9)
Hallmark Cards	1,804	1,927	(6)

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% ch
Sales	2,500	2,300	8
Earnings	NA	NA	N

■ **Notes:** Sales figures are AA estimates

■ **Annual review**

Hallmark Cards' continued success i an otherwise flat industry appears t come from its blend of conservative yo aggressive card playing.

Despite maturity in the industry, th privately-held greeting card marketer has made consistent gains through acqui sitions, new products and creative mar keting tactics.

Hallmark's share of the $5.5 billio greeting card market is believed to hav increased to 44% in 1990 from 40% th previous year, a feat considering overa stagnation in the industry.

The company's relationship with Le Burnett USA, Chicago, appears to be contributing factor in the card marketer success. Burnett won Hallmark's accoun in late 1988.

In 1989 Hallmark launched a Hallow een campaign targeting adults for th first time with TV spots. The "Spook Sounds" campaign included a tape o "spooky" TV series theme songs ("Th Addams Family" and "The Munsters, etc.) in a purchase-with-purchase offer.

Most of its special purchase program are supported by TV and print cam paigns, with additional creative fro

agency: Valentine-Radford, Kansas City. The 13.4% growth in network TV spending in 1989 reflects this added marketing dimension. Hallmark's national emphasis for its advertising proved a boon to syndicated TV and network radio spending as well.

In a departure from traditional new offerings—new card lines within an existing line—Hallmark is testing expansion into other types of products. Fresh floral arrangements called Hallmark Flowers and priced between $4.50 and $35 were tested this year. Another test includes a 200-card line that allows customers to personalize messages via a touch-screen computer in the store called Personalize It! For a $3 fee, messages are laser-printed onto cards.

Gift of Choice is another venture in test in which customers select one of eight themed catalogs displayed in-store that is sent to their recipient who then chooses one gift that arrives via United Parcel Service.

Hallmark's To Kids With Love line launched in 1989 has not proved highly successful, but the new lines of nonoccasion cards hold promise. Late last year Hallmark brought out another nonoccasion line titled "Just How I Feel."

Retailers haven't lost faith in magazines

Single-issue advertisers, McDonald's and Sears, Roebuck & Co., proved some magazines were still a hot commodity when McDonald's became sole advertiser (32 ad pages) in a special issue of *Life* magazine published this May celebrating "The World of Children."

The issue was a photographic montage of the world as seen on Oct. 25, 1989.

Sears will be exclusive advertiser in an October issue of *Time* devoted to the changing role of women.

Hallmark's Peanuts and Garfield licenses continue to rank among its best-selling cards and its Keepsake Christmas ornaments are a growing staple.

In 1990 Hallmark also boosted its religious cards line by 33% under both the Hallmark and its smaller Ambassador brand, sold mainly through supermarkets.

The company has found new ways to promote existing lines. This summer when card sales were low, Hallmark broke a nationwide promotion for its humorous Shoebox line, supported by print ads in major magazines.

Hallmark for the first time attached actual greeting card envelopes to its print ads, which were redeemable for a free greeting card at its outlets.

Hallmark made another significant move in 1990 when it acquired Petaluma, Calif.-based Willitts Designs, a smaller card and gift-marketing company. Willitts' products include homespun card designs and collectible gift items.

■ **Headquarters**

Hallmark Cards
2501 McGee Trafficway
P.O. Box 419580
Kansas City, Mo. 64141-6580
(816) 274-5111

■ **Corporate personnel**

Donald J. Hall, chmn; David H. Hughes, vice-chmn; Irvine O. Hockaday Jr., pres-ceo; Robert L. Stark, exec vp.

■ **Marketing personnel**

Thomas H. Johnston, grp vp-Hallmark brand; Laurie Beeson, vp-mktg, Hallmark brand; Robert Firnhaber, grp vp-Ambassador brand; Lanny Julian, Hallmark vp-sales & retail devel; Homer Evans, Hallmark vp-Hallmark Cards prods div; Buddy Jones, vp-Hallmark specialty prods div; Donald Fletcher, div vp-Ambassador prod devel; Brad Moore, div vp-adv & promo; Ira Stolzer, adv dir; Jim Welch, consumer promo dir.

■ **Brands**

Hallmark natl adv

Ad agency: Leo Burnett USA, Chicago. Jim Thompson, sr vp-acct dir; Tom Dickson, vp-acct dir; Lynne Brinker, Ken Fill, acct supers; Philip Emmanuele, sr acct exec; Greg Matsunami, Greg Marlovits, acct execs.

Hallmark retailer adv programs, Ambassador Cards

Ad agency: Valentine-Radford, Kansas City, Mo. T. Craig Ligabel, vp-dir, client svcs; Greg Kirsch, acct grp super; Michael St. Pierre, Candi Walsh, acct supers; Colleen O'Kane, media dir.

■ **Subsidiary**

Binney & Smith
Easton, Pa.

■ **Corporate personnel**

Richard S. Gurin, pres-ceo.

■ **Marketing personnel**

Tom Muller, vp-genl mgr, Crayola.

■ **Brands**

Crayola products, Silly Putty, Liquitex paint & brushes

Ad agency: Avrett, Free & Ginsberg, New York. Tom James, exec vp-grp acct dir; Miriam Cohen, vp-acct super.

■ **Subsidiary**

Willitts Designs
Petaluma, Calif.

■ **Corporate personnel**

William G. Willitts Jr., pres.

■ **Subsidiary**

Univision Holdings
New York

■ **Corporate personnel**

William Grimes, pres-ceo; Joaquin Blaya, pres-Univision, Inc.

■ **Brands**

Univision

Ad agency: Alan Spess & Associates, Miami. Alan Spess, pres.

RANK: 71

Hasbro Inc.

Pawtucket, R.I.
Ad spending: **$151.9** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	4,905	4,435	10.6
Newspaper	54	91	(40.6)
Outdoor	0	1	NA
Network TV	25,984	25,006	3.9
Spot TV	71,853	90,640	(20.7)
Syndicated TV	17,203	21,240	(19.0)
Cable TV networks	3,602	2,387	50.9
Spot radio	2	16	(86.0)
Measured media	123,604	143,816	(14.1)
Unmeasured	28,300	32,900	(14.0)
Total	151,904	176,716	(14.0)
By top brands	**1989**	**1988**	**% chg**
Hasbro toys	49,259	57,595	(14.5)
Milton Bradley games	25,443	30,247	(15.9)
Playskool toys	25,421	30,915	(17.8)
Coleco toys	7,040	9,582	(26.5)
Milton Bradley toys	6,537	6,680	(2.1)
Milton Bradley educational software	2,120	0	NA
Selchow & Righter games	1,104	365	202.5

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	1,410	1,358	3.8
Earnings	92	72	27.3
U.S.	**1989**	**1988**	**% chg**
Sales	954	925	3.2
Operating profit	100	83	21.0

■ **Annual review**

Hasbro Inc. continues to reign as the leading U.S. toy marketer, but generating profits has become difficult in an increasingly competitive market.

The company's intensifying problems were underscored by a sudden management shakeup in late 1990 in which Alfred Verrecchia was promoted to COO of domestic toy operations overseeing all Hasbro divisions. The divisions had been managed by separate presidents.

On the heels of his promotion, Stephen Schwartz, then president of Hasbro's Playskool division, resigned and was replaced by Dan Owen, previously a Playskool senior VP.

In general Hasbro's sales slowed considerably last year, due to the continued pressure of competition from the thriving videogame segment. The toy industry as a whole continues to hover at approximately $13 billion with between $3 billion and $3.5 billion generated by videogames.

Another cause of Hasbro's recent misfortunes is the raging success of the Teenage Mutant Ninja Turtles action figures from Playmates Inc. Booming sales of the pizza-eating, sewer-dwelling turtles have cut deeply into Hasbro's action figure business, including the staple G.I. Joe and WWF Wrestling figures. Thinning sales this year also forced the company to shelve an entire line of new action figures called Tribes.

Tyco Toys also has become a formidable competitor. Tyco's Oopsie-Daisy doll was the surprise hit of Christmas 1989, when Hasbro was foundering with the Cabbage Patch doll line it bought from bankrupt Coleco Industries. Hasbro has since come back with Baby Uh-Oh and Baby Eat 'n Grow.

Overall Hasbro offered fewer new products in 1989 and 1990 and as a result its spot TV budget was reduced by nearly $20 million. The company continues to support each new line with network and spot TV campaigns ranging between $1 million and $7 million for its Hasbro toys and Milton Bradley games. Playskool directs network and spot TV mostly at parents, with print ads in consumer magazines.

Despite industry hardships, Hasbro nonetheless remains the No. 1 toy marketer.

Playskool currently offers the greatest growth opportunities because sales of preschool and infant toys, its domain, have continued to be brisk. Playskool's sales of Dolly Surprise continue to be strong, along with other preschool items like its Busy Beads, Playskool Express train and Playskool indoor/outdoor rideons.

The preschool division pulled sales from competitor Fisher-Price, beset with marketing errors in 1989 such as investing in new products targeting the fickle preteen market.

Mattel Inc.'s line of Disney preschool toys competed directly with Playskool's Sesame Street preschool line. Mattel and Preschool each claim approximately 25% of the infant and preschool toy market.

Milton Bradley has added no major hits to its staple items: Scrabble, Candy Land, Chutes and Ladders and Twisters, which produce steady but unspectacular sales. Newer entries, Shark Attack! and Mickey Mouse Yahtzee, have added only modest increases to sales.

Milton Bradley benefits from its Nintendo videogame license, marketing a few new software titles each year.

■ **Headquarters**

Hasbro Inc.
1011 Newport Ave.
Pawtucket, R.I. 02861
(401) 727-5000

■ **Corporate personnel**

Alfred J. Verrecchia, coo-domestic toys; George Ditomassi, coo-games & intl; Barry J. Alperin, vice chmn.

■ **Division**

Hasbro Division

■ **Marketing personnel**

Larry Bernstein, pres; Al Carosi Jr., s vp-mktg; Kirk Bozigian, vp-mktg, boys' toys; Duncan Billing, vp-mktg, girls' toys; Barry Tunick, vp-mktg, Cabbage Patch.

■ **Division**

Playskool Division

■ **Marketing personnel**

Dan Owen, pres; Bob Wann, sr vp-mktg; Sharon Hartley, vp-mktg, Playskool-preschool; Gina Beebe, sr mktg dir-Playskool, infant.

■ **Division**

Milton Bradley Division
East Longmeadow, Mass.

■ **Marketing personnel**

Dale Siswick, vp-mktg; George Merritt, vp-adv & pr; John Gildea, vp-licensing & creative design; Debra Boyd, vp-media; Wayne Charness, vp-corp comms; Amy Deemer, assoc dir-shows & exhibits; Pat Schmidt, dir-promos.

■ **Brands**

Hasbro, Playskool, Milton Bradley

Ad agency: Griffin Bacal, New York. Tom Griffin, co-chmn, ceo; Joe Bacal, co-chmn, dir-creative svcs; Paul Kurnit, pres-coo, dir-client svcs; Leonard Leokum, exec vp-creative dir; Art Heller, exec vp-dir, media; Loretta Volpe, sr vp-dir, media, programming & mktg svcs; Bob Kantor, sr vp-grp dir, Playskool; Arnie Berger, sr vp-grp dir, Milton Bradley; David Beibelberg, sr vp-grp dir, Hasbro; Jeff Dunetz, vp-assoc media dir, boys' & girls' toys-Playskool; Steve Margaritov, vp-assoc media dir, Milton Bradley; Jay Bacal, Maurice Mahler, sr vps-grp creative dirs, Hasbro & Milton Bradley; Mindy Rosengarten, sr vp-grp creative dir, Playskool.

Cabbage Patch, My Little Pony, Potsie Ponies

Ad agency: Jordan, McGrath, Case & Taylor, New York. Pat McGrath, pres; Donald Weir, sr vp-mgmt rep, Hasbro; Marc Itkowitz, exec creative dir; Alisa Litwin, Vicki Logan, creative dirs-Hasbro; Kate Ryan, vp-mgmt super.

Print adv-Playskool

Ad agency: Kidvertisers, New York. Larry Nunno, acct dir; Deyna Vesey, creative dir.

RANK: 32

H.J. Heinz Co.

Pittsburgh
Ad spending: **$342.3** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% ch
Magazine	20,358	17,970	13.
Sunday magazine	2,122	2,253	(5.
Newspaper	5,306	4,367	21
Outdoor	42	24	72
Network TV	61,329	69,382	(11.
Spot TV	26,706	30,253	(11.
Syndicated TV	27,152	18,786	44
Cable TV networks	3,790	3,429	10
Network radio	430	0	N
Spot radio	1,997	337	493.
Measured media	149,230	146,802	1
Unmeasured	193,100	190,000	1
Total	342,330	336,802	1
By top brands	**1989**	**1988**	**% ch**
Heinz condiments	26,794	28,458	(5.
Ore-Ida vegetables	17,962	19,635	(8.
Weight Watchers frozen dinners	16,961	18,331	(7.
Weight Watchers International	16,802	13,440	25.
9 Lives cat food	13,443	12,456	7
Weight Watchers frozen treats	9,938	6,777	46.
Weight Watchers desserts	8,543	8,654	(1.
Heinz sauces	5,861	4,642	26.
Weight Watchers dairy products	5,088	7,321	(30.
Kozy Kitten cat food	3,344	0	N

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% ch
Sales	6,086	5,801	4
Earnings	504	440	14.
U.S.	**1989**	**1988**	**% ch**
Sales	3,780	3,473	8
Operating income	567	468	21.

■ **Notes:** Fiscal year ended May 2, 1990

■ **Annual review**

Continued development of the Weight Watchers brand and ecological concern were top priorities as marketing suppor

THE WALL STREET JOURNAL.

Mass. appeal.

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for Heinz products increased by 7.5% over last year, while advertising remained at the same level.

The Weight Watchers franchise, which was acquired by Heinz over 10 years ago, has become a $1.6 billion business with a revamped sales pitch to focus on a health image, not just a diet one. Nearly $62 million was directed into measured media support for the line in 1989, up 30.8% over 1988 levels, which were 54% more than in 1987. The company plans to triple the unit's size by the mid-1990s.

New products include breakfasts, desserts and condiments. Cocktail snacks and cookies are in the works. Weight Watchers' frozen entrees received $14 million in media support, down 6.7% from 1988.

In the total general frozen entree category, valued at $3.2 billion, Heinz gained a 10.5% share of market, up from 9.9% a year earlier, placing it No. 4 after ConAgra's various brands (Banquet, Morton, Chun King) at 14.3% (same in '88), Stouffer's red box line with 12.2% (down from 12.8%) and Lean Cuisine 11.7% (up from 11.25%) and Kraft General Foods' 11.6% (up from 11.1%).

Four new dinner entrees were introduced by Weight Watchers, while frozen breakfast entrees, a 13-item line of microwaveable breakfasts that includes pancakes and french toast, was introduced nationally in August.

In the $1.5 billion frozen novelty market, the Weight Watcher unit gained a 7.8% share, placing second to Popsicle Brand, category leader at 9.4%, according to Arbitron/SAMI. Weight Watchers launched two frozen novelty treats—Toffee Crunch Bars, with 120 calories per serving, and a NutraSweet reformulation of Orange Vanilla Treat. Its frozen novelties drew $13.7 million in measured support, up 20.2%.

Heinz ketchup, the company's flagship brand, will debut a new recyclable plastic bottle early next year. What goes into Heinz ketchup also is undergoing scrutiny as the company's agriculture researchers attempt to reduce pesticide use by breeding natural resistance into its tomato varieties.

Heinz ketchup holds over 50% of the market, followed by Hunt's with 23%, and Del Monte, 11%. Media support for Heinz ketchup dropped 22% in 1989 to $16 million, most of it in network TV.

Heinz 57 Sauce received nearly $8 million in measured media, up 12.7%. A new network TV campaign, backed by national print, was themed: "Ketchup with a kick." TV ads utilized the Cole Porter song, "I Get a Kick Out of You." A line extension to the Heinz sauces, Heinz Select Barbecue Sauce, was introduced in May.

Responding to heightened public perception about the environment, health and animal rights, Heinz's StarKist Seafood Co. adopted a worldwide "dolphin safe" policy touted in network TV spots. Leo Burnett USA, Chicago, the StarKist agency, produced the commercial in less than 72 hours to air on the CBS special, "Dolphins, Whales and Us." Competitor Bumble Bee Tuna followed suit.

A hickory-smoked-flavor version joined the traditional 6.5-oz. standard can and Prime Catch, the year-old brand of light tuna from StarKist.

Heinz pet products also will carry the "dolphin safe" labels beginning this fall.

Heinz's share of the cat food market grew from 17.6% two years ago to its present 24.8% level. Heinz's 9-Lives, which drew $8.9 million in media in 1989, down 23.3% from 1988, led the canned cat food segment with 18% of retail sales by mid-1990. Competitor Carnation Co.'s Friskies Buffet followed at 17%, and Mars Inc.'s Kal Kan at 15%.

Heinz's Amore brand amassed a 3.5% share while its Kozy Kitten product garnered 1.6% of market. New product 9-Lives Kitten Dinners' share totaled 0.7%. Lean Entrees, a new product from 9-Lives, rolled out nationally this August. Canned cat food is a $1.1 billion market, while dry cat food totals $876 million, according to Arbitron/SAMI.

In dry cat foods, H.J. Heinz Co.'s Kozy Kitten brand, which only went national in 1990, took the No. 3 spot in 1989, with a 10.2% share. Ralston Purina commanded a 48%-49% share, and Carnation Co.'s Friskies Pet Care, 16%.

Heinz canned dog food lines, led by Reward, Skippy Premium and Recipe, amassed a 13% share of market. A naturally smoked variety of Skippy Premium was introduced this spring.

Heinz's Meaty Bone tied with Nabisco's Milk Bone for top-selling dog biscuit with a 13% share, followed by Purina Biscuits' 11% in the $250 million biscuit segment of the dog snacks market. Meaty received $2.7 million in media backing, the same as in 1988.

Headquarters
H.J. Heinz Co.
P.O. Box 57
Pittsburgh, Pa. 15230-0057
(412) 456-5700

Division
Heinz U.S.A.

Marketing personnel
Consumer Prods. Mktg: Brian Ruder, vp; Barbara Behrman, gm; Jeff Conner, grp prod mgr; Mary Ann McCollough, gm-new business; Mark Shain, mgr-adv svcs. Food Service Mktg: Jeff Berger, vp; Hank Lockard, Kevin Storms, gms; Rick Sweet, Jack Musher, mktg mgrs. Packaged Goods Div: John Crawshaw, vp; Bob Roussey, genl business mgr; Jay Abraham, gm-mktg. Weight Watchers Div: Doug Haines, vp; Ben Fisher, gm; Mark Trumbull, grp prod mgr.

Division
StarKist Seafood Co.
Long Beach, Calif.

Marketing personnel
John Heil, vp-mktg; A.A. Ayotte, vp-sales & logistics; T.E. Sanford, gm-new prods; R.L. Wilkerson, gm-business devel; D.H. Gallagher, gm-broker sales; R.E. Worsham, gm-sales devel; J.R. Ryan, gm, brand sales; F.M. Horak, mktg mgr-seafood.

Division
Ore-Ida Foods
Boise, Idaho

Marketing personnel
Geoffrey V. Supko, vp-coo, Ore-Ida prods; J. Patrick Kinney, vp-foodservice; Michael J. Tyler, gm-retail mktg; M. Vince Shaar, gm-retail sales; Margaret E. Carlson, gm-venture mktg; Martin V. Thomas, gm-sales & mktg svcs.

Division
Foodways National
Boise, Idaho

Marketing personnel
Stanford P. Darger, vp-coo; Richard Mount, gm-sales; Lois S. Brown, gm-mktg, current formulated prods.

Division
Weight Watchers International
Jericho, N.Y.

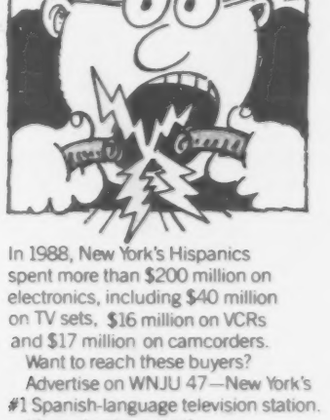
Marketing personnel
Dr. Lelio G. Parducci, vp-mktg & devel; Linda Webb, gm-pr, brand strategy; Tim Tully, gm-mktg, Weight Watchers svcs; Susan Consorte, gm-mktg, new svcs; Barbara Warmflash, gm-mktg, Weight Watchers meetings.

Division
Heinz Pet Products
Newport, Ky.

Marketing personnel
Ed Johnson, gm-cat food mktg; [illegible] Chapek, prod mgr, 9-Lives canned cat food; Brian Mirsky, gm-dry & moist cat food mktg; Mike Milone, gm-dog food mktg; Joe Roxtrom, gm-canned dog food mktg; Sue Dehner, prod mgr-Skippy Premium dog food; Joe Sirgy, mktg mgr-dog snacks; Marty Koppenhafer, prod mgr-Jerky Treats; David Rhode, prod mgr, Meaty-Bone.

Brands
Heinz Ketchup, Home Style gravy, Specialty sauces, Near East
Ad agency: Leo Burnett USA, Chicago. Sean Harrington, acct dir; John Hillman, acct exec.
Heinz 57 Sauce, Heinz vinegar, Heinz Barbecue Sauce, Heinz Worcestershire Sauce, Alba
Ad agency: Ketchum Advertising, Pittsburgh. Mark Hurst, dir-client svcs; Don Burke, vp-acct super; Drea Toretti, asst acct exec.
StarKist products
Ad agency: Leo Burnett USA, Chicago. Tom Ross, exec vp; Jeff Herscovitz, vp-acct dir; Greg Seraydarian, acct exec.
Ore-Ida Frozen Foods
Ad agency: DDB Needham Worldwide, New York. Lucille Schwartz, mgmt super; Todd Bernard, acct super; Michael Rockefeller, Brian Mulhern, acct execs.
Weight Watchers frozen entrees & desserts
Ad agency: DDB Needham Worldwide, New York. Alan Krinsky, mgmt super; Mary Beth Williams, acct super; Megwin Finegan, Darryl DeGusman, acct execs.
Chico-San rice cakes, Chico-San popcorn cakes, Weight Watchers new product development
Ad agency: Hill, Holliday, Connors, Cosmopulos, Boston. Kathleen Driscoll, sr vp-grp head; Karen Kaplan, acct super; Anita Letendre, acct exec; Christy Kennedy, asst acct exec.
Weight Watchers International
Ad agency: DDB Needham Worldwide, New York. Alan Krinsky, mgmt super; John Brody, acct super; Steve DeSantis, Dan Levine, acct execs.
Ad agency: Edelman Worldwide, New York. Dorothy Crenshaw, sr vp-consumer mktg; Terese Caruso, vp, Jodi Godfrey, sr acct super.
Ad agency: Impressions Inc., Roslyn Heights, New York. Tony Schettino, pres-owner; Diane Gallagher, acct super.
Ad agency: Wunderman Worldwide, New York. Richard Stollenwerck, new business dir; Debra Brown, mgmt super; Julie Adams, acct super.
Weight Watchers: yogurt, frozen novelties, Grand Collection, dairy products, mayonnaise, dressings, new product development, central location-dry packaged products
Ad agency: Ally & Gargano, New York. Jim Hanzlik, mgmt dir; Jim Roxbury, acct dir; Valerie Valente, acct exec.
Weight Watchers International, Reward dog food, Jerky Treats, Meaty-Bone dog biscuits
Ad agency: Leo Burnett USA, Chicago. Jeff Herscovitz, acct dir; Rishad Tobaccowala, acct super; Susan Kann, acct exec.
Skippy Premium dog food, Reward dog food, Recipe dog food
Ad agency: Goodby, Berlin & Silverstein, San Francisco. Debbie Nelson, acct dir; Shannon Maher, Lori Warren, acct execs.
Media buying & planning: Skippy Premium dog food, Reward dog food
Ad agency: Media That Works, Cincinnati. Mary Beth Price, pres; Lynne Veil, chief operating officer; Lynne Bissmeyer, acct mgr.
Amore cat food, 9-Lives cat food, Kozy Kitten
Ad agency: Leo Burnett USA, Chicago. Jeff Herscovitz, acct dir; Rishad Tobaccowala, acct super; Marc Landsberg, asst acct exec.
Corporate media buying
Ad agency: SFM Media Buying Corp., New York. David Tabin, sr vp.

Electronics dealers who ignore New York's Hispanic consumers are in for a shock.



In 1988, New York's Hispanics spent more than $200 million on electronics, including $40 million on TV sets, $16 million on VCRs and $17 million on camcorders.
Want to reach these buyers? Advertise on WNJU 47—New York's #1 Spanish-language television station. It's as simple as that!

WNJU 47
Telemundo in New York

For more information, call Rosemarie Lieberman (212) 492-5603
Source: Arbitron, May 1989, sign-on to sign-off.
Lee Sturzberg Research, Inc.
New York Retail Study, January 1989.

RANK: 41

Hershey Foods Corp.

Hershey, Pa.
Ad spending: $288.2 million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	9,210	14,426	(36.2)
Sunday magazine	626	702	(10.8)
Newspaper	0	245	NA
Outdoor	18	32	(44.3)
Network TV	41,454	36,105	14.8
Spot TV	12,171	17,077	(28.7)
Syndicated TV	13,937	13,180	5.7
Cable TV networks	3,306	2,775	19.1
Network radio	9,187	5,952	54.3
Spot radio	2,560	4,049	(36.8)
Measured media	92,467	94,542	(2.2)
Unmeasured	195,700	200,100	(2.2)
Total	288,167	294,642	(2.2)
By top brands	**1989**	**1988**	**% chg**
Hershey, candies	30,888	27,517	12.3
Peter Paul candy	11,208	9,433	18.8
Kit Kat candy bars	8,562	9,046	(5.3)
5th Avenue candy bar	8,160	4,512	80.8
York Peppermint Patties	6,629	5,835	13.6
Reese's candy	4,047	3,097	30.6
Cadbury candy	3,998	5,695	(40.3)
Twizzlers candy	2,574	2,427	6.0
Heilps menthol-coated cough drops	1,321	214	518.7

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	2,421	2,168	11.7
Earnings	171	214	(20.0)
U.S.	**1989**	**1988**	**% chg**
Sales	2,236	1,969	13.6
Operating income	307	257	19.5

Annual review

Hershey Foods Corp. continued to consolidate its position as the country's leading confectioner by introducing new confectionery items with an upscale, adult appeal and leveraging its brand identity through line extensions and diversification into new categories. Hershey used an acquisition to solidify its No. 2 market share of dry pasta.

Targeting the sweet tooths of aging baby-boomers, Hershey heavily promoted its new line of adult-oriented candy bars, including Fifth Avenue ($8.1 million in media spending, up 81%, according to LNA/Arbitron); Bar None ($7.4 million, up 13%); and Symphony ($4.1 million in its introductory year). Another "grown-up" candy, RSVP, a European-style chocolate bar with caramel and chocolate creme centers, was introduced to test markets in California in early 1990.

Hershey's first attempt to capitalize on its chocolate heritage while moving into new product categories was the rollout this spring of Hershey's Chocolate Bar Flavor Puddings. The four-flavor line of refrigerated products, supported with an estimated $13 million national ad budget, takes direct aim at Jell-O refrigerated puddings, the current category leader with an estimated 55% share of the $200 million market. Beatrice/Hunt Wesson's Swiss Miss is second at 30%; regional brands share the remainder.

Hershey sought to increase its share of the baking chocolate and bits category with the rollout of a line extension that includes Hershey's Chocolate Chunks, Hershey's Vanilla Chips, Hershey's Premium Baking Bar and Hershey's European-style cocoa. The introduction was supported with couponing and FSIs.

Hershey currently holds about 15% of the $376 million category with its cocoa powder, baking bar and Reese's products, good for third place behind Nestle Foods Corp.'s Toll House morsels brand with 51% and General Foods USA's Baker's with 16%.

Because of the market share boost from the acquisition of the U.S. confectionery business of Cadbury Schweppes in 1989, Hershey's share of the $1.7 billion market for confectionery products sold through supermarkets rose to 36%, ahead of rival M&M/Mars' 30%, according to Infoscan figures for November 1989. Other key players include Suchard with 10%; Nestle, 7%; and Nabisco, 5%.

The February 1990 acquisition of Ronzoni pasta from Kraft General Foods for $80 million added 9.2% to Hershey's existing 17.9% market share. With 27.1% of the dry pasta market, Hershey now challenges market leader Borden, which holds 31.3% of market, estimated to be worth $1.16 billion at the retail level in 1988, the last year for which figures were available from the National Pasta Assn. Hershey also intends to increase its share of the pasta market with new products in development and test marketing including Pasta Perfection, a four-item line of microwaveable pastas now in midwestern test markets.

Measured ad spending for Hershey's pasta brands before the Ronzoni acquisition dropped 9.8% from 1988 levels to $2 million. Because the pasta market is region-oriented, much of promotional spending is in unmeasured media, such as couponing and in-store promotions.

During 1989, Hershey consolidated its manufacturing operations to achieve economies. Resultant savings were used to pump up ad and promo expenditures, which in 1989 equaled 15.9% of sales, or $377 million worldwide, divided between advertising at $121 million and promotion at $256 million. Total ad and promotional spending in 1988 was $329 million.

Headquarters
Hershey Foods Corp.
100 Mansion Rd. East
Hershey, Pa. 17033
(717) 534-4000

Corporate personnel
C. Mickey Skinner, pres.

Marketing personnel
Clifford K. Larsen, vp-mktg; Gary Lauerman, dir-mktg svcs.

Brands
Hershey Chocolate USA: Cadbury prods, Hershey's toppings, Hershey's chocolate flavored syrup, Hershey's chocolate milk mix, Kit Kat bar, Luden's throat drops, Mr. Goodbar, Reese's Pieces, Skor toffee bar, Whatchamacallit bar, Y&S candies, York peppermint patie, Symphony candy bars
Ad agency: DDB Needham Worldwide, New York. Peter Tate, exec vp; Leo Mamaorsky, sr vp-mgmt super; David Wismer, vp-mgmt super; Page Thompson, exec vp-media dir.
Hershey Chocolate USA: Bar None, Big Block bars, Easter Eggs, 5th Avenue bar, Giant Kiss, Golden Almond bar, Golden Almond Solitaires, Golden III chocolate bar, Hershey's Kisses, Hershey's milk chocolate bar, Hershey's milk chocolate bar w/almonds, Krackel bar, Hershey's baking chocolate, Hershey's chocolate chips, Hershey's cocoa, Hershey's Miniatures, Almond Joy, Mounds, Reese's peanut butter cups, Reese's peanut butter chips, Rolo
Ad agency: Ogilvy & Mather, New York. Michael Vaughn, sr vp-grp dir; Charles Armstrong, Garrett Vreeland, Martha Ehmann, Jeanne Murphy, acct dirs; Tony Nacinovich, sr vp-assoc media dir.
Hershey Pasta Grp: American Beauty, Delmonico, Light 'n Fluffy, Perfection, P&R, Ronzoni, San Giorgio, Skinner
Ad agency: Weightman Inc., Philadelphia. John Goodchild, pres; Susan Sunyak, acct super.

RANK: 38

Honda Motor Co.

Tokyo
Ad spending: $298.8 million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	56,656	47,150	20.1
Sunday magazine	926	748	23.9
Newspaper	7,863	3,395	132.2
Outdoor	264	451	(41.4)
Network TV	101,013	91,884	9.9
Spot TV	27,803	14,139	96.6
Syndicated TV	710	1,428	(50.3)
Cable TV networks	5,074	4,653	9.0
Network radio	44	1,725	(97.4)
Spot radio	17,161	11,531	48.8
Measured media	217,533	177,112	22.8
Unmeasured	81,300	66,200	22.8
Total	298,833	243,312	22.8

By top brands	1989	1988	% chg
Honda passenger cars	93,366	87,782	6.4
Acura passenger cars	86,110	56,726	51.8
Honda motorcycles	9,617	10,284	(6.5)
Honda lawn equipment	9,365	9,552	(2.0)
Honda motorized vehicles	1,382	716	93.1

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	24,385	22,084	10.4
Earnings	517	616	(16.1)

Notes: Sales and earnings figures are converted at the rate of 0.00633 and 0.00699 dollars to the yen in 1989 and 1988, respectively

Annual review

American Honda Motor Co., subsidiary of Honda Motor Co. Ltd., Tokyo, again led Japanese automakers in U.S. car sales, but plant expansion and costs for the "Americanization" of Honda products proved a drain on profits.

U.S. sales of Honda in 1989 were 783,102 cars (no trucks), including 142,061 of luxury Acura models and 389,472 U.S.-built Accord and Civic cars, up 1.8%. This represented a 5.3% share of the total U.S. car/truck market for 1989.

Honda's Accord, selling a total of 362,707 imported and U.S.-built sedans and coupes, became the first foreign car ever to become the top-seller in the U.S. It dethroned Ford Taurus, No. 2 at 348,061.

Measured media expenditures for 1989 show the popular Accord models, which fell from $12.345 to $16.595, drew $45 million in measured spending, 73% in network and spot TV and 27% in print, mostly magazines.

Three Accord TV spots that broke in October carried the "You have to drive it to believe it" theme, showing the redesigned and performance-oriented cars in an art gallery and on a tropical island among several settings. The spots introduced an element of disbelief that generated consumer interest.

Accord's market leadership was challenged this spring in a new ad campaign by Chrysler Corp. with Chairman Lee Iacocca as presenter. Chrysler claimed that consumers it tested prefered Chrysler models to Honda Civic and Honda Accord. Honda did not respond to the ads. Company officials merely noted that Accord is a benchmark car that invites comparison with others.

The Acura line of luxury autos took the major portion of Honda's 1989 ad budget once again. Measured media figures show Acura with total expenditures of $86 million, up 34%. The product-specific portion is evenly split between the top-of-the-line Legend, priced at $24,760-$30,690, and the lower-priced Integra ($12,850-$15,950).

TV and print for the 1990 models, budgeted at an estimated $100 million, opted for a softer look instead of racy driving footage and mention of Acura's speed and power concepts that dominated earlier ads.

Acura heavily promoted its customer-satisfaction (CSI) rating as judged by J.D. Power & Associates, devoting a fifth of its Acura media budget to the issue.

Hispanic advertising of Honda cars first appeared on national Spanish-language TV early this year, making Honda the second import carmaker to talk directly to the 24 million Hispanics in the U.S. Toyota was first back in 1988, and Nissan began a regional effort about the same time.

After staying off the incentive bandwagon for several months, Honda placed factory-to-dealer incentives on 1990 Civic, CRX and Prelude models earlier this year. Through June 30, Honda dealers earned $300 to $600 in incentives on sales of Civic wagons and stationwagons and CRX and Prelude models.

Honda still holds a precarious lead in the shrinking motorcycle market, closing out 1989 with a 29.3% share, down from 40.7%. Yamaha is close at hand at 26.2%, up from 21.5%.

Honda motorcycles accounted for nearly $6 million in measured media expenditures in 1989. Much of the outlay was for a continuation of the generic "Come ride with us" promotion. Product-specific advertising focused on the Cub, a new two-wheel, 90cc off-road bike, a user-friendly entry level vehicle designed for young riders.

American Honda's operations are located in Ohio and include an assembly plant for Civics in East Liberty (opened in April), an Accord plant at Marysville, an engine plant at Anna and motorcycle production. An Acura assembly plant to be located somewhere in this country is planned.

About 75% of Hondas made in the U.S. are now made with U.S.-produced parts. Honda's plan is to make its divisions worldwide as self-reliant as the one in the U.S.

Headquarters

American Honda Motor Co.
100 W. Alondra Blvd.
Gardena, Calif. 90247
(213) 327-8280

Corporate personnel

Koichi Amemiya, pres.

Marketing personnel

Automobiles: T. Okusa, exec vp; Thomas Elliot, exec vp-auto operations; S. James Cardigas, sr vp-Honda sales; Edward R. Taylor, vp-Acura sales; Eric Conn, auto adv mgr; Kurt Antonius, pr mgr; Bob Butorac, Mike Spencer, adm pr assts. Motorcycles: John Petas, sr vp; Ray Blank, asst vp-mktg; Wayne Toyota, natl adv mgr; Suzi Rossick, asst adv mgr. Power equipment: Shoichi Tanaka, sr vp; Terry Mulligan, vp; Steve Bailey, sr adv-sales operations mgr; Robert Clum, natl field sales mgr.

Brands

Motorcycles, scooters, ATVs

Ad agency: Dailey & Associates, Los Angeles. Dean Thompson, vp-mgmt super; Andrew Halpern, acct super; Danny Fujimori, acct super; Deborah Heisman, acct exec.

Power equipment

Ad agency: Fahlgren Martin, Atlanta. Robert Kane, pres-genl mgr; William Bender, sr vp-client svcs dir; Karen Estridge, acct super.

Acura autos

Ad agency: Ketchum Advertising, Los Angeles. Craig Mathiesen, pres; Peter Goodwin, Kevin Kitagawa, vps-grp acct supers; Tim Hart, exec vp-coo, client svcs dir; Brent Bouchez, exec vp-creative dir; Linda Malley, Mike Minchin, acct supers; Tony Ardolino, prod info dir; Giovanna Minghetti, Ben Woo, acct execs.

Honda autos

Ad agency: Rubin Postaer & Associates, Los Angeles. Chuck Valentine, sr vp-grp acct dir; Steve Woolford, vp-acct dir; David Jenkins, vp-special projects; Steve Straley, Julie Boston, Joan Egan, Ron MacMillan, vps-acct supers; Patti Mombach, Robert LeFlay, acct supers; Larry Black, tech svcs asst; Lori Christian, Joseph Shak, Mike Allen, Duffy Smith, Joe Sajbel, acct execs.

Honda autos-Hispanic mktg

Ad agency: La Agencia de Orci, Los Angeles. Roberto Orci, sr vp; James Shaw, acct super; Carlos Cordoba, acct exec.

RANK: 50

Hyundai Group

Seoul, S. Korea
Ad spending: **$212.8** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	16,407	11,170	46.9
Sunday magazine	49	93	(47.6)
Newspaper	8,855	14,587	(39.3)
Outdoor	1,299	369	251.8
Network TV	41,118	36,508	12.6
Spot TV	67,627	73,305	(7.7)
Syndicated TV	4,397	1,278	244.0
Cable TV networks	933	479	94.8
Spot radio	11,246	8,459	32.9
Measured media	151,931	146,249	3.9
Unmeasured	60,900	58,600	3.9
Total	212,831	204,849	3.9
By top brands	**1989**	**1988**	**% chg**
Hyundai passenger cars	87,179	71,223	22.4

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	32,200	27,000	19.3
Earnings	NA	NA	NA

Notes: Sales figures are AA estimates

Annual review

Hyundai Motor America, having endured a sobering 30.6% plunge in sales in 1989, is facing a comparable shortfall this year, but a retooled marketing strategy and a sporty new coupe called Scoupe promise better days in 1991.

Hyundai Motor, the U.S. sales arm and largest subsidiary of South Korea's Hyundai Group, became the leading supplier of low-priced cars in the U.S. just two years after introducing the Excel (priced at $4,995) in February 1986. Excel sold 263,610 units in 1987, more than any other subcompact import.

Following a slight advance in 1988 sales to 264,282, Hyundai tumbled to 183,261 last year, a plunge variously attributed to a softness in the small-car segment, poorly focused image and dilution of advertising and just plain bad marketing.

The introduction of a second model in late 1988, the $12,000 Sonata, put Hyundai in the mid-priced and mid-sized car market, but the company's advertising and promotion lacked any effort to redefine itself properly as a multi-product car maker moving upscale, not just a low-priced, low-end entry.

With the sales dive last year came resignations and changes in the corporate personnel, staff cuts and restructuring of U.S. operations. New management implemented a sales strategy including: boosting dealer profits with higher rebates on cars that carry more options; creating incentives to limit turnover on dealer staffs; placing a new finance company in national operation by mid-June; and backing its marketing with a new ad pitch: "World Class Value," to emphasize value over price.

Speculation has been that the Hyundai ad account held by Backer Spielvogel Bates Worldwide, Irvine, Calif., might be in jeopardy. Hyundai ad executives have firmly denied such talk.

News that the Korean-made Hyundai finished last in the latest J.D. Power & Associates "initial quality" ranking of 29 car divisions brought more changes. In mid-June, Hyundai created a new entity, the Consumer Market Development department, aimed at increasing customer satisfaction.

Pre-intro feedback of consumer comments on the new two-door Scoupe, shown early this year in auto shows, hold the promise of a breakthrough car. Said to be priced at under $8,500, the 1.5-liter, 4-cylinder car is positioned against the Ford Escort, Geo Storm, Sentra sport coupe, Toyota Tercel, Mazda 323 and Honda CRX.

Earlier this year Hyundai dealers, who number 345 in 47 states, applauded the company's move to set up a captive finance company—Hyundai Motor Finance Co. of St. Louis—to provide retail car financing, a market many banks have abandoned.

Hyundai, which boosted its ad spending by 3.8% in 1989, accounted for a 1.2% share of the U.S. car/truck market in 1989, down from 2.5% the previous year.

Measured media for Excel in 1989 was $36.5 million, down 41.9%, according to LNA/Arbitron. Network and spot TV and magazines accounted for largest portion of the budget in both years. Emphasis in 1989 shifted to the Sonata, which climbed from $5 million in its introductory year in 1988 to $49 million.

AA's advertising estimates for Hyundai exclude $14.9 million spending by local dealers, but include the corporate co-op portion of $36.1 million spent by the Hyundai dealers association. Measured LNA/Arbitron figures place dealer association expenditures in spot TV and newspapers.

Headquarters

Hyundai Motor America
10550 Talbert Ave.
Fountain Valley, Calif. 92728
(714) 965-3000

Corporate personnel

H.W. Baik, pres-ceo; Rod Hayden, exec vp-coo; Mark Juhn, exec vp-chief coord to ceo.

Marketing personnel

Bob Parker, natl sales dir; William Hamilton, prod & mktg planning dir; Maurice Bowen, natl adv mgr; William Wolf, natl pr dir.

Brands

Hyundai autos

Ad agency: Backer Spielvogel Bates Worldwide, Irvine, Calif. Mike Roche, exec vp-western region dir; Bob Svete, Mark Weinfeld, vps-acct supers; Harry Grusche, sr vp-mgmt rep, natl advertisers; Jim Sanfilippo, sr vp-mgmt rep, dealer assns; Chuck Dreyfuss, prod info mgr; Brad Booth, Kellie Floren, Marty McColgin, Doug McFetters, all acct executives.

RANK: 56

IBM Corp.

Armonk, N.Y.
Ad spending: **$196.9** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	34,647	30,952	11.9
Sunday magazine	1,757	2,363	(25.7)
Newspaper	14,302	17,158	(16.6)
Outdoor	33	22	53.5
Network TV	41,053	52,191	(21.3)
Spot TV	714	2,296	(68.9)
Syndicated TV	43	12	255.0
Cable TV networks	708	154	358.7
Network radio	3,704	5,446	(32.0)
Spot radio	5,422	201	NA
Measured media	102,382	110,794	(7.6)
Unmeasured	94,500	102,300	(7.6)
Total	196,882	213,094	(7.6)
By top brands	**1989**	**1988**	**% chg**
IBM computers	88,311	98,687	(10.5)
IBM software	3,725	689	441.0
IBM office equipment	3,168	10,649	(70.2)
IBM seminars	1,598	562	184.4
IBM Information Network	80	0	NA
IBM systems	40	0	NA

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	62,710	59,681	5.1
Earnings	3,758	5,806	(35.3)
U.S.	**1989**	**1988**	**% chg**
Sales	25,745	25,320	1.7
Net earnings	(325)	1,408	(123.1)
Division sales	**1989**	**1988**	**% chg**
Processors	16,087	15,077	6.7
Peripherals	11,021	11,280	(2.3)
Personal workstations	8,242	6,934	18.9
Other workstations	4,019	4,550	(11.7)
Software	8,424	7,927	6.3
Maintenance svcs	7,070	7,347	(3.8)
Other info tech	5,841	4,470	30.7
Federal systems	2,006	2,065	(2.9)
Other business	0	31	NA

Annual review

From personal computers to minicomputers to mainframes, International Business Machines Corp. concentrated in 1989 on changing its marketing focus from hardware and software products to customer solutions.

Solutions was the byword in corporate advertising created by Wells, Rich, Greene, New York, beginning in April 1989 with a hard-hitting campaign featuring consumers discussing business-related computer problems. The campaign expanded in July 1990 to feature IBM's role in developing technology solutions for a variety of issues, including business, the handicapped and the environment.

IBM's measured spending for corporate advertising was down 4% in 1989 to $32 million, although the network TV portion increased 13% to $23 million.

In personal computers, IBM trimmed 1989 spending on PS/2 by 25% to $27 million, mostly from an $11 million cut in network TV. IBM also began shifting spending for PS/2 to magazines, boosting that medium's 1989 spending for PS/2 to $9.5 million, up 21%, according to LNA/-Arbitron.

Measured ad spending for IBM personal computers has declined each year since 1984, when IBM and Apple Computer slugged it out with record spending levels.

IBM held a 31.5% revenue share of $8.6 billion in 1989 U.S. sales of personal computers through retail outlets, compared with 25.5% for Compaq Computer Corp. and 12% for Apple. IBM maintained a 31.7% share of $4.15 billion in U.S. retail sales for the first six months of 1990, on unit sales that were steadily rising, according to Joe Ann Stahel, president of Dallas-based Storeboard/Computer Intelligence, a market research company specializing in computer retail sales.

In the $35.1 billion (10.8 million units) U.S. personal computers market, IBM overtook Apple in the top spot in 1989, with a 14% unit share, up from 12.4% in 1988, versus Apple's 10.7%, down from 12.8%, according to Dataquest, a San Jose-based division of Dun & Bradstreet.

PS/2 received a boost in 1989 from the introductions of more powerful models and from the release in early 1990 of Microsoft Windows 3.0 software, which lets IBM-compatibles mimic Macintosh's popular graphics features.

In addition, IBM shifted spending to focus more on personal computing solutions via peripherals and software. IBM funneled media spending of $5.8 million into IBM printers (from only $105,000 in 1988), divided 68% magazine and 32% network TV. IBM software backing grew from only $688,000 to $3.7 million, 92% of it in magazines.

In June 1990, IBM threw down the gauntlet with the introduction of Personal System/1 (PS/1). Priced from $999 to $1,999, PS/1 is IBM's first computer targeted at home users since PC Jr., which was discontinued in 1985.

The intro puts IBM face-to-face with Tandy Corp., which in July 1990 introduced the Tandy 1000 RL, targeting the same market with a price tag of $750 to $1,300. Apple Computer is rumored to be planning an October launch of a $1,000 to $1,500 Macintosh.

Analysts are as skeptical about IBM's chances for success this time around in home computers as they were with PC Jr. due to a relative lack of applications software. "There is a Catch 22 for PS/1: to encourage software developers, IBM needs to generate unit volume, but to generate volume IBM needs software applications," says Sanjiv Hingorani, VP-stock market research at Salomon Brothers, New York.

Analysts are more positive about IBM's chances in mid-range systems, such as the AS/400 family. Since its introduction in 1988, the AS/400 has been an unexpected surprise for IBM, contributing about $13 billion a year in revenue and $1 billion in profits.

Measured spending for AS/400 computers fell 60% in 1989 to $5 million as post-intro spending virtually eliminated from its media mix network TV, which had claimed spending of $6.4 million in

Drugstore chains that ignore New York's Hispanics are in for a big headache.

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It's as simple as that!

WNJU 47
Telemundo in New York

For more information, call Rosemarie Lieberman (212) 492-5603

Source: MOR 1987, New York Market.

1988. The remaining support for AS/400 is in magazines.

■ **Headquarters**
IBM Corp.
Old Orchard Rd.
Armonk, N.Y. 10504
(914) 765-1900

■ **Corporate personnel**
Mary Lee Turner, vp-comm; Calvin LaRoche, dir-adv & promo.

■ **Division**
U.S. Marketing & Services
Armonk, N.Y.

■ **Corporate personnel**
George Conrades, sr vp-gm; William Grabe, John Higgins, vps-asst gms.

■ **Marketing personnel**
James Garrity, dir-adv; Roy Schecter, program mgr-adv; Barbara Clark, mgr-desktop systems adv; Merle Gordon, mgr-brand adv; Lauren Flaherty, mgr-systems & software adv; Roberta Henrickson, mgr-industries adv & media planning; Lee Green, mgr-marketplace adv.

■ **Brands**
Desktop products (PS/2, PS/1), Printers, Desktop Software
Ad agency: Lintas:New York. Stephen Norcia, grp exec vp; John Fraser, Michael Rogers, sr vps-mgmt supers; Tina McDermott, Matt Lake, vps-acct supers; Ron Carroll, acct super; Robert Painter, Teresa Muench, Eden Compton, Josh Shapiro, Chris Caldwell, Julie Lister, acct execs; Nancy Levine, asst acct exec.
Corporate adv, mktg image adv, mainframes, telecommunications, AS/400 computers, software
Ad agency: Wells, Rich, Greene, New York. Nancy Ryan, Ed Abrams, Jim Roosa, acct supers; Rick Berger, Michael Krieger, Peter Howell, Scott Friedman, Meghan Sullivan, Mimi Gallagher, acct execs; Cynthia Ragusan, Whitney Weinstein, asst acct execs.

■ **Division**
Systems Integration Division
Bethesda, Md.

■ **Marketing personnel**
Steve Eames, mgr-mktg comms; Judy DeHass, program mgr-adv.

■ **Brands**
Systems integration
Ad agency: HDM, New York. Joe MacKenna, sr vp-mg dir, special mkts; Larry Lue, acct super; Aditya Verma, asst acct exec.

RANK: 84

ITT Corp.

New York
Ad spending: **$128.5** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	6,950	7,767	(10.5)
Sunday magazine	78	90	(12.9)
Newspaper	7,669	7,160	7.1
Outdoor	1,005	1,263	(20.5)
Network TV	5,014	11,099	(54.8)
Spot TV	9,954	9,549	4.2
Syndicated TV	2	59	(96.6)
Cable TV networks	1,759	534	229.5
Network radio	1,277	170	653.5
Spot radio	333	306	8.8
Measured media	34,040	37,996	(10.4)
Unmeasured	94,500	97,000	(2.6)
Total	128,540	134,996	(4.8)
By top brands	**1989**	**1988**	**% chg**
Sheraton Hotels	14,524	17,244	(15.8)
ITT corporate	6,987	6,984	0.2
ITT institutes	4,741	5,360	(11.5)
Hartford insurance	4,275	4,335	(1.4)
Hartford auto insurance	1,944	1,854	4.8

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	20,054	19,355	3.6
Earnings	922	817	12.9
U.S.	**1989**	**1988**	**% chg**
Sales	14,327	13,820	3.7
Income	797	915	(12.9)
Division sales	**1989**	**1988**	**% chg**
Automotive	2,852	2,691	6.0
Electronic components	1,134	1,124	0.9
Fluid technology	960	839	14.4
Defense technology	1,580	1,387	13.9
Pulp, timber	1,151	1,084	6.2
Insurance	8,689	8,553	1.6
Finance	1,806	1,479	22.1
Communications & info	754	704	7.1
Hotels	782	773	1.2
Equity in Alcatel NV	167	125	33.6

■ **Annual review**
ITT Corp., a conglomerate that includes Hartford Insurance and the Sheraton hotel chain, continued to spend heavily in business-to-business press for its nine companies, as advertising rose 5% to $135 million.

Spending continues at that level in 1990, according to Steven Erenburg, director of corporate communications, indicating the insurance, automotive, electronic and fluid technology divisions continue to spend significant ad dollars in trade and other unmeasured publications.

The company from year-to-year shifts corporate advertising, which is sometimes linked with division advertising, from network to spot TV and back, said Mr. Erenburg, indicating network TV, cut in 1989, is back with emphasis in 1990.

"Basically, our buying is based on efficiencies and opportunities including special events," he said. The amount of spot TV depends on what is available in the markets ITT wants to reach and the amount of ad money available, Mr. Erenburg said.

Network spending dropped 54.8% for all ITT spending in 1989. ITT's corporate ad expenditures, which remained at $7 million in media, also borrowed from network TV (down 42%) and gave it to spot TV, up from virtually nothing to $3.3 million.

The Sheraton chain continued to spend about $18 million in media, the same as in 1988. Sheraton dropped off of network TV in 1989, having spent $3.7 million in the medium in 1988. It picked up most of the slack in network radio, up from $170,000 in 1988 to $1.3 million, according to LNA/Arbitron.

Nature and Mideast political upheaval have caused problems for both Hartford and Sheraton. Payments to victims of Hurricane Hugo and the California earthquake made the 1989 financial picture for Hartford "worse than it would have been," said Mr. Erenburg. They contributed to a 26% drop in earnings for the division in 1989.

Casualty and property continue to be the Hartford's biggest categories, though financial services continues to gain ground.

Hartford was backed with $6.3 million in U.S. media advertising, slightly down from 1988. Network TV dropped from half the expenditure in 1988 to a third as cable TV, a medium not used in 1988, drew $1.3 million.

Iraqi troops took over the Sheraton upon entering Kuwait, probably because of its strategic location—it looks down on the U.S. embassy compound. It showed up on U.S. TV being used as a heliport by the occupying forces, said Mr. Erenburg. Though two-thirds of the chain's 460 hotels are in the U.S., Sheraton is the No. 1 chain in the Mideast.

The first of three Sheratons in the Soviet Union, a 450-room Moscow hotel, will open in 1992 as part of a joint Sheraton-Soviet venture. And New York's Sheraton Centre Hotel and Towers will serve as headquarters for the Democratic National Convention in 1992.

ITT has slimmed down dramatically in recent years, selling off divisions to become more focused and profitable. At midyear 1990, CEO Rand Araskog said, "Despite the difficult economic environment in the United States, ITT's overall results for the second quarter were well ahead of our earlier expectations."

■ **Headquarters**
ITT Corp.
320 Park Ave.
New York, N.Y. 10022
(212) 752-6000

■ **Marketing personnel**
Juan C. Cappello, sr vp-corp relations; Steven A. Erenburg, dir-corp comms.

■ **Brands**
Corp adv
Ad agency: Wells, Rich, Greene, New York. Frank Sampogna, acct grp head.

■ **Division**
Hartford Insurance
Hartford, Conn.

■ **Marketing personnel**
John J. Daly, asst vp-corp comms.

■ **Brands**
Hartford Insurance
Ad agency: McCaffrey & McCall, New York. Bruce Sherman, sr vp; Diane Stec, acct exec.

■ **Division**
Sheraton Corp.
Boston

■ **Marketing personnel**
Robert Collier, sr vp-mktg; Edward Stahl, dir-adv.

■ **Brands**
Sheraton hotels
Ad agency: Wells, Rich, Greene, New York. Frank Sampogna, exec vp; Eileen McKenna, sr vp-mgmt super.

RANK: 20

Johnson & Johnson

New Brunswick, N.J.
Ad spending: **$487.1** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	29,427	30,636	(3.9)
Sunday magazine	1,457	3,121	(53.3)
Newspaper	267	224	19.2
Outdoor	94	77	21.8
Network TV	169,945	174,516	(2.6)
Spot TV	15,939	11,421	39.6
Syndicated TV	19,149	13,302	44.0
Cable TV networks	7,127	4,891	45.7
Network radio	1,598	1,065	50.1
Spot radio	1,568	337	364.9
Measured media	246,572	239,590	2.9
Unmeasured	240,500	233,700	2.9
Total	487,072	473,290	2.9
By top brands	**1989**	**1988**	**% chg**
Tylenol pain reliever	78,323	69,027	10.6
Tylenol sinus capsules	20,857	10,354	101.4
Imodium AD	15,743	8,867	77.5
Johnson & Johnson shampoos & cond	11,870	11,673	1.7
Band-Aid bandages	10,124	9,759	3.7
Acuvue contact lenses	9,397	12,198	(23.0)
Reach toothbrushes	7,851	5,979	31.3
Carefree panty shields	7,690	8,025	(4.2)
Johnson & Johnson baby lotions	6,818	9,756	(30.1)
Medipren pain reliever	6,571	29,806	(78.0)

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	9,757	9,000	8.4
Earnings	1,082	974	11.1
U.S.	**1989**	**1988**	**% chg**
Sales	4,881	4,576	6.7
Operating profit	699	627	11.5
Division sales	**1989**	**1988**	**% chg**
Consumer	3,915	3,692	6.0
Pharmaceutical	2,652	2,338	13.4
Professional	3,190	2,970	7.4

■ **Annual review**
Johnson & Johnson, which consolidated a number of its diverse consumer product operations in 1989 as part of cost-cutting measures, introduced 15 OTC products supported with strong media spending that pushed overall media expenditures slightly above prior-year levels.

The reorganization of the consumer products group did little to improve its sales performance as U.S. sales advanced only 2.6% largely because of soft sales of health and beauty aids. By contrast, J&J's U.S. pharmaceutical operations advanced 14%, a trend that continues into the first half of 1990. There is even greater disparity in operating income. Some analysts think the future story of J&J lies in its OTC products.

The joint venture, Merck-Johnson & Johnson Consumer Pharmaceuticals, was created in 1989 to market Merck drugs as OTC conversions, the first of which will be Pepcid anti-ulcer. Glaxo and Sandoz are developing a competitor, an OTC version of Zantac, an ethical drug that does $2 billion in sales annually.

The new venture also has U.S. rights to Mylanta antacids and Mylicon anti-gas products and others valued at $125 million in sales with its acquisition of the OTC drug business of ICI Americas.

Tylenol is holding steady with approximately one-third of the $2 billion general pain-relief market. American Home Products is No. 2 at 18%. Ad dollars rose 21.4% to $97 million in 1989 to support the Tylenol line. Tylenol Adult Cold Medication budget tripled to $9.2 million; Gelcaps dollars were boosted 66% to $26 million. Regular Strength Pain Reliever was off 11.6% to $35 million. Tylenol Allergy Sinus was introduced into the allergy market, receiving $2.6 million in new monies.

J&J last year reintroduced Children's CoTylenol as Children's Tylenol Cold with $1.6 million in ad dollars. J&J introduced Pediacare Nightrest for children via Cadwell Davis Partners.

Medipren's $30 million ad support for 1988 was slashed to $6.6 million in 1989. The ibuprofen has only been able to take 2% of the domestic analgesics market compared with AHP's fellow ibuprofen, Advil, at 10%. McNeil Consumer launched its first prescription product, Pediaprofen, an ibuprofen for children.

Two-year-old Imodium A-D, an OTC version of ethical drug Imodium, holds 25% of the antidiarrheal market behind Upjohn's Kaopectate's 45% share. Imodium A-D Liquid received $16 million in ad support in 1989; a new caplets extension has been approved by the FDA.

J&J and Kimberly-Clark Corp. are expected to spend $15 million each on new campaigns for relaunches of their Stayfree and New Freedom lines, respectively. J&J with its multiple products in the $1.1 billion sanitary protection segment, leads with a 32% share, down from 37% in 1988, followed by Kimberly-Clark at 27.7% (Freedom, 9.4% and Kotex, 18.3%) and P&G, 26% for brand leader Always.

J&J's Stayfree, which introduced a new pad with baking soda, has 17% of market and Sure & Natural, 7%. Stayfree received $1.3 million in new ad monies and Sure & Natural got $6 million in new support. Other brands are Modess, Carefree and Serenity. U.S. media spending for its o.b. tampon remained at $3.7 million in 1989 as the brand received a $50 million launch in Europe.

With 65% of the $260 million adhesive bandage market, J&J is facing off against Curad for the kid business with its new Band-Aids featuring Sesame Street characters. Curad's Happy Strips display McDonald's characters and are used in a cross-promotion with the food chain's Happy Meals for Kids. Curad, which holds about 27% of the market, hopes to gain another five points.

Other kid products include Dental Floss for Kids and age-specific Sesame Street kids vitamin line that will compete in the $163 million children's vitamin market. Miles Inc. has the first- and sec-

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ond ranked kids vitamins in Flintstones (26% share) and Bugs Bunny (10%).

The company acquired Piz Buin sun protection products from Greiter AG and introduced it last year in the U.S. with $2.2 million in media.

J&J's Ortho division was not that active in 1989 but in 1990 has launched with good results its hepatitis C test. Also, Ortho-Cyclen, the new birth control pill developed by J&J, is on hold due to a patent fight with American Home Products.

The company also is fighting a royalties lawsuit over its Retin-A, now sold only as a topical acne treatment. DDB Needham is developing consumer ads positioning the anti-acne prescription drug as an anti-wrinkle cream for sun-damaged skin. J&J has filed a new drug application for this treatment wrinkle. Medicis Pharmaceutical Corp. has obtained a license to market a generic form of Retin-A, which analysts said could mean a substantial loss of market share for J&J.

McCann-Erickson is preparing a campaign to launch Monistat as an OTC product. The ethical drug, used for the treatment of yeast infection, awaits approval from the FDA.

The internal lines within the consumer group got reconnected when J&J combined under the name, J&J Consumer Products, its baby products unit, J&J Health Care Co., which markets Band-Aids, and J&J Dental Care Co., which handles toothbrushes and dental floss. The operation had sales of $650 million.

■ **Headquarters**
Johnson & Johnson
1 Johnson & Johnson Plaza
New Brunswick, N.J. 08933
(201) 524-0400

■ **Division**
Johnson & Johnson Consumer Products
Skillman, N.J.

■ **Corporate personnel**
C.D. Simonds, company grp chmn-pres.

■ **Marketing personnel**
G.T. Root, vp-mktg, wound care & skin care; W.M. Carpenter, vp-mktg, oral care; P.S. Michaels, vp-mktg, toiletries; J.J. Gallagher, vp-sales.

■ **Brands**
Baby lotion, Baby oil, Baby powder, Baby sunblock, Purpose, Shower to Shower, Sundown, J&J Health Care, Baby shampoo & conditioner, No More Tangles, Swabs, J&J Dental Care
Ad agency: Young & Rubicam, New York. Tim Munoz, mgmt super; Kary Fletcher, acct super.
Ad agency: Lintas New York. Ian McGregor, exec vp; Russell Schaffer, sr vp-mgmt super.
Ad agency: Cadwell Davis Partners, New York. F. Cadwell, pres; H. Davis, chmn-creative dir; E. Glazer, sr vp-dir, acct svcs.
Ad agency: Lowe & Partners, New York. Barry Linski, exec vp-mgmt dir.

■ **Division**
Johnson & Johnson Medical
Arlington, Texas

■ **Corporate personnel**
W.A. Clarke, pres.

■ **Marketing personnel**
J.J. Bohan, vp-mktg & sales, Surgical Specialties Div.; J. Maly, vp-mktg & sales, Medical Specialties Div.; J.D. Terry, vp-mktg & sales, Sales Admin.; R.S. Tice, vp-mktg & sales, Surgikos Div.

■ **Brands**
Sterion, Surgikos products, wound care products
Ad agency: Pierce-Davis & Associates, Arlington, Texas. Bill Pierce, pres.

■ **Division**
Advanced Care Products Division
Raritan, N.J.

■ **Marketing personnel**
Peter Gonze, vp-prod mgmt, non-prescription pharmaceuticals.

■ **Brands**
Fact Plus home pregnancy test, Micatin anti-fungal products
Ad agency: McCann-Erickson, New York. Harry Allan, Jill Lesko, Steve Seiden, franchise dirs.

■ **Division**
Johnson & Johnson Orthopaedics
New Brunswick, N.J.

■ **Corporate personnel**
A.J. Prince, pres.

■ **Marketing personnel**
G.K. Kunkle, vp-sales & mktg.

■ **Brands**
Surgical & non-surgical orthopaedic products
Ad agency: Simms & McIvor, Somerville, N.J. Gene Hollen, acct exec.

■ **Division**
McNeil Consumer Products Co.
Fort Washington, Pa.

■ **Marketing personnel**
J.T. Lenehan, pres; B.D. Perkins, dir-prod mgmt; S.J. Fanning, natl sales mgr; G.A. Clements, dir-professional sales & mktg; E.C. Watson, dir-comms; G.E. Griffiths, dir-sales promo.

■ **Brands**
Adult Tylenol, Children's Tylenol, Tylenol Cold, Tylenol Sinus, Children's Tylenol Cold
Ad agency: Saatchi & Saatchi Advertising, New York. T. Lom, exec vp-mgmt dir; J. McCarthy, vp-mgmt super.
Imodium A-D, Medipren
Ad agency: Lowe & Partners, New York. Barry Linsky, exec vp; J. Tarakajian, sr vp-mgmt super; M. D'Souza, Amy Earl, acct supers.
Pediacare
Ad agency: Cadwell Davis Partners, New York. F. Cadwell, pres; H. Davis, chmn-creative dir; E. Glazer, exec vp, dir-acct svcs.
Sesame Street Vitamins
Ad Agency: Susan Spindler Advertising, Weston, Conn. Susan Spindler, pres.
Sine-Aid
Ad agency: Barrie Curtis Spies Creative Services, New York. Barrie Curtis Spies, pres.
Professional adv: Imodium A-D, Pediacare, Adult Tylenol, Children's Tylenol, Tylenol Sinus
Ad agency: Kallir, Philips, Ross, New York. J. Racik, exec vp-mgmt dir; L. Pilson, sr vp-mgmt super; V. Foley, vp-acct super.
Hispanic adv
Ad agency: Mendoza, Dillon & Asociados, Newport Beach, Calif. R. Howells, pres; M. Gerdes, sr vp; S. Ruiz, vp.

■ **Division**
McNeil Pharmaceutical
Spring House, Pa.

■ **Marketing personnel**
C.E. Williams, vp-prod mgmt; J.C. Vaughan, vp-sales; T.L. Feldman, natl sales mgr; E.R. Steel, exec dir-mktg comms; D.A. Wissner, exec dir-mktg research; T.L. Bishop, exec dir-prod mgmt.

■ **Brands**
Tylenol acetaminophen with codeine, Tylox oxycodone HCl & acetaminophen, Pancrease pancrelipase, Vascor bepridil hydrochloride
Ad agency: Botto, Roessner, Horne & Messinger, New York. Robert J. Botto, pres.
Haldol haloperidol, Parafon Forte DSC chlorzoxazone, Myoscint mifarmonab
Ad agency: Kallir, Philips, Ross, New York. Norman Cooper, pres.
Tolectin tolmetin sodium
Ad agency: Thomas G. Ferguson Associates, Parsippany, N.J. John F. Zweig, exec vp-coo.

■ **Division**
Personal Products Co.
Milltown, N.J.

■ **Marketing personnel**
G. Petronio, chmn; Francis G. Ziegler, pres; M.G. McGuire, vp-mktg; J.D. Curtiss, mktg dir; D.P. Fraser, mktg research dir.

■ **Brands**
o.b tampons
Ad agency: Cadwell Davis Partners, New York. Eliot Glazer, sr vp-dir, account services.
Assure & Natural breathable panty liners, Carefree panty shields, Sure & Natural maxishields
Gabrielle Hermann, grp dir.
Stayfree maxi-pads, Stayfree mini-pads, Stayfree Silhouettes maxi-pads, Stayfree Silhouettes Thins, Stayfree Thins
Ad agency: Saatchi & Saatchi Advertising, New York. David Basch, exec vp-mgmt dir.

■ **Division**
Ortho Pharmaceutical Corp.
Raritan, N.J.

■ **Marketing personnel**
Erick Milledge, vp.

■ **Brands**
Ortho Pharmaceutical Corp.
Ad agency: Kallir, Philips, Ross, New York. Jim Linzer, vp-acct super.

■ **Division**
Ortho Biotech
Raritan, N.J.

■ **Marketing personnel**
Rich Zahn, vp-sales & mktg.

■ **Brands**
Orthoclone OKT-3
Ad agency: Kallir, Philips, Ross, New York. Jim Linzer, vp-acct super.
Eprex
Ad agency: Thomas Ferguson, N.J. Maria Spellman, vp-acct super.

■ **Division**
Dermatological Division
Raritan, N.J.

■ **Marketing personnel**
L.W. Riley, vp.

■ **Brands**
Professional dermatological products
Ad agency: Kallir, Philips, Ross, New York. Jim Linzer, vp-acct super.

■ **Division**
Chicopee
New Brunswick, N.J.

■ **Marketing personnel**
D.M. Lehman, vp-mktg, specialty prods div; R.I. Munoz, vp-mktg, affiliate div; J.R. Rinaldi, vp-mktg, private label div.

■ **Brands**
Chicopee products
Ad agency: ST&L Associates, New Brunswick, N.J. Howard Rich, acct exec.

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Division
Codman & Shurtleff
Randolph, Mass.

Marketing personnel
A.D. Stewart, vp-prod mgmt; D.G. Williams, mgr-mktg comms.

Brands
Surgical equipment & supplies
Ad agency: Chalfin, Kostopulos & Gilmore, Boston. Barry Chalfin, acct exec.

Division
Ethicon Inc.
Somerville, N.J.

Marketing personnel
D.R. Murray, vp-mktg.

Brands
Professional wound closure products & instruments
Ad agency: Kallir, Philips, Ross, New York. James Linzer, sr vp-mgmt super.

RANK: 68

S.C. Johnson & Son

Racine, Wis.
Ad spending: **$160.1** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	14,100	16,000	(11.9)
Sunday magazine	706	2,537	(72.2)
Newspaper	472	360	31.2
Outdoor	389	269	44.4
Network TV	35,384	18,783	88.4
Spot TV	13,441	11,924	12.7
Syndicated TV	14,291	3,582	299.0
Cable TV networks	3,583	1,925	86.1
Network radio	676	1,479	(54.3)
Spot radio	4,614	3,116	48.1
Measured media	87,656	59,976	46.2
Unmeasured	72,400	49,500	46.3
Total	160,056	109,476	46.2

By top brands	1989	1988	% chg
Johnson polishes & waxes	25,014	13,812	81.1
Glade air fresheners	16,373	2,851	474.3
Raid insecticides	13,880	16,478	(15.8)
Shout stain remover	6,757	4,439	52.2
Fiberal laxative	4,371	262	NA
Curel creams & lotions	2,293	2,239	2.4
Halsa shampoos conditioners	2,028	2,690	(24.6)
Off insect repellent	1,780	1,915	(7.1)
MinnKota boating accessories	1,674	1,136	47.4
Edge shaving products	1,422	2,533	(43.8)

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	2,500	2,500	% chg
Earnings	NA	NA	NA

Notes: Sales figures are AA estimates

Annual review

S.C. Johnson & Son in 1989 turned its marketing attention overseas, especially in East Europe, where by mid-1990 it had inked agreements with Soviet producers to make such brands as Raid insecticide and Pledge furniture polish for distribution in Eastern Europe and the U.S.S.R.

Like many in the package-goods industry, Johnson intends to strengthen market share by distributing more U.S. products overseas, as well as bringing successful international products to the U.S.

The company, for example, is testing Tahiti Shower Gel based on a product the company sells in Europe. Glade Plug-Ins, which rolled national in mid-1990, are based on technology developed by its French subsidiary.

Johnson's Pledge furniture polish/-dusting aid led the homecare division in measured media with $12.4 million, up 39% from 1988. Pledge commands an estimated 40% of the $150 million (manufacturers' level) furniture polish category. The company, known informally as Johnson Wax, extended the Pledge line with the national launch of Pledge Wood Moisturizer Lemon Oil, while continuing its Arizona test of Pledge Dusters, a cleaning cloth containing Pledge.

Between Future and Brite, the No. 2 and No. 3 brands, respectively, Johnson holds an estimated 60% share of the $100 million (manufacturers' level) floorcare category. Measured support behind Future climbed to $5.77 million from $1.6 million in 1988, while support for Brite increased 53% to $5.4 million.

Media support for Glade, Johnson's air freshener line, ballooned to $13.8 million from only $2.8 million in 1988. Johnson also backed the national launch late last year of Glade Potpourri room and carpet deodorizer with $2.5 million. Johnson this April began testing Glade Country Pottery, a 30-day air freshener packaged in handmade pottery.

All the new Glade entries boosted Glade's share of the $300 million air freshener category to 33.3% in mid-1990 from 24.8% in fall 1988, giving it category leadership over Renuzit from Drackett and Airwick and Wizard from Reckitt & Colman.

Johnson supported Raid, now in the second year of its Raid Max introduction, with $13.9 million, down 7.4%. Raid commands more than 48% of the $500 million insecticide business, leading Combat's 22%. Johnson anticipates greater competition in 1991 now that Combat has been sold by American Cyanamid to Clorox Co.

In April 1990, Johnson voluntarily recalled Deep Woods Off! insecticide after tests identified a chemical ingredient known as R-11 that caused benign reproductive problems and tumors in laboratory mice and rats. Johnson ran a one-time national newspaper ad and placed red stickers on containers saying the product had been reformulated. Johnson's share of the estimated $55 million insect-repellent market is more than 50%; Miles Inc.'s Cutter is second at 30%.

In the $4.5 billion haircare market, Johnson held onto a 3.6% share of the $1.45 billion shampoo segment with Halsa and Agree, while its share of the $670 million conditioner segment slipped to 5% from 5.2% (supermarket sales only), according to Diana Temple, analyst at Salomon Bros.

Johnson in May 1990 relaunched Halsa, an eight-item shampoo and conditioner line, with a European-flavored $10 million network and cable TV, magazine and POP campaign, the first from new agency Foote, Cone & Belding, San Francisco.

Separately, Johnson in early 1990 broke a $2 million spot TV campaign for Agree shampoo and conditioner. Agree in 1989 accounted for 1.7% of shampoo sales, while the companion conditioner held a 2.6% dollar share. Both were down 0.1 share point from 1988, according to Ms. Temple.

Johnson introduced nationally in May a Fisher-Price hair and skincare line for babies and infants. Products are packaged in recyclable plastic containers shaped like Fisher-Price's "Little People" toy line. While Johnson & Johnson owns more than 75% of the $600 million children's toiletries market, S.C. Johnson will stick to the $150 million bathcare segment.

In December 1989, Johnson broke a new commercial for Edge Shave Gel. The $150 million shaving preparation category has become more competitive now that Johnson's patent for Edge has expired. But Edge remained No. 1 with a 24.9% share. Johnson supported Edge with $1.4 million in measured media, and an additional $1.3 million for Edge Soothing After Shave with Aloe, the first non-alcohol after-shave product.

Johnson now is the fourth-ranked hand lotion marketer in the $840 million hand-and-body lotion category, with a 9.2% share for its Curel and Soft Sense brands, down from 10.2% in 1988. Curel in 1989 received $2.3 million in measured media, down 6.25%, while Soft Sense got virtually no media support.

In December 1989, Johnson elected Richard M. Carpenter, 62, president-CEO and a member of the board. Mr. Carpenter had been exec-VP of Worldwide Innochem, a Johnson subsidiary, since 1983, and its chief operating officer since December 1988. Mr. Carpenter succeeded Raymond Farley, 65, who retired.

Headquarters
S.C. Johnson & Son
U.S. Consumer Products
1525 Howe Street
Racine, Wis. 53403
(414) 631-2000

Corporate personnel
R.M. Carpenter, pres-ceo; J. Hudderly, dir-environmental affairs, worldwide. Worldwide Consumer Prods.: W.D. George Jr., pres-coo; W.B. Perez, exec vp-Consumer Prods., N. America; G. Montezemolo, vp-new mkts; L.L. Beebe, vp-sales; C.J. Goldthwaite Jr., vp-personal prods; D.J. O'Neill, vp-home care; B.M. Pritchard, vp-insect control.

Brands
Raid, Off!, Future, Brite, Shout, Pledge, Duster Plus, Favor, Glade, Curel, Edge, Soft Sense, Fisher-Price children's toiletries
Ad agency: Foote, Cone & Belding, Chicago. Paul Vernon, sr vp-grp acct dir.
Halsa, Agree
Ad agency: Foote, Cone & Belding, San Francisco. Richard Ward, sr vp-grp acct dir.
Aveeno cleansing bar & bath lotion, Rhuli prods, 9-1-1 first aid line
Ad agency: Grant/Jacoby, Chicago. Pam Prosch, sr vp-grp acct dir.

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RANK: 10

Kellogg Co.

Battle Creek, Mich.
Ad spending: **$611.6** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	9,001	5,979	50.5
Sunday magazine	73	158	(53.7)
Newspaper	337	417	(19.2)
Outdoor	29	70	(59.4)
Network TV	324,823	297,740	9.1
Spot TV	38,984	53,287	(26.8)
Syndicated TV	50,677	23,376	116.8
Cable TV networks	4,126	4,008	2.9
Spot radio	87	73	19.5
Measured media	428,135	385,107	11.2
Unmeasured	183,500	165,000	11.2
Total	611,635	550,107	11.2

By top brands	1989	1988	% chg
Kellogg's cereals	373,331	354,578	5.3
Kellogg pastries	13,181	9,904	33.1
Mrs. Smith desserts	11,925	9,128	30.7
Eggo waffles & pancakes	11,703	6,650	76.0
Kellogg Common Sense frozen waffles	6,895	0	NA
Kellogg waffles	4,509	3,369	33.9
Kellogg snacks	3,401	598	468.5
Kellogg Corp.	2,955	506	484.2

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	4,652	4,349	7.0
Earnings	470	480	(2.1)
U.S.	**1989**	**1988**	**% chg**
Sales	2,941	2,766	6.3
Net earnings	313	350	(10.6)

Annual review

During the past 12 months, Kellogg Co. has been bowled over by management shakeups, hemorrhaging market share and lackluster product introductions.

Proud Kellogg watched its pound share of the $6.9 billion ready-to-eat cereal category slide to 38.2%, from 39.7%, for the year ended in May—and from more than 40% in early 1989. Much of the lost share went to No. 2 General Mills, whose share rose to 23.9% from 21.8%.

Kellogg has yet to begin turning things around. Preliminary reports from the summer indicated the corporate market share differential between it and archrival General Mills had narrowed to 11%.

Part of Kellogg's problem has been a string of mediocre or badly timed new products.

The company had the greatest hopes for Heartwise, a high-fiber cereal containing the cholesterol-fighting seed psyllium; when it announced Heartwise's launch last August, Kellogg planned to commit $45 million to first-year marketing.

After spending $8 million in the fourth quarter of 1989, Kellogg cut back its plans for Heartwise when the FDA raised questions about the propriety of using psyllium in cereal. The company said it remains committed to Heartwise, but seems to view it as a niche product now. Kellogg axed a high-fiber prune variety earlier this year; the remaining plain flakes variety has garnered less than a 1% share in its first year of national distribution.

Hoping to get an early jump on what seemed an emerging category for rice bran products, Kellogg introduced Kenmei Rice Bran in March. Although research studies were less enthusiastic about rice bran's cholesterol-reducing potential than marketers had hoped, Kenmei's two varieties have performed fairly well, chalking up a collective 0.8% share.

Still new to supermarket shelves is Bigg Mixx, a presweetened children's cereal that bowed in June. Kellogg is staking a $30 million introductory budget on its first new presweetened cereal in 15 years—and on its offbeat presenter, an animated character with a pig snout, chicken feet and moose antlers.

To support its new products, Kellogg increased media spending to $428 million in 1989, up 6.5%—a significantly slower rate of increase than in the past five years, when spending rose 15% to 25% annually. But not all those dollars paid off.

Gone from Kellogg's stable of cereals are S.W. Graham, Pro-Grain, Fruitful Bran and Nutrific Oatmeal Flakes—all introduced in the mid-1980s. The ill-fated S.W. Graham alone represented $13 million in media spending last year, but made it through only a year of national distribution before being discontinued.

Seeking to capitalize on the nation's oat bran craze, Kellogg spent a combined $45.7 million advertising Common Sense Oat Bran and Cracklin' Oat Bran in 1989. But when a January *New England Journal of Medicine* report took aim at oat bran's cholesterol-reducing claims, oat bran sales fell apart. The two cereals together now have only 1% of the market compared to nearly 3.5% a year ago.

Perhaps Kellogg's biggest challenge is reinvigorating its older, largest brands—Corn Flakes, Raisin Bran, Rice Krispies—which have seen market share eroding over the past decade. Corn Flakes is still the nation's leading cereal, with 4% of pound volume, but that's half the 8% it commanded in the early '70s.

To that end, Kellogg increased media spending on such established brands as Raisin Bran (up 1.5%, to $23.7 million), Corn Pops (up 11.2%, to $7.3 million) and Froot Loops (up 6.3%, to $9.1 million). Frosted Flakes remains the company's single most advertised brand, with media spending of $30.6 million last year.

Dissatisfied with the company's performance, Chairman-CEO William LaMothe and the Kellogg board of directors parted company with President-Chief Operating Officer Horst Schroeder, who abruptly resigned last September. Mr. LaMothe has assumed the president's

title.

Then in July, William Weintraub, the company's lead marketing official, was bumped from exec VP-marketing and sales for the U.S. Food Products division to a post described as assistant to the chairman. Assuming Mr. Weintraub's title was Carlos Gutierrez, formerly president of Kellogg's Mexican and Canadian operations.

■ Headquarters

Kellogg Co.
One Kellogg Square
P.O. Box 3599
Battle Creek, Mich. 49016-3599
(616) 961-2000

■ Corporate personnel

W.E. LaMothe, chmn-pres-ceo; C.W. Elliott, exec vp-admin, cfo; G.E. Costley, exec vp-pres, U.S. Food Prods. Div.; A.G. Langbo, exec vp-pres, Kellogg Intl.

■ Marketing personnel

U.S. Food Prods. Div.: C.M. Gutierrez, exec vp-sales & mktg; S.W. Richards, vp-natl sales mgr; P.K. Hill, dir-mktg svcs. U.S. Subsidiary Div.: D.H. Brenner, pres; J.J. Feeney, chmn-ceo, Mrs. Smith's Frozen Foods Co.; R.D. Bateman, sr vp-sales, Mrs. Smith's Frozen Foods Co.; K. Harlan, vp-mktg, Mrs. Smith's Frozen Foods Co.; E.K. Jorgensen, sr vp-sales, Fearn Intl.; M.P. Shay, vp-mktg, Fearn Intl.

■ Brands

All-Bran, Apple Jacks, Bigg Mixx, Cocoa Krispies, Common Sense Oat Bran, Corn Flakes, Corn Pops, Cracklin' Oat Bran, Crispix, Eggo waffles, Froot Loops, Frosted Flakes, Frosted Mini-Wheats, Heartwise, Honey Smacks, Just Right, Kenmei Rice Bran, Mrs. Smith's frozen pastries, Nut & Honey brands, Oatbake, Pop-Tarts, Product 19, Raisin Bran, Rice Krispies, Shredded Wheat Squares, Smart Start cereal bars, Special K

Ad agency: Leo Burnett USA, Chicago. William Lynch, chmn-ceo; James Jenness, exec vp-acct dir; Tim O'Day, Al Roehl, vps-acct dirs; Mike Arnold, Larry Bruck, Eleanor Callison, P. Bloomfield, Stacey Sopcich, L. Ellrodt, Rick Remick, acct supers.

Mueslix, Nutri-Grain brands

Ad agency: J. Walter Thompson USA, Chicago. George Lange, sr vp-mgmt dir; George Schott, Mary Haderlein, vps-acct dirs; Susie Graham, Brian Goldner, acct supers.

Black consumer adv

Ad agency: Vince Cullers Advertising, Chicago. Vince Cullers, pres.

RANK: 18

K mart Corp.

Troy, Mich.
Ad spending: **$561.4** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	35,499	25,035	41.8
Sunday magazine	8,322	1,349	516.8
Newspaper	58,417	70,935	(17.6)
Outdoor	59	208	(71.7)
Network TV	31,443	56,292	(44.1)
Spot TV	23,384	30,025	(22.1)
Syndicated TV	1,527	4,124	(63.0)
Cable TV networks	3,232	3,230	0.1
Network radio	13,588	11,792	15.2
Spot radio	10,810	6,596	63.9
Measured media	186,271	209,587	(11.1)
Unmeasured	375,100	422,100	(11.1)
Total	561,371	631,687	(11.1)
By top brands	**1989**	**1988**	**% chg**
K mart stores misc	49,452	79,445	(37.8)
K mart stores	30,820	29,155	5.7
K mart stores apparel	25,070	31,762	(21.1)
K mart stores sport	23,400	18,688	25.2
Builders Square home improvement	12,761	11,439	11.6
K mart stores auto	9,720	9,919	(2.0)
Pay Less drugstores	7,142	4,720	51.3
K mart stores drugs & toiletries	5,996	5,162	16.2
Waldenbooks	5,826	5,257	10.8
Makro	1,585	1,370	15.6

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	29,533	27,301	8.2
Earnings	323	803	(59.8)
Division sales	**1989**	**1988**	**% chg**
General mdse	24,959	23,187	7.6
Specialty retail	4,574	4,114	11.2

■ Annual review

In the past year K mart Corp.'s key strategies included cutting prices, launching a $4.5 billion, five-year program to modernize and refurbish its 2,200-plus stores and expanding its presence in low-cost, warehouse-style retailing with new acquisitions.

K mart, the nation's No. 2 retailer in total sales behind Sears, Roebuck & Co., cut prices on several thousand items in 1989 to match similar efforts at Sears and always low-priced Wal-Mart. The move hurt margins, contributing heavily to K mart's earnings decline.

In early 1990, K mart launched an aggressive modernization program to introduce wider aisles, more colorful displays and layouts of merchandise into six well-defined, dominant lifestyle departments. K mart advertising continued to focus on the lifestyle departments.

K mart, which decreased its media ad spending by $23 million in 1989, plans to cut another $10 million through 1990. It plans to scale back its in-house newspaper insert program in favor of increased network TV and national magazine advertising for this year.

Major spending cuts in 1989 affected its general promotion media dollars, down 59% to $11.9 million; women's apparel, off 33% to $9.8 million; and miscellaneous (non-categorized) retail, down 29% to $31 million. Increases came in home furnishings, up 6.5% to $30.8 million, and sports, toys and hobbies, up 23.8% to $23.4 million, according to LNA/Arbitron.

To reassert the chain's low-price policy, K mart launched a corporate image network TV campaign in mid-December starring Chairman-CEO Joseph Antonini to reassert the chain's low-price policy. The spots broke on NBC during a K mart-sponsored Christmas special, a one-hour movie starring Kenny Rogers.

That TV movie along with a cable TV holiday special featuring K mart spokeswoman and lifestyle consultant Martha Stewart were K mart's first ventures into TV production. Both were produced by King World Productions, but K mart sponsored the shows, contributed to them creatively and was sole advertiser. Last year K mart set up Martha Stewart Productions to pursue other types of programming, including a possible network TV series, with Ms. Stewart.

This August K mart broke a network and cable TV and national print image campaign intended to attract younger, more affluent customers by positioning K mart as an exciting, trendy place to shop. More than 100 15-second spots, each highlighting a different nationally-branded product, will break throughout the rest of this year. Calet, Hirsch & Spector, New York, handled TV; sister agency Ross Roy Inc., Bloomfield Hills, Mich., handled print.

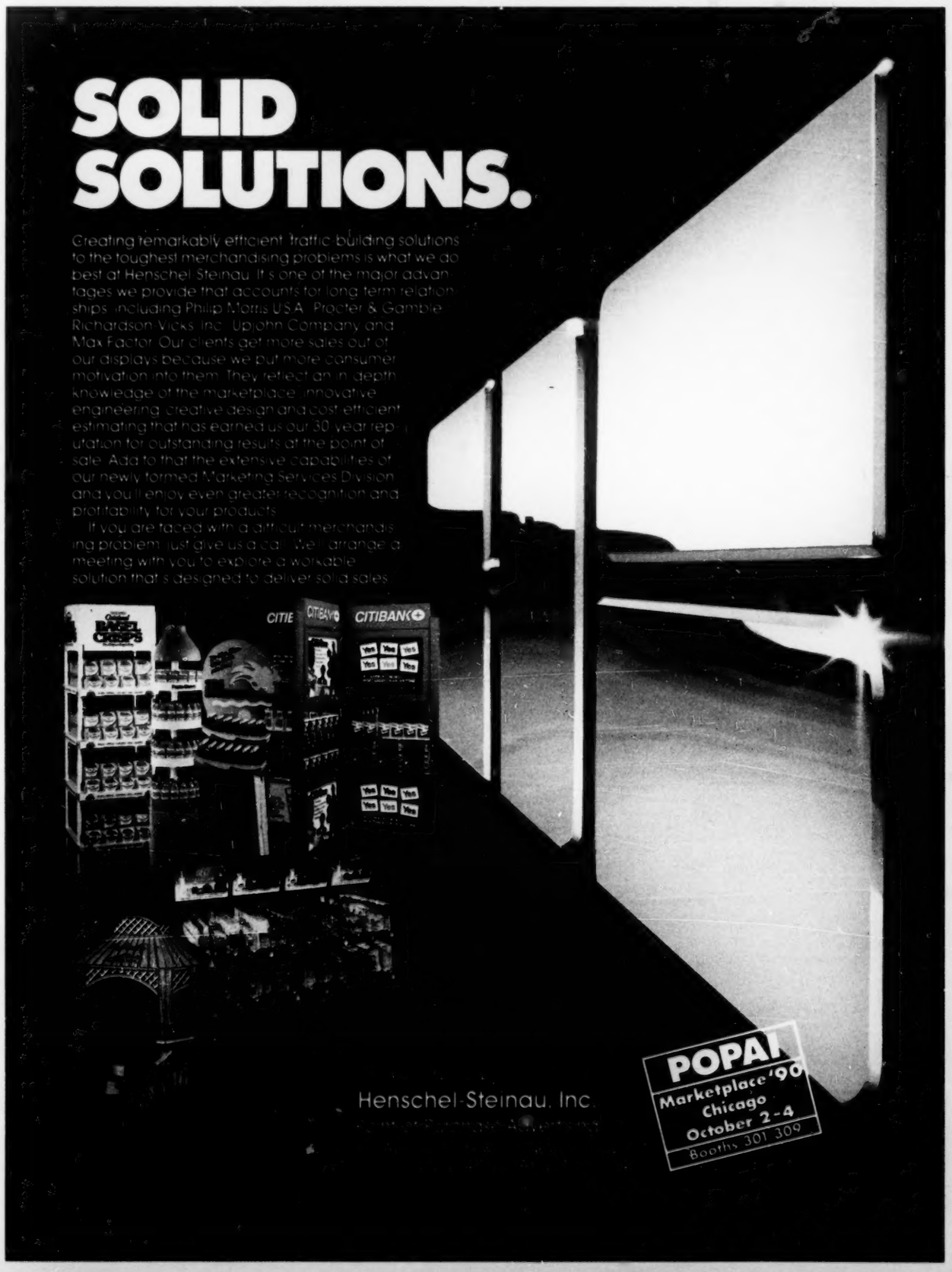
The campaign is part of K mart's "Partnership Marketing" program, developed last year by Ross Roy. The program unites the retailer with vendors in strategic yearlong marketing plans that are funded jointly by K mart and various manufacturers.

This month K mart kicked off its second "Get Ready Giveaway" sweepstakes with CBS-TV to promote CBS's fall TV schedule and to increase traffic in K mart stores.

K mart continues to look at new retail formats. It bought PACE Membership Warehouse last year and merged it with its nine Makro warehouse-style stores, acquired Sports Authority sports and fitness warehouse-style stores and converted its two Detroit-area Sports Giant stores into Sports Authority units. By yearend the chain will cover four states with 18 stores.

K mart is experimenting with "power" retail centers, shopping centers with two or more K mart subsidiaries, and in-store fast-food service—testing started this summer with Little Caesar's pizza.

Media spending levels at K mart's leading specialty retailers rose across the board: Waldenbooks, up 9.6% to $5.2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Creating remarkably efficient traffic building solutions to the toughest merchandising problems is what we do best at Henschel Steinau. It's one of the major advantages we provide that accounts for long term relationships including Philip Morris USA Procter & Gamble Richardson-Vicks Inc. Upjohn Company and Max Factor. Our clients get more sales out of our displays because we put more consumer motivation into them. They reflect an in depth knowledge of the marketplace, innovative engineering, creative design and cost efficient estimating that has earned us our 30 year reputation for outstanding results at the point of sale. Add to that the extensive capabilities of our newly formed Marketing Services Division and you'll enjoy even greater recognition and profitability for your products.
If you are faced with a difficult merchandising problem, just give us a call. We'll arrange a meeting with you to explore a workable solution that's designed to deliver solid sales.
CITIBANK
Henschel-Steinau, Inc.
POPAI
Marketplace '90
Chicago
October 2-4
Booths 301 309

million; Builders Square, up 15% to $12.8 million, and Pay Less Drug Stores, up 29% to $7.1 million.

Headquarters
K mart Corp.
3100 W. Big Beaver Rd.
Troy, Mich. 48084
(313) 643-1000

Division
K mart Stores
Troy, Mich.

Marketing personnel
Bill Parker, vp-sales & mktg.; Michael Wellman, vp-mktg.; Gerald Habeck, sr dir-adv.; Susan Feinberg, dir-mktg devel & trend analysis; William Underwood, sr vp-genl merch.; George Shipes, dir-sales promo.

Brands
K mart stores
Ad agency: Ross Roy, Bloomfield Hills, Mich. Peter Vetowich, exec vp-dir, retail operations; Richard Hosp, exec vp-K mart stores; Lawrence Haddock, sr vp-mgmt super.; Frank Wilberding, sr vp-mktg svcs; Jack Frakes, exec creative dir.
Ad agency: Calet, Hirsch & Spector, New York. Peter Hirsch, co-chmn, exec creative dir; Richard Cavillo, pres; Jane Singer, exec vp.

Division
Waldenbooks Co.
Stamford, Conn.

Marketing personnel
Bonnie Predd, exec vp-mktg.; Sandy Long, sr mgr-adv & sales promo.

Brands
Waldenbooks stores
Ad agency: CHC Advertising, Westport, Conn. Bill Bishop, chmn; Bill Schermund, pres; Eric Tolkin, vp-acct dir; Mitch Silver, creative dir.

Division
Builders Square
San Antonio, Texas

Marketing personnel
Mark James, vp-mktg; Bob Bierley, dir-adv.; Leo Corwin, sr vp-merch & adv.

Brands
Builders Square stores
Ad agency: Ross Roy, Bloomfield Hills, Mich. Peter Vetowich, exec vp-dir, retail operations; Bruce Miller, sr vp.

Division
Sports Authority
Fort Lauderdale, Fla.

Marketing personnel
William Lehrburger, dir-mktg & adv.

Brands
Sports Authority stores
Ad agency: Ross Roy, Bloomfield Hills, Mich. Peter Vetowich, exec vp-dir, retail operations; Bruce Miller, sr vp.

Division
Office Square
San Antonio, Texas

Marketing personnel
Gene Cuthbertson, dir-mktg.

Brands
Office Square stores
Ad agency: (In-house). Gene Cuthbertson, dir-mktg.

Division
Pay Less Drug Stores Northwest
Wilsonville, Ore.

Marketing personnel
David Massing, vp-adv.

Brands
Pay Less Drug Stores N.W.
Ad agency: (In-house). David Massing, vp-adv.

Division
American Fare
Troy, Mich.

Marketing personnel
Larry Parkin, exec vp-warehouse & grocery operations; Gerald Habecker, sr dir-adv.

Brands
American Fare combination stores
Ad agency: Ross Roy, Bloomfield Hills, Mich. Peter Vetowich, exec vp-dir, retail operations; Bruce Miller, sr vp.

Division
PACE Membership Warehouse Inc.
Aurora, Colo.

Marketing personnel
Patrick Smid, vp-mktg; Mary Crowley, adv mgr.

Brands
PACE warehouse stores
Ad agency: (In-house). Patrick Smid, vp-mktg.
Media-buying
Ad agency: Reich Communications, Aurora, Colo. Christa Reich, pres.

RANK: 88

Kroger Co.

Cincinnati
Ad spending: **$125.5** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	0	34	NA
Sunday magazine	7	8	(12.3)
Newspaper	20,709	25,637	(19.2)
Outdoor	900	1,813	(50.4)
Spot TV	32,361	36,220	(10.7)
Cable TV networks	37	2	NA
Spot radio	2,575	2,094	23.0
Measured media	56,589	65,809	(14.0)
Unmeasured	68,900	80,100	(14.0)
Total	125,489	145,909	(14.0)
By top brands	**1989**	**1988**	**% chg**
Kroger food stores	42,214	46,438	(9.1)
Frys food store	3,563	4,118	(13.5)
King Soopers market	3,222	6,612	(51.3)
Super X drugstore	3,160	3,659	(13.6)

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	19,104	19,053	0.3
Earnings	(73)	35	(310.7)

Notes: Fiscal year ended Jan. 31, 1990

Annual review
Still trying to right itself after a massive 1988 restructuring, Kroger Co. continued to trim its ad budget last year while selling off properties to help satisfy its massive debt load.

Kroger last year allocated $56.6 million to media advertising, down 14% from 1988 which, in turn, was down 22.5% from 1987. TV is handled by Campbell-Mithun-Esty, Chicago, which also offers concepts and format for newspaper advertising. ROP advertising is produced and placed autonomously via in-house or regional agencies in each of the 11 markets covering 24 states.

But with $5.1 billion in debt at the beginning of 1989, and an average interest rate of 13%, Kroger is focusing on maximizing cash flow by selling off particularly non-core properties.

Kroger ended 1989 with a store count of 1,234, down from 1,240 at the end of 1988. But the company still hopes to be able to finance growth, with its current plans calling for another 40 food stores by the end of 1992 as well as the remodeling of another 100.

The chain's financial headaches stem from fending off takeover bids in 1988 by the Haft family and Kohlberg Kravis Roberts & Co., the New York takeover specialist that succeeded in landing a bigger fish last year, RJR Nabisco.

Sold off in 1989 were Conroe Dairy, Conroe, Texas, to Borden; Gateway Bakery, St. Louis, to Alpha Baking Co., Chicago; Heartland Farms Dairy, St. Louis, to Schnuck Markets, Bridgeton, Mo. These helped reduce its debt to $4.7 billion this August.

Kroger remained competitive with pricing and progressive promotions. One of last year's big promotions was a four-color newspaper campaign featuring a single food product in each ad, accompanied by an eye-catching headline. For example, an enlarged picture of grapes bore the caption, "Amazing Grapes."

Testing is continuing on a program piloted in Tennessee in 1989 where Kroger contracted with Campbell Soup Co. to insert Campbell product coupons into in-store Automated Teller Machines. When machine customers withdrew cash from the in-store automated tellers, they also received dollar-sized coupons for Campbell products. Kroger remains mum about the program's success.

A three-week, co-op radio campaign supported this promotion and is part of the reason Kroger's spot radio media volume of $2.5 million rose 23% from 1988.

Time Saver Food Stores, a convenience store chain owned and operated by Kroger Co., was the only member in the Kroger family to boost ad spending for 1989. Time Saver's media spending grew to $298,300 from $82,400, with the entire amount allocated to spot TV.

Kroger Food Stores as a group received $42.2 million in media support last year, virtually all in either newspapers ($14.9 million) or spot TV ($26.5 million).

Headquarters
Kroger Co.
1014 Vine Street
Cincinnati, Ohio 45202
(513) 762-4000

Corporate personnel
Joseph Pichler, chmn-ceo; Richard L. Bere, pres-coo.

Marketing personnel
Robert J. Hodge, sr vp; Richard Owens, vp-adv.

Brands
Kroger stores
Ad agency: Campbell-Mithun-Esty, Chicago. Marv Goldsmith, pres-coo, Chicago office; John Kroening, John Wylie, vps-mgmt supers.

RANK: 90

Levi Strauss & Co.

San Francisco
Ad spending: **$123.1** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	1,663	5,975	(72.2)
Sunday magazine	384	37	926.2
Outdoor	27	77	(65.7)
Network TV	24,622	27,922	(11.8)
Spot TV	6,481	5,488	18.1
Syndicated TV	7,815	4,008	95.0
Cable TV networks	9,473	7,055	34.3
Network radio	651	472	38.0
Spot radio	80	101	(20.6)
Measured media	51,194	51,135	0.1
Unmeasured	71,900	71,800	0.1
Total	123,094	122,935	0.1
By top brands	**1989**	**1988**	**% chg**
Levis sportswear	49,456	46,621	6.1

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	3,600	3,100	16.1
Earnings	272	NA	NA

Annual review
Levi Strauss & Co. is betting its immediate future on Americans spurning zippers for buttons and adopting a more casual look in the workplace.

To stimulate a shrinking jeans market and protect its franchise, the company is attempting to equate loyalty (as in community/nation) with brand (Levi's) loyalty.

Levi Strauss altered its long-running campaign featuring 501 jeans first with an effort called "501 USA" which highlighted loyalty to local communities and relied on stream-of-consciousness dialogue instead of music.

It then unfurled a Spike Lee-directed ad campaign for 501's that are buttondowns, a highly popular feature in the West but one needing additional promotional help in the East.

The $20 million "Is your fly buttoned?" national campaign, a coordinated effort between Mr. Lee and Levi agency, Foote, Cone & Belding, has required tandem animated commercials in spot markets east of the Mississippi. In Pittsburgh, Washington, D.C., and Atlanta, the company is even offering a 30-day guarantee promotion.

National penetration of button-downs is important if Levi's are to remain No. 1 in the $6.6 billion jeans market. Levi's holds a 21.9% share of market, followed by three brands from VF Corp.—Lee (11% share), Rustler (8.8%) and Wrangler (6.3%).

Levi Strauss has been reaping the benefits of a buyback and other changes made four years ago when the Haas family took the company private. Its focus on jeans and sportswear lines has produced satisfying revenue streams. Costs have been held down, aided by plant closures that have eliminated 10,000 workers. It has been able to reduce its $1.6 billion debt to $475 million, with pay-off well ahead of schedule.

The Dockers line, now with sales of $250 million, has been a big contributor since the buyout. Its sales were only $1 million in 1986.

The company continues to face a shrinking jeans market which is not expected to turn around until the mid-1990s. Thomas Tusher, the company's new president, plans to fight the decline by becoming more aggressive in advertising and in-store promotions, especially for 501 jeans and Dockers.

This has led the company to explore other apparel categories and retail opportunities. Chairman Robert Haas identifies children's clothing as the next hot growth category. The company just announced it would open four company-owned stores in the Midwest in 1991, a departure from franchising such units. Levi's franchises are predominantly in the U.S. Northeast and in Europe.

Levi Strauss' media budget edged upwards only slightly to $51 million in 1989, although the company began to focus more of its dollars on TV, especially syndication and cable, and on newspaper supplements at the expense of magazine spending. National magazine spending dropped almost $4.5 million.

"They're spending the amount of money that is required to solidify their position," especially with Dockers, said consultant Harry Bernard. Dockers is believed to carry a $10 million media budget. "Everybody is trying to catch the Dockers' boat, but it has left the dock," he said.

Spending on Brittania has dropped dramatically from a $3.4 million network TV campaign to media buys in 1989 of only $720,000 in print and cable. The decrease comes at a time when Gitano, a new competitor in mass merchandising stores, has posed a strong attack with a proportioned (sized for height and weight) line.

Headquarters
Levi Strauss & Co.
1155 Battery Street
San Francisco, Calif. 94111
(415) 544-6000

Marketing personnel
Louis Kirtman, vp-mktg; Linda Aletto, consumer mktg dir; Maureen Moriarty, consumer mktg dir-men's jeans; Julie Palley, consumer mktg dir-youthwear; Steve Goldstein, consumer mktg dir-men's wear; Gordon Shank, consumer mktg dir-women's jeans; Jim Chriss, vp-mktg & sales, Brittania Sportswear Ltd.

Brands
Corp adv, Levi's, Brittania
Ad agency: Foote, Cone & Belding Communications, San Francisco. Alan Jewett, Richard Ward, sr vps-grp mgmt supers; Barbara Pauly, sr vp-mgmt super; Greg Riley, vp-mgmt super, Men's wear-Dockers & 501; Ann Sayer, vp-mgmt super, Men's 25 Plus; Kate Grant, acct super-Men's 25 Plus; Cathy Kirk, acct super-Youth wear; Laura Haber, acct super-501; Susan Andres, acct exec-Women's wear, Men's wear-Dockers; Lee Wierdsma, acct exec-Men's 25 Plus.
Hispanic adv
Ad agency: Mendoza, Dillon & Asociados, Newport Beach, Calif. Eduardo del Rivero, exec vp-client svcs; Luis Castaneda, acct super; Marta Gerdes, sr vp-client svcs; Beatriz Corona, promo mgr.

RANK: 74

Loews Corp.

New York
Ad spending: **$143.0** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	25,277	21,010	20.3
Sunday magazine	12,677	12,792	(0.9)
Newspaper	1,314	2,067	(36.4)
Outdoor	34,173	32,802	4.2
Spot TV	7	91	(92.3)
Cable TV networks	0	2	NA
Network radio	5,224	0	NA
Spot radio	124	0	NA
Measured media	79,796	68,762	16.0
Unmeasured	63,200	54,500	16.0
Total	142,996	123,262	16.0
By top brands	**1989**	**1988**	**% chg**
Newport cigarettes	48,759	44,226	10.2
CNA insurance	13,016	5,746	126.5
True cigarettes	7,901	7,202	9.7
Kent cigarettes	6,102	9,020	(32.4)
Spring Lemon cigarettes	1,172	0	NA

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	11,437	10,752	6.4
Earnings	907	906	(0.1)
Division sales	**1989**	**1988**	**% chg**
Property, casualty insurance	6,736	6,201	8.6
Life insurance	2,336	2,139	9.2
Cigarettes	1,771	1,818	(2.6)
Hotels	207	205	1.1
Watches, timing devices	174	155	12.6
Shipping	60	55	8.5
Offshore drilling	15	0	NA
Investment income	79	120	(33.9)
Equity in CBS Inc.	58	55	5.8
Other	(0)	6	(102.3)

Annual review
A major reason various Loews Corp. subsidiaries have shown increased willingness to flex their marketing muscle is the new generation of Tisch leadership.

The impact of Andrew (son of Loews Corp. chairman and co-CEO Laurence) as Lorillard division president-CEO and his cousin, Jonathan, as president-CEO and chief marketing officer of Loews Hotels, was visible almost immediately after their appointments a few months ago.

Soon after Andrew took over, Lorillard parted ways with BBDO, its agency for the Kent brand, whose sales and marketing share have been in steady decline. Earlier this year, Avrett, Free & Ginsberg was named to handle Kent.

Kent sales dropped 20.6% last year to 10.72 billion units, according to John C. Maxwell, analyst with Wheat, First Securities. Market share continued its downward spiral, to 2.0% last year from 2.4% in 1988. The brand held a 3% share in 1985.

Though the brand continued to be promoted through couponing, all advertising was halted in August 1989. As a result, its ad expenditures in measured media for the year declined by more than one-third, to $6.1 million. A new Kent campaign and new packaging will be introduced later this year. Despite speculation to the contrary, Kent remains a full-price brand. Lorillard entered the price-value category earlier this year with a national rollout of Heritage.

Despite the reduced expenditures for Kent, overall Lorillard advertising increased by about 5%, to $64.8 million, chiefly because of increased backing of the company's flagship brand, Newport. Newport media spending rose 11.3% to $49.4 million as the brand's market share rose to 4.7% from 4.4%.

Part of its success was the growth of 1988-entry Newport Stripes, which claimed an 0.2% share of market 1989.

Newport was the only one of the top five brands to show an increase in market share—others being Kent, True, Old Gold Filter and Max. Expenditures for Newport will continue to grow in 1990, a company executive reported.

Overall, Lorillard remained the fourth largest tobacco company with market share of 8%, up from 7.6% in 1988. Its sales, however, declined 8.4% compared with an industry shortfall of 6.1%.

Loews Hotels, not a traditionally large advertiser, increased its media spending to $982,500, up 39%, due largely to spending in magazines and newspapers for a new corporate campaign themed "Loews Hotels—Your Palace in the World," and advertising associated with the opening of its new Santa Monica Beach property. It currently owns or manages 17 hotels.

Loews Corp.'s CNA Financial division continued to grow despite the natural disasters of Hurricane Hugo and the California earthquake. It moved from 18th largest U.S. insurer in the early 1980s (based on premium volume) to 12th largest last year. One company executive predicted it will finish 1990 in the top 10.

CNA advertising in media in 1989 increased to $13.1 million from $5.8 million, a function of a new $6 million-plus campaign geared to small businesses with 100 or fewer employees. The radio and print campaign is budgeted at $11.9 million for this year.

The weakest link in the Loews chain is Bulova, hurt by a glut of watch movements in the world market. Nevertheless, the company had what one executive described as "a strong year in a soft year for watches." Bulova continues to find specialty niches such as its Bennetton line and Harley-Davidson watches. Direct media advertising by Bulova is small; it supports retailers on a co-op basis.

It broke a magazine and TV campaign this month themed "Bulova—It's America's Time," which featured the hands of people who have recently made their mark in the arts matched to watches that fit their personality.

Headquarters
Loews Corp.
667 Madison Ave.
New York, N.Y. 10021
(212) 545-2000
Lorillard Inc.
New York

Corporate personnel
Andrew Tisch, pres-ceo.

Marketing personnel
T.H. Mau, sr vp-adv & brand mgmt; R.H. Orcutt, sr vp-sales; S.R. Ridgway, vp-pr; G.R. Telford, vp-adv & brand mgmt; J.P. Mastandrea, vp-sales; Lou Gordon, vp-trade devel; L.M. Giordano, media dir; R.G. Ryan, sales promo dir; S.T. Jones, mktg research dir; J.E. Daghlian, R.D. Hammer, Andrew Pasheluk, grp brand dirs; K.P. Augustyn, V.D. Lindsley, sr brand mgrs; J.A. Guardino, J.M. Wagner, brand mgrs; J.G. Arato, W.S. Leong, Eve Nadel, assoc brand mgrs; C. Fassuliotis, J. LaValle, asst brand mgrs.

Brands
Newport, new products
Ad agency: Ally & Gargano, New York. Warren Dechter, pres; Ed Ricci, exec vp.
Kent, Kent III, Kent Golden Lights, new products
Ad agency: Avrett, Free & Ginsberg, New York. Jack Avrett, chmn; Frank Ginsberg, pres-creative dir; Tom James, exec vp.
True, Triumph, new products
Ad agency: Saatchi & Saatchi Advertising, New York. John Kaiser, exec vp.

Division
Loews Hotel
New York

Corporate personnel
Robert J. Hausman, chmn; Jonathan Tisch, pres-ceo.

Marketing personnel
Charlotte St. Martin, exec vp-operations & mktg; Christopher Rockett, vp-mktg; Marian Succoso, dir-adv & sales promo; Michelle McFaul, vp-pr.

Brands
Loews Hotels
Ad agency: Arias & Sarraille, Palos Alto, Calif. Ed Sarraille, partner.

Division
CNA Financial Corp.
Chicago

Corporate personnel
Edward J. Noha, chmn-ceo.

Marketing personnel
Peter P. Conway, vp-mktg; James G. Pettorini, asst vp-life, health & pensions distribution mktg; Himanshu I. Patel, asst vp-mktg support div; Susan Stockton, adv mgr.

Brands
Business & trade adv
Ad agency: Frank C. Nahser Inc., Chicago. Frank Nahser, pres.

Division
Bulova Watch Co.
Woodside, N.Y.

Corporate personnel
Herbert Hofmann, pres.

■ **Marketing personnel**
Robert E. Ryan, vp-mktg; Richard Jamroz, comms dir; Jane Disanto, dir-mktg

■ **Brands**
Bulova watches & clocks
Ad agency: McCaffrey & Ratner, New York. David Hooper, sr vp-mktg dir

RANK: 35

R.H. Macy & Co.

New York
Ad spending: $312.7 million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	2,294	2,166	5.9
Sunday magazine	703	879	(20.0)
Newspaper	183,640	183,167	0.3
Outdoor	69	376	(81.6)
Spot TV	16,956	15,651	8.3
Spot radio	247	289	(14.6)
Measured media	203,910	202,528	0.7
Unmeasured	108,800	108,100	0.6
Total	312,710	310,628	0.7
By top brands	**1989**	**1988**	**% chg**
Macy's household	58,384	57,784	1.0
Macy's misc.	46,727	44,431	5.2
Macy's apparel	41,595	44,882	(7.3)
Macy's jewelry	12,052	11,419	5.5
Bullock's apparel	10,735	11,785	(8.9)
Macy's drugs & toiletries	7,800	7,812	(0.2)
Bullock's	6,747	6,334	6.5
I. Magnin & Co. apparel	5,761	4,849	18.8
Bullock's drugs & toiletries	5,715	5,819	(1.8)
Bullock's drugs & toiletries	2,439	2,523	(3.3)

■ **Sales & earnings** ($ in millions)

Worldwide	1990	1989	% chg
Sales	6,974	5,729	21.7
Earnings	(54)	(168)	NA

■ **Notes:** Fiscal year ended July 29, 1990

■ **Annual review**

R.H. Macy, owner of the "world's largest department store," is facing huge debt as it competes in an increasingly troubled retail market.

The privately owned company, made up of Macy's Northeast, Macy's California, Bullock's and I. Magnin, reported its fifth straight quarterly deficit in April. A disastrous Christmas season did little to dent the company's $5.5 billion in debt. For the year ending July 31, Macy reported operating income declined 20% to $743.2 million.

The company has, however, succeeded in narrowing its third quarterly loss from last year's loss of $64 million. Macy's has reduced its need for working capital by lowering its inventory by $250 million by buying less goods.

It also has been running fewer promotions, which temporarily boosted sales last winter but cut into profits.

Media spending for the entire company was up 0.7% to $203.9 million in 1989. Newspapers, by far Macy's biggest ad medium, remained flat at $183 million.

The company has relied heavily on Sunday newspaper inserts as well as company-sponsored activities like the Macy's Thanksgiving Day Parade, a Fourth of July fireworks display and Tap-O-Mania, where 5,000 people danced in front of Macy's flagship New York store and tapped their way into the "Guinness Book of World Records."

All Macy's units share the same ad slogan, "We're a part of your life." But advertising for each operating unit (i.e., Macy's Northeast, Bullock's) is handled in-house within the regional grouping. In-store promotions or special event sales often are shared within the operating units.

Advertising by Macy's department stores stayed flat at $169.4 million in 1989, all in newspapers except for $16.8 million in spot TV and the remainder in Sunday magazines, according to LNA/Arbitron. Bullock's spending only matched that of 1988 at $28.4 million, while I. Magnin & Co. was backed with $5.9 million, up 20%. The latter two units did not experiment with traditional media beyond newspapers.

Macy's Northeast consists of 46 department stores in Connecticut, Delaware, Maryland, New Jersey, New York, Pennsylvania and Virginia. Expansion continues throughout Florida, Texas and, most recently, New Orleans.

Macy's California operates 25 department stores in California and Nevada. These units make up 18% of Macy's total department store space.

Half of Macy's South operates under the Bullock's name and consists of 48 department stores in Alabama, Florida, Georgia, Louisiana, South Carolina and Texas. These units make up 17% of Macy's total department store space. There also are Bullock's units in Arizona, California and Nevada.

■ **Headquarters**
R.H. Macy & Co.
151 W. 34 St.
New York, N.Y. 10001
(212) 695-4400

■ **Corporate personnel**
Edward F. Finkelstein, chmn-ceo; Mark S. Handler, pres-coo; Arthur Reiner, chmn-ceo, Macy's New York; Robert Friedman, vice-chmn, Macy's Northeast; Hal Kahn, ceo-Macy's South/Bullock's; Rudolph Borneo, pres-Macy's California; Rose Marie Bravo, chmn-ceo, I. Magnin & Co.

■ **Brands**
Macy's Northeast
Ad agency: (In-house) Steven Kornajcik, sr vp-sales promo; Nan Cooper, Audrey Nizen, Robin Hall, Alan Spett, adv admins.
Macy's South Bullock's
Ad agency: (In-house) Joseph Garberino, sr vp-sales promo; Joe Traynor, grp vp; Karen Martin, vp-adv business office.
Macy's California
Ad agency: (In-house) Greg Hribar, sr vp-adv & sales promo.
I. Magnin & Co.
Ad agency: (In-house) Wilmer Weiss, sr vp-comms; Virginia Ferrand, vp-adv; Carolyn Gallian, adv mgr.

RANK: 66

Marriott Corp.

Washington
Ad spending: $162.0 million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	8,190	5,081	61.2
Sunday magazine	608	1,624	(62.6)
Newspaper	11,252	8,657	30.0
Outdoor	1,339	950	40.9
Network TV	1,843	3,155	(41.6)
Spot TV	27,568	22,911	20.3
Syndicated TV	10	16	(37.5)
Cable TV networks	1,533	51	NA
Network radio	3,419	0	NA
Spot radio	3,654	1,446	152.7
Measured media	59,416	43,891	35.4
Unmeasured	102,600	75,800	35.4
Total	162,016	119,691	35.4
By top brands	**1989**	**1988**	**% chg**
Marriott hotels	19,636	13,082	50.1
Big Boy restaurants	5,247	5,035	4.2
Bob's Big Boy restaurants	4,167	5,825	(28.5)
Courtyard hotels	2,908	3,187	(8.8)
Sun Line passenger cruises	2,089	1,483	40.9
Residence Inns	1,508	521	189.4
Allie's restaurant	1,413	0	NA

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	7,536	6,624	13.8
Earnings	177	232	(23.7)
Division sales	**1989**	**1988**	**% chg**
Lodging	3,844	3,427	12.2
Contract services	1,703	1,602	6.3
Corporate	602	342	76.0

■ **Annual review**

Marriott, which sold the 600-strong Roy Rogers chain last January to Hardee's Food Systems for $360 million, has announced plans to sell its other restaurant holdings—Bob's Big Boy, Howard Johnson's, Wag's, Bickford's and Allie's.

At the time of the sale, J.W. Marriott Jr., chairman and president, said the move would help Marriott focus on its lodging and contract service operations. Nevertheless, the decision to vacate the restaurant business came as a surprise. Just a year earlier, the company announced plans to open 600 Allie's by 1994.

The first Allie's—named for the mother of J.W.—were churning 40% greater sales than the Bob's Big Boys they replaced. Marriott also had purchased 123 Wag's and Bickford's restaurants in 1988 and 21 Jolly Roger restaurants last year—all supposedly to be converted to Allie's.

Marriott is mum on when the remaining restaurants will be sold. A company spokesperson said negotiations were in progress but another, unofficial source, noted that "as far as we know, no one is even remotely interested."

Since Marriott clearly wasn't planning a distress sale, it continued to support all the restaurants with advertising. In fact, Roy Rogers media spending grew by about a third, to $16.7 million. Allie's was backed by $1.4 million in spending—just about the amount Bob's Big Boy dropped. Bob's claimed $9.4 million, off 13%.

The hotel group was reorganized slightly earlier this year, with formerly independent Marriott Suites division becoming part of Marriott Hotels and Resorts. The four suites hotels offer full services and tend to attract the same level of traveler as Marriott Hotels.

"You Don't Have To Be A Superstar Like Me To Have Big Bucks. Just Live In Cleveland."

—Martin Mull

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Korey, Kay & Partners, New York, was dropped from the Suites advertising account and replaced by FCB/Leber Katz Partners, New York.

Spending for Marriott Hotels in media was up almost 50% to $18.3 million, with newspapers taking $6.7 million of the total and magazines and network radio claiming most of the rest. A large part of the increase came in the fourth quarter, when the hotel chain ran a heavily-advertised joint promotion with Hertz Rent-A-Car that offered Marriott guests an opportunity to win free car rentals and other prizes.

Fairfield Inn, Marriott's entry in the economy segment of the business also has a new agency and a bigger budget. Eisner & Associates, Baltimore, replaced TBWA, New York, and advertising jumped to $488,600 from $55,900, reflecting the chain's expansion. It opened 25 new properties in 1989 to bring its total to 43. Thirty more Fairfield inns will come on line this year.

■ **Headquarters**
Marriott Corp.
Marriott Drive
Washington, D.C. 20058
(301) 380-9000

■ **Division**
Lodging Operations

■ **Marketing personnel**
Robert Bloch, sr vp-mktg, hotels; Jacqueline Hurley, dir-natl adv & field mktg, hotels, resorts & suites; Mark Ladd, dir-mktg, Fairfield Inn.

■ **Brands**
Hotels, resorts, suites
Ad agency: FCB/Leber Katz Partners, New York. Dorian Rogers, acct exec.
Residence Inn
Ad agency: Martin Agency, Richmond, Va. Dan Barges, acct super.
Courtyard
Ad agency: Scali, McCabe, Sloves, New York. Don Bowen, acct exec.
Fairfield Inn
Ad agency: Eisner & Assoc., Baltimore. Peter Gladstone, vp-acct super.

■ **Division**
Restaurant Operations

■ **Marketing personnel**
Paul Johnson Jr., exec vp-gm, Big Boy & Allie's; Lisa Krostue, vp-mktg; Roy Rogers; Doreen Levin, dir-mktg, Travel Plazas & Hot Shoppes.

■ **Brands**
Allie's restaurants, Big Boy restaurants
Ad agency: Earle Palmer Brown Cos., Bethesda, Md. Steve Farley, sr vp-acct grp dir; Dodie Subler, acct super; Mary Dernedde, Ilene Holland, acct execs; Pam Plunkett, asst acct exec.

RANK: 40

Mars Inc.

McLean, Va.
Ad spending: **$293.3** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	6,957	9,860	(29.4)
Sunday magazine	1,036	512	102.3
Newspaper	562	216	160.9
Outdoor	0	23	NA
Network TV	77,098	91,366	(15.6)
Spot TV	33,552	38,290	(12.4)
Syndicated TV	22,283	23,780	(6.3)
Cable TV networks	13,984	9,995	39.9
Network radio	3,872	5,721	(32.3)
Spot radio	890	2,952	(69.8)
Measured media	160,234	182,714	(12.3)
Unmeasured	133,100	151,800	(12.3)
Total	293,334	334,514	(12.3)

By top brands	1989	1988	% chg
Whiskas cat food	18,653	0	NA
Uncle Ben's rice	15,603	17,700	(11.8)
Snickers candy bar	14,559	22,895	(36.4)
Kal Kan dog food	13,966	16,914	(17.4)
M&M's candies	11,830	18,714	(36.8)
Twix candy	10,431	9,584	8.8
Kudos snacks	9,676	11,772	(17.8)
Skittles candy	9,083	8,678	4.7
3 Musketeers candy bar	8,110	5,011	61.8
Bounty candy	7,592	1	NA

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	8,000	NA	NA
Earnings	NA	NA	NA

■ **Notes:** Sales figures are AA estimates.

■ **Annual review**

Mars Inc., slow to step away from the tried and true, suddenly awoke last year and started bringing to market new products and line-extension in all divisions—ranging from a peanut butter version of Snickers to Uncle Ben's new cheese-flavored risotto.

The company continues to focus on standardizing its brand names internationally. This activity will intensify next year as it begins promoting itself as a sponsor of the 1992 Winter and Summer Olympics—marketing events that will likely reverse a two-year decline in measured media spending.

Media spending at M&M/Mars division fell for the second consecutive year to $94.2 million, down 14.9%, according to LNA/Arbitron. The drop included sizable cuts in major brand spending. Snickers received $15.5 million in media, a 32% drop; M&M's fell 41% to $11.5 million. Getting an ad boost were Twix, up 8.8% to $10.5 million, and 3 Musketeers, up 62% to $8.1 million.

M&M/Mars in March launched an unusual umbrella TV campaign which appeared to be a corporate image spot for parent Mars Inc. The ad, via D'Arcy Masius Benton & Bowles, New York, showed people of all ages eating Mars and Milky Way bars and used the theme, "Making life a little sweeter—Mars."

M&M/Mars is emphasizing the "Mars" name on a number of its bars. Mars Milky Way appears on new wrappers rolled out this summer, as well as on the renamed Milky Way Dark (formerly Forever Yours), introduced in January 1990.

The company is counting on several peanut butter-based confections to boost sales. PB Max, a peanut butter cookie bar tested for years before being rolled into the Midwest in late 1989, will be national by December. The new Peanut Butter Snickers will be national by year's end. M&M's Peanut Butter Chocolates roll out on the West Coast this fall.

Holidays, the seasonally colored version of M&M's, will go red and white next year for Valentine's Day, and autumnal this fall (Harvest Holidays).

Other line extensions include new flavors for Kudos, Twix, Starburst, Skittles and Combos.

Dove International slashed its media spending 48.6% to $4.95 million in 1989. It discontinued Forever Yours ice cream sundaes to focus on ice cream versions of 3 Musketeers and Snickers. Dove is readying a U.S. test of Milky Way ice cream. Milky Way bars and Mars bars are being tested in Europe.

Spending by the Kal Kan pet-food division increased 6.2% to $40.8 million, with $28.6 million alone backing new Whiskas cat food.

Mars completed its transition to downplaying the Kal Kan corporate identity in favor of Pedigree brand for dogs, and Whiskas and Sheba for cats.

This year Kal Kan introduced Pedigree Puppy Food. It also launched premium, high-profit items, including Pedigree Choice Cuts in fall 1989, and in June 1990, a premium line for cats, Whiskas Chunks & Gravy.

Uncle Ben's media spending in 1989 fell 25.7% to $19.5 million, most going to Uncle Ben's Country Inn Rice mixes, up 86% to $5.9 million, and Uncle Ben's Rice in an Instant, $7.1 million, down 31.4%.

Uncle Ben's readied several new products in 1990, including Uncle Ben's Aromatica Rice, based on Uncle Ben's products in the U.K. A fast-cooking brown rice and a microwave rice were introduced nationally in the spring. This fall, Uncle Ben's will launch Uncle Ben's Long Grain & Wild Rice in a Garden Vegetable blend, the wild rice's first major line extension. It will be backed with national print advertising.

A regional introduction slated for the fall is Country Inn Extra Cheese Risotto, playing off the popular Italian dish. It will be advertised on spot TV.

■ **Headquarters**
Mars Inc.
6885 Elm St.
McLean, Va. 22101
(703) 821-4900

■ **Corporate personnel**
William Hellegas, pres-M&M/Mars Div; Al Aragona, pres-Uncle Ben's Inc.; Thomas Armstrong, pres-Kal Kan Foods.

■ **Marketing personnel**
M&M/Mars Div: Alfred Poe, sr vp-mktg; Randy Webb, vp-sales. Uncle Ben's Inc.: Robert Black, vp-mktg & sales. Kal Kan Foods: John Murray, vp-sales & mktg.

■ **Brands**
Kal Kan Pedigree dog food, Sheba cat food, Whiskas cat food, Kudos, Holidays, M&M's, 3 Musketeers, PB Max, Snickers, Starburst, Uncle Ben's, Suzi Wan
Ad agency: Backer Spielvogel Bates Worldwide, New York. Norman Bierman, exec vp-pet foods & Uncle Ben's; Simon Turner, sr vp-mgmt rep, pet foods & Uncle Ben's; Louise Gaumond, vp-acct super, pet foods; Ken Rogers, exec vp, multi-natl mg dir, candy; Joe Dell'Aquila, exec vp-candy; Paul Meseches, Dana Tower, sr vps-mgmt reps, candy; Jim Overend, vp-acct super, Uncle Ben's.
Bounty, Milky Way, Mars Almond bar
Ad agency: D'Arcy Masius Benton & Bowles, New York. Frank Assumma, sr vp-grp acct dir; Lori Moskowitz, vp-dir, operations & strategy; Mark Sands, acct dir; Annette Sally, acct mgr.
Combos, Munch, Skittles, Sussande, Twix, new products
Ad agency: D'Arcy Masius Benton & Bowles, St. Louis. Rick Spatz, sr vp-acct dir; Dave Gulick, vp-mgmt super; Marci Ranger, Molly Sims, acct supers.

RANK: 27

May Department Stores Co.

St. Louis
Ad spending: **$385.7** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	3,133	2,337	34.1
Sunday magazine	5,009	5,036	(0.5)
Newspaper	230,874	220,361	4.8
Outdoor	54	120	(55.0)
Network TV	5,259	4,167	26.2
Spot TV	24,156	25,815	(6.4)
Spot radio	1,473	1,024	43.8
Measured media	269,957	258,860	4.3
Unmeasured	115,700	110,900	4.3
Total	385,657	369,760	4.3

By top brands	1989	1988	% chg
Lord & Taylor apparel	22,950	19,002	20.8
May Co. apparel	22,433	23,871	(6.0)
May Co. miscellaneous	20,535	19,375	6.0
May Co. household	17,293	18,989	(8.9)
Payless shoe stores apparel	16,452	14,794	11.2
Foley's apparel	15,069	13,108	15.0
Hecht Co. apparel	13,714	12,359	11.0
Caldor miscellaneous	13,368	11,671	14.5
Robinson's apparel	11,042	11,809	(6.5)
Filene's institutional	9,730	8,262	17.8

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	9,425	8,403	12.2
Earnings	515	448	15.0

Division sales	1989	1988	% chg
Department stores	8,197	7,271	12.7
Volume Shoe	1,228	1,132	8.5

■ **Annual review**

May Department Stores Co. signaled its intention in 1989 to sell or spin off its discount operations and aggressively expand its more profitable department stores and self-service shoe stores. The move is certain to have a positive effect on newspaper ROP advertising, which accounted for 86% of May's 1989 media expenditure.

May announced in October 1989 an agreement to sell its 118-store Caldor chain for $500 million to CAL Holdings, an acquisition company 20% owned by May that includes outside investors and Caldor's top management. At the same time, May outlined plans to spin off its 75-store Venture Stores unit, distributing shares to its common shareowners.

Although the Venture spin-off remains on hold due to Wall Street's increasingly lukewarm reception for initial public offerings, the delay is not expected to dampen May's enthusiasm for aggressive expansion. The company will open 21 more stores in 1990. The company has earmarked $2.2 billion in capital spending through 1994 to open about 100 new department stores and 1,250 specialty shoe stores.

"May stands to pick up market share by expanding their retail franchise base. On top of their aggressive expansion plans, I wouldn't be surprised to see them making an acquisition or two," said William N. Smith of Smith Barney, Harris Upham & Co., New York.

A source at May said growth will bring critical mass to the various operating units, opening more powerful multi-media opportunities through the combination of ROP, direct mail, catalog and FSI's. "Greater concentration means averaging the ad dollars over more stores and increasing tremendously the efficiency of our ad spending," the source said.

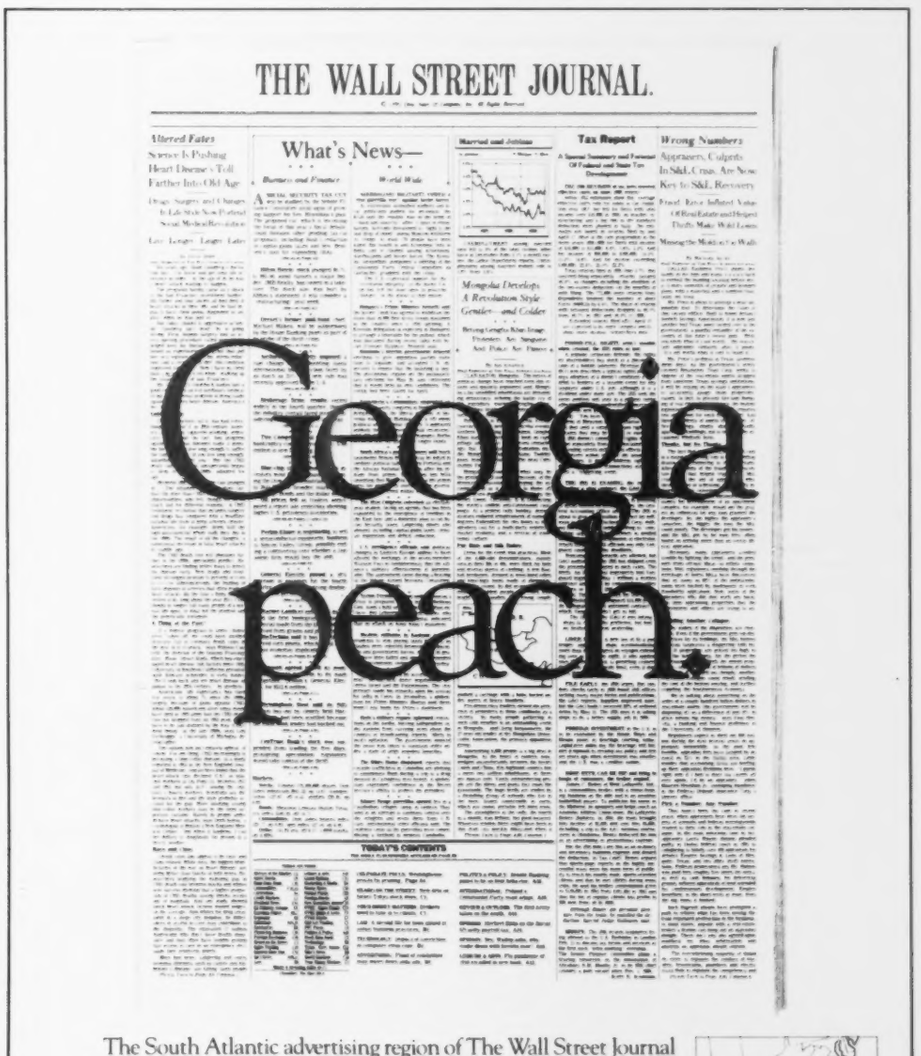
Each of May's 13 department store divisions is responsible for the production and placement of advertising through its own in-house agency, which handles ROP, catalog, direct mail and broadcast. Based on company reports and measured media spending, *Ad Age* estimates catalog and direct marketing expenses for the 13 department store divisions exceeded $50 million in 1989.

Volume Shoe Corp., which operates 2,800 Payless ShoeSource stores in 45 states, was the largest user of broadcast in 1989 with a combined $16 million in measured spot and network TV, up 10% over the previous year. Foote, Cone & Belding, Chicago, handles broadcast for Volume Shoe.

Analysts are optimistic about May because it continues to show excellent returns. May got strong sales results in 1989 from Foley's and Filene's department store divisions, acquired in May 1988 from Federated Department Stores. With $1.1 billion in 1989 sales, Houston-based Foley's became May's biggest department store division, replacing New York-based Lord & Taylor, which had $1 billion in 1989 sales. Foley's had $33.4 million in measured media in 1989, up 12%, compared with L&T's $30 million, up 11%.

May has been closing or combining a number of stores to create more powerful regional companies since it began to consolidate the stores picked up in its 1986 acquisition of Associated Dry Goods. Hahne & Co., Caldor, Goldwaters, L&T, L.S. Ayres and Robinsons were gained in the purchase.

During 1989, the company combined Goldwaters into Robinson's, Hahne's into L&T, Strouss into Kaufmann's, The Denver into May D&F, O'Neil's into May Co.-Ohio. The trend continued in 1990 when May combined Rochester, N.Y.-based Sibley's and Pittsburgh-based



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Kaufmann's into one division under the Kaufmann's name.

■ **Headquarters**
May Department Stores Co.
611 Olive St.
St. Louis, Mo. 63101
(314) 342-6300

■ **Division**
Famous-Barr
St. Louis

■ **Marketing personnel**
Paul Cavalli, sr vp-sales promo; Vicki Rosenkoetter, vp-adv dir; Joe Della Valle, vp-creative dir; Mary Phelps, mgr-direct mail; Ellen Horn, mgr-newspaper; Barbara Brinkman, mgr-broadcast.

■ **Brands**
Famous-Barr stores-broadcast
Ad agency: Glennon & Co., St. Louis. Ian Cohen, exec vp; Sherry Weiner, acct exec.

■ **Division**
Filene's
Boston

■ **Marketing personnel**
Charlotte Brewer, sr vp-mktg & sales promo.

■ **Brands**
Filene's
Ad agency: (In-house). Joseph Panessidi, div vp-dir, adv operations; Lee Bivins, div vp-creative dir; Lisa Corklan, adv mgr.

■ **Division**
Foley's
Houston

■ **Marketing personnel**
Linda Knight, sr vp-mktg & adv.

■ **Brands**
Foley's
Ad agency: Pacific Advertising (in-house). Wayne Franks, vp-creative dir; Beverly Ingraham, vp-mktg operations; Peggi Pietsh, div vp-direct mail; Sheila Field, div vp-sales promo; Jan Perello, dir-newspaper; Clay Warren, dir-prodn, newspaper-ROP; Day Barlow, mgr-bdcast.

■ **Division**
G. Fox
Hartford, Conn.

■ **Marketing personnel**
Joseph Civitillo, sr vp-sales promo.

■ **Brands**
G. Fox
Ad agency: (In-house). Jack Mullen, div vp-dir adv; Raina D'Amico, div vp-creative dir; Andrea Ackels, bdcast mgr; Bill Gaunt, asst adv dir-newspaper; Karen Labont, asst adv dir-direct mail.

■ **Division**
Hecht's
Arlington, Va.

■ **Marketing personnel**
Don DeFabio, sr vp-mktg; Steven Wichnow, sr vp-adv.

■ **Brands**
Hecht's
Ad agency: (In-house). Joyce Perl, vp-adv dir; Deborah Schneiter, div vp-creative dir; Susan Luzzell, newspaper mgr; Victoria Clark, bdcast mgr; Kevin Jackson, asst adv dir-direct mail; Herman Sauer, prodn mgr.

■ **Division**
Kaufmann's
Pittsburgh

■ **Marketing personnel**
Jerry Eccher, sr vp-sales promo.

■ **Brands**
Kaufmann's
Ad agency: (In-house). Barbara Mihopulos, vp-creative dir; Maryann Brown, adv dir; Michael Kaulakis, dir-direct mktg; LaRue Davis, dir-bdcast; Janet Schiavo, dir-newspaper; Gaia Garver, direct mail mgr.

■ **Division**
Lord & Taylor
New York

■ **Marketing personnel**
Rita Lennick, sr vp-mktg & sales promo.

■ **Brands**
Lord & Taylor
Ad agency: (In-house). Russ Hardin, vp-creative svcs; Charles Spiler, div vp-sales promo & business mgmt; Pat Doyle, vp-catalogues; Julie Furr, div vp-dir adv.
Lord & Taylor-radio
Ad agency: National Media Services, Rochelle, N.Y. Herb Stone, pres.

■ **Division**
L.S. Ayres
Indianapolis

■ **Marketing personnel**
Mark Humphrey, sr vp-mktg.

■ **Brands**
L.S. Ayres
Ad agency: (In-house). Rae Ann Allen, vp-creative dir; Claudia Ryan, vp-fashion merchandising; Kathy Kish, vp-sales promo.

■ **Division**
May Co., California
North Hollywood, Calif.

■ **Marketing personnel**
Herry Wendland, sr vp-sales promo.

■ **Brands**

Rivals fork over dough
P&G finally made money on soft cookies—$125 million from a patent suit.

May Co., California
Ad agency: (In-house). Leonard Berliner, vp-adv dir; Jim Watterson, vp-special events & pr.

■ **Division**
May Co., Ohio
Cleveland

■ **Marketing personnel**
Stephen Thorpe, sr vp-sales promo.

■ **Brands**
May Co., Ohio
Ad agency: (In-house). Debra Edwards, div vp-adv dir; Alma Sanger, div vp-creative dir.

■ **Division**
May D&F
Denver

■ **Marketing personnel**
Jan Ladnier, sr vp-sales promo.

■ **Brands**
May D&F
Ad agency: (In-house). Diane Cuckney, div vp-adv dir; Judy Zook, div vp-creative dir; Julie Crowson, direct mail mgr; Kelly Baca, newspaper adv mgr; Sherie Wahl, bdcast mgr.

■ **Division**
Meier & Frank
Portland, Ore.

■ **Marketing personnel**
David E. Miller, sr vp-sales & promo.

■ **Brands**
Meier & Frank
Ad agency: (In-house). Nancy Altman, adv dir; Pamela Gordon, creative dir; Sue Stedner, mgr-bdcast; Jeanette Redman, mgr-direct mail; Debra Lowery, mgr-newspaper.

■ **Division**
Robinson's
Los Angeles

■ **Marketing personnel**
Judy Ferris, sr vp-sales promo & adv.

■ **Brands**
Robinson's
Ad agency: (In-house). Marcia Cotner, vp-adv dir; Maureen Wright, vp-pr; Craig Cadwallader, div vp-sales promo; Tula Pregler, div vp-creative dir; Mark Hamilton, mktg mgr; Jerry Yamamoto, direct mail dir; Tom deCant, mgr special events.

■ **Division**
Volume Shoe
Topeka, Kan.

■ **Marketing personnel**
Terry McDonald, sr vp-adv & sales promo.

■ **Brands**
Volume Shoe-broadcast
Ad agency: Foote, Cone & Belding Communications, Chicago. Ethan Revsin, sr vp-grp creative dir.

RANK: 60

Mazda Motor Corp.

Hiroshima, Japan
Ad spending: **$196.3** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	39,063	29,236	33.6
Sunday magazine	36	75	(51.5)
Newspaper	3,585	5,476	(34.5)
Outdoor	323	0	NA
Network TV	50,131	45,167	11.0
Spot TV	44,174	21,065	109.7
Cable TV networks	2,615	2,401	8.9
Network radio	5	6	(11.7)
Spot radio	3,577	3,928	(8.9)
Measured media	143,508	107,354	33.7
Unmeasured	52,800	39,500	33.7
Total	196,308	146,854	33.7

By top brands	1989	1988	% chg
Mazda passenger cars	126,121	89,906	40.3
Mazda trucks	13,811	13,612	1.5

■ **Sales & earnings** ($ in millions)

Worldwide	1990	1989	% chg
Sales	12,940	NA	NA
Earnings	168	NA	NA

■ **Notes:** New fiscal year ended March 31, 1990

■ **Annual review**

New products and extensive new-image advertising enabled Mazda Motors of America, a subsidiary of Mazda Motor Corp., to exit 1989 marked as a marketer of premium-quality vehicles. It had entered the year recognized as a marketer of price/value, low-cost cars and trucks.

Mazda's hard-to-get MX-5 Miata, a sporty convertible dubbed "Coupe of the Year" by *Automotive News*, made the big difference in the company's new image. Serious talk about Mazda's possible entry into the competitive luxury car field also served to reinforce the perception.

Despite a 7,420-unit or 2.1% drop in car/truck sales during 1989, Mazda increased its share of the U.S. car/light truck market. Its 1989 sales of 341,917 units, including 263,378 imported and

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(Strategy Research/ABC) The Audit Bureau

U.S.-made cars and 78,539 light trucks, gave it 2.3% of the total U.S. car/truck market, up from 2.2% in 1988. The company ranked fourth among the Japanese importers.

Mazda's desire to challenge the top tier of Japanese importers may hinge on its ability to go more upscale. An internal task force, Project Pegasus, is studying selling upscale products—in the manner of American Honda, Nissan and Toyota—through a second distribution channel. Mazda has 850 U.S. dealers, compared with between 1,100 and 1,260 for the mainstream lines of Honda, Nissan and Toyota.

The U.S. marketing arm underwent reorganization when three regional companies were united to form Mazda Motors of America. Organizational refinements continued early this year as Mazda consolidated some of its operations into three new divisions—sales, marketing and product planning.

Mazda's corporate image campaign, which began last August under the theme "It just feels right," unveiled "kansei engineering," the philosophy guiding Mazda in its vehicle design.

Loosely translated as "the sensation when all five senses come into harmony," the ethereal concept was shown at work in a TV spot shot at the Mazda proving grounds in Japan. An eight-page insert in consumer magazines, themed, "Somewhere between your head and your heart," also elaborated on the idea.

Central to Mazda's new image was the Miata convertible. Sales of the sporty two-seater in the U.S. amounted to 23,052 units in only six months on the market—its entire allotment. Mazda expects to sell 40,000 Miatas both this year and next.

Mazda's sales leader in 1989 was the 323 model at 60,965 units, down 32.8%. It was followed by the 626 models at 52,770 (down 20.5%), and the MPV vans at 37,211 (up from 5,717 units). The pricy RX-7 sports car, Mazda's image king of the past, had unit sales of 16,249, down 41.6%.

LNA/Arbitron reported measured 1989 ad spending for the Miata at $14.3 million, most of it in spot and network TV and magazines. The MPV drew $8 million, up 19.4%. The MX-6 sport coupes got $20 million, up 58.7%, followed by the low-end Mazda 323 at $15.6 million, up 84%, and the 626 model at $14 million, up 64.7%. Light truck advertising hit $12 million, up 20%.

Going into 1990, the Mazda product lineup featured restyled models of the entry-level 323 series at $6,599 and the luxury 929 sedan at $24,800. There also was a redesigned Protege sedan, priced at $9,339.

Media usage for the 1990-model year beginning last fall changed from high frequency on one cable and six network TV shows to six cable and 40 network shows. Instead of six magazines in 1988 and 20 in 1989, its print schedule went to 50 magazines. The media buy is 75% network and spot TV, 20% print and 5% other media. The broader media reach is being matched by new ad dollars.

■ Headquarters

Mazda Motors of America
7755 Irvine Center Dr.
Irvine, Calif. 92718
(714) 727-1990

■ Corporate personnel

Yoshinori Taura, pres-ceo; Motoyuka Katsuke, Kensuke Kato, exec vps; Clark Vitully, sr vp-genl mgr; George McCabe, grp vp-operations; D. Hale, vp-sales.

■ Marketing personnel

Jan Thompson, vp-mktg; William Hackett, vp-prodn planning; Duane Bowen, vp-pr; James Wiesner, vp-dealer relations; Tim Gallagher, pr mgr-Pegasus project.

■ Brands

Mazda

Ad agency: Foote, Cone & Belding, Santa Ana, Calif. Tom Randolph, chmn-FCB/-West; William Hagelstein, exec vp-genl mgr; David Weber, sr vp-grp mgmt dir; Ray Damiano, vp-mgmt dir, mktg; Ken Waldron, vp-sr acct dir, dealers; Tom Somerset, sr vp-mktg svcs; Larry Kopald, exec vp-exec creative dir.

RANK: 48

MCA Inc.

Universal City, Calif.
Ad spending: **$219.9** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	4,755	5,994	(20.7)
Sunday magazine	0	312	NA
Newspaper	30,503	24,059	26.8
Outdoor	3,714	1,550	139.7
Network TV	44,549	26,851	65.9
Spot TV	31,945	24,355	31.2
Syndicated TV	6,030	2,422	149.0
Cable TV networks	4,535	3,678	23.3
Network radio	410	305	34.4
Spot radio	6,942	5,779	20.1
Measured media	133,382	95,303	40.0
Unmeasured	86,500	61,800	40.0
Total	219,882	157,103	40.0
By top brands	**1989**	**1988**	**% chg**
Universal City Studios	102,387	68,570	49.3
MCA home video	9,510	7,035	35.1
Universal Studios tours	5,873	3,729	57.5
WWOR TV	3,544	3,308	7.2

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	3,382	2,900	16.6
Earnings	192	165	16.3
U.S.	**1989**	**1988**	**% chg**
Sales	2,718	2,328	16.7
Operating income	405	280	44.5
Division sales	**1989**	**1988**	**% chg**
Filmed entertainment	1,739	1,484	17.2
Music entertainment	765	661	15.7
Retail, mail order	275	313	(12.2)
Book publishing	189	176	7.7
Other operations	243	135	79.6
Broadcasting, cable	172	132	30.5

■ Annual review

MCA expanded its television and theme park businesses in 1989, but got snagged in its attempts to start a fifth TV network and to get its Universal Studios Florida attraction up and running.

MCA-TV in September teamed with Paramount Pictures' Paramount Domestic Television to jointly sell national ad time in their syndicated programs. The new sales entity, Premier Advertisers Sales, immediately became the fifth largest broker of TV advertising, behind the Big 3 networks and Fox Broadcasting Co.

Paramount and MCA at the same time were quietly planning a fifth TV network that would furnish programming to Fox affiliates on nights that the Fox network was dark. That plan fell apart when Premier failed to woo loyal Fox affiliates. MCA has not canned the idea yet.

MCA experienced another disappointment this May when it opened its Universal Studios Florida attraction 12 miles down the road from Disney-MGM Studios in Orlando.

MCA Recreation Services shot one of the most costly commercials ever, carrying a $2.4 million price tag and directed by Richard ("Lethal Weapon") Donner, to promote the park.

Even that couldn't spur attendance most of the summer, as crowds stayed away largely because the park's key rides —Jaws, Earthquake: The Big One and Kongfrontation—have worked intermittently or not at all. Ad spending for Universal's tour attractions rose 57% in 1989, to $5.9 million.

MCA's Universal Pictures boosted its market share to 16.6% of 1989's record $5 billion box office take, a significant increase over 9.3% in 1988 and 10.7% in 1987. Universal released between 18 and 20 films each of those years. Only Warner Bros. outpulled Universal in 1989. Universal garnered 17 Academy Award nominations, more than any other studio.

While Universal didn't have a runaway hit movie like Warner's "Batman" in 1989, it released strong films throughout the year and pumped up media spending to $102.3 million, a 57% increase.

Universal's "Back to the Future, Part II" was the No. 6 movie of 1989, and it was the studio's most heavily supported film, backed by $10.9 million in measured media. Ten other films were backed by $5 million-$10 million in measured spending: "Parenthood," "Field of Dreams," "Uncle Buck," "Sea of Love," "K-9," "Fletch Lives," "The 'Burbs," "The Dream Team," "Do the Right Thing" and "Always."

The renamed MCA/Universal Home Video, which boosted ad spending 35% to $9.5 million, sold 4 million videocassettes of the new release, "The Land Before Time," and had cross-promotions with the U.S. Postal Service and PepsiCo's Pizza Hut unit.

MCA/Universal Home Video and Universal Pictures in 1990 teamed to promote the theatrical release of "Back to the Future, Part III" and the video release of "Back to the Future, Part II" with a joint $18 million marketing effort.

MCA put its LJN Toys subsidiary up for sale.

■ Headquarters

MCA Inc.
100 Universal City Plaza
Universal City, Calif. 91608
(818) 777-1000

■ Corporate personnel

Lew R. Wasserman, chmn-ceo; Sidney J. Sheinberg, pres-coo.

■ Division

MCA Motion Picture Group
Universal City, Calif.

■ Marketing personnel

Thomas Pollock, chmn; Simon Kornblit, exec vp-worldwide mktg; Sally Van Slyke, sr vp-mktg, publicity & promo; David Sameth, sr vp-mktg & creative adv; Perry Katz, sr vp-mktg; Fred Mound, pres-distribution.

■ Brands

Universal Pictures

Ad agency: DDB Needham Worldwide, Los Angeles. Ken Kaess, exec vp-mgmt super; Gary Fountain, vp-acct super.

■ Division

MCA Home Entertainment Group
Universal City, Calif.

■ Marketing personnel

Robert Blattner, pres-MCA Universal Home Video; Louis Feola, exec vp-MCA Universal Home Video; Jerry Hartman, vp-Universal Pay Television sales & mktg.

■ Division

MCA Recreation Services
Universal City, Calif.

■ Marketing personnel

Jay Stein, pres; David Weitzner, pres-worldwide mktg; Max Goldberg, vp-corp sponsorships; Ronald Benson, pres-coo, Universal Studios Hollywood; Steven W. Lew, pres-ceo, Universal Studios Florida.

■ Brands

Universal Studios Hollywood, Universal Studios Florida, Yosemite Park & Curry Co.

Ad agency: Foote, Cone & Belding, Los Angeles. Steve Hayman, exec vp-gm; Bill Evans, sr vp-exec media dir; Tom Lesinski, acct dir.

■ Division

Spencer Gifts
Pleasantville, N.J.

■ Marketing personnel

John P. Hacala, pres; George Moser, pres-mail order; John Guest, sr vp-merch; Beth Schlansky, dir-licensing.

■ Division

Music Entertainment Group
Universal City, Calif.

■ Marketing & in-house adv personnel

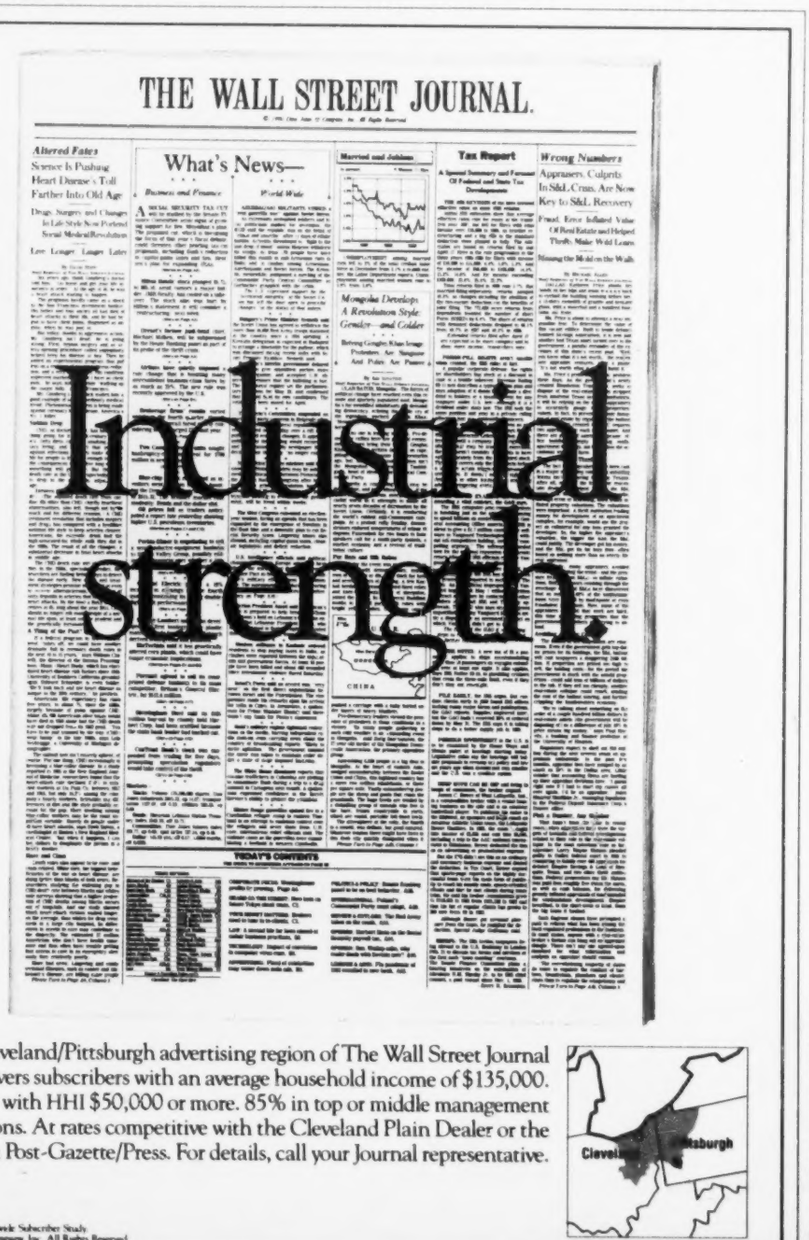
Al Teller, chmn; Richard Palmese, exec vp-gm, MCA Records; Billy Brill, sr vp-promo, MCA Records; A.D. Washington, sr vp-black music promo, MCA Records.

■ Division

MCA Television Group
Universal City, Calif.

■ Marketing & in-house adv personnel

Alvin Rush, chmn; Kerry McCluggage, pres-Universal Television; Shelly Schwab, pres-MCA TV; James M. Kraus, sr vp-dir, sales-MCA TV; Bobbi Fisher, sr vp-sales, MCA TV; David H. Brenner, sr vp-advertiser sales, MCA TV; Morton A. Slakoff, sr vp-creative svcs, MCA TV.



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RANK: 7

McDonald's Corp.

Oak Brook, Ill.
Ad spending: **$774.4** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	669	6,371	(89.5)
Newspaper	527	351	50.2
Outdoor	5,919	6,306	(6.1)
Network TV	252,066	245,389	2.7
Spot TV	141,268	128,102	10.3
Syndicated TV	17,409	12,516	39.1
Cable TV networks	7,223	1,791	303.2
Spot radio	6,697	5,158	29.8
Measured media	431,778	405,984	6.4
Unmeasured	342,600	322,100	6.4
Total	774,378	728,084	6.4
By top brands	**1989**	**1988**	**% chg**
McDonald's restaurants	424,790	400,528	6.1

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	6,142	5,566	10.3
Earnings	727	646	12.5
U.S.	**1989**	**1988**	**% chg**
Sales	3,923	3,716	5.6
Operating income	995	908	9.6
Division sales	**1989**	**1988**	**% chg**
Company-operated restaurants	4,601	4,196	9.7
Revenue from franchisees	1,464	1,325	10.5
Other revenues	77	45	71.1
Systemwide results	**1989**	**1988**	**% chg**
Company-operated restaurants	4,601	4,196	9.7
Franchisees	11,219	10,424	7.6
Affiliates	1,513	1,444	4.8
Total systemwide sales	17,333	16,064	7.9

■ Annual review

McDonald's Corp. adopted a new ad theme, "Food, folks and fun," replacing the long-running "Good time. Great taste." in May 1990. The choice of words was significant because the good times of easy sales growth and little serious competition seem to be coming to an end.

The company is accelerating the rate of change in the kind of food it serves—the emergence of McDonald's Pizza is testimony to that—and is trying harder through advertising and promotion to project a fun image.

It remains the largest restaurant company in the world, but in 1989, its 35th year, its rate of growth slowed, especially in the U.S. Total systemwide sales were up 7.9% in 1989 to $17.33 billion, but domestic sales growth was up 5.6%, while overseas sales rose 13.6%.

McDonald's average restaurant open at least one year registered sales of $1.62 million in 1989, a 1.6% increase over 1988. That was less than the percentage McDonald's raised its menu prices, according to analysts. In other words, a bad year.

To help sales grow, McDonald's opened a record 649 new restaurants in 1989; 363 domestically, 286 outside the U.S. The

building continues, especially overseas. On Jan. 31, 1990, McDonald's opened in Moscow the first of a projected 20 restaurants in the Soviet Union.

McDonald's share of the sandwich market was 36.1% in 1989, according to *Nation's Restaurant News*, more than double No. 2 chain Burger King's 17.13% share. McDonald's market share was down a bit from 1988's 36.84%, but that was due more to expansion in the market than to its sales stagnation. Lower than expected sales actually resulted in a boost of the ad/promo to sales percentage to 6.8%, or $1.09 billion. Based on anticipated higher sales entering 1989, the company had whittled such spending to 6.3% from 6.4% in 1988.

The fast-food giant has endeavored to make its marketing dollars work harder by juggling allocations for media advertising, increasing promotional programs and offering new menu items.

The company remained a top network TV advertiser. Its spending in that medium was up only 2.7% to $252.1 million in 1989. But it boosted spending on spot TV by 10.3%, syndicated TV by 39.2% and network cable TV by 200%.

Much of the estimated $330 million McDonald's spent on unmeasured media in 1989 went to promotions. Promotional marketing efforts have been expanded so that there is always at least one special marketing program under way at any given time.

Promos have been expanding into new areas in 1990. This month, McDonald's began running a major in-store game in conjunction with the beginning of NBC-TV's new season of programming. In June, McDonald's sponsored the national concert tour by the popular teen group New Kids on the Block.

McDonald's in 1990 signed as the official restaurant sponsor of both the NASCAR and CART auto-racing circuits and runs national and local promotions tied to those sponsorships.

McDonald's never forgets the children who have been its most loyal—and most heavily targeted—customers. In June 1990 it ran the "$40 Million Crimestopper Game" tied to the movie "Dick Tracy" and in 1989 ran a Christmas promotion tied to another Walt Disney Co. film, "The Little Mermaid." It also has promotions tied to such popular characters as Mr. Potato Head, the comic strip "Peanuts" cast and Nintendo's Super Mario Bros.

The 12-inch pizza, which entered the menu last year, will be in 200 stores by 1990. Under test is pasta in Scranton, Pa.; fried chicken and a Breakfast Burrito in Texas; Fish & Chips in Washington; and McFish Fry in Wisconsin.

Under fire from some nutritionists about high levels of fat and cholesterol in some of its foods, McDonald's in 1990 added bran muffins and cold cereals to its breakfast menu, added low-fat frozen yogurt and lower-fat shakes and said it will convert to 100% vegetable oil by the end of 1990 for cooking its french fries. In August 1990 it began testing a low-calorie, low-fat grilled chicken breast sandwich in five markets.

The accelerated rate of change has come under the direction of Michael Quinlan, who moved up to chairman from president in March 1990, succeeding Fred Turner, who retired. David Green, previously VP-national marketing, took over the post of senior VP-marketing in June, following the retirement of Peter Nelson.

Headquarters

McDonald's Corp.
One McDonald's Plaza
Oak Brook, Ill. 60521
(708) 575-3000

Marketing personnel

Paul D. Schrage, sr exec vp-chief mktg officer; Richard G. Starmann, sr vp-comms; David B. Green, sr vp-natl mktg; Roy T. Bergold, vp-adv; Ronald W. Miessler, vp-comms svcs; Jim Rand, vp-mktg svcs; Charles L. Rubner, vp-comms; Sandy Silver, asst vp-natl adult mktg; Linda Kravitz, asst vp-natl youth mktg; Laurie Grace, vp-intl mktg; Roger Lipker, dir-sports mktg; Thom Kettle, dir-new prods mktg; George Griggs, dir-field mktg; Don Lorr, dir-mktg rsch; Jerry Powers, dir-mktg svcs; Jan Kramer, dir-real estate mktg; Court Kenaston, dir-intl mktg; Karen Dixon-Ware, dir-mktg media; Mike Gordon, dir-intl comm; Bridget Marshall, dir-pr; Chuck Ebeling, dir-corp comms; Terri Capatosto, dir-media relations.

Brands

McDonald's

Ad agency: Leo Burnett USA, Chicago. Jim Shymkus, exec vp-client svcs dir; Jerry Conner, Barry Krause, sr vps-acct dirs; David Heggen, Nina Abnee, Michael Tam, Tom Claggett, Trish Anastos, Paul Driggs, Tony Weisman, acct supers.

Black consumer mktg

Ad agency: Burrell Advertising, Chicago. Linda Pharr, sr vp-mgmt super; Will Adkins, vp-acct dir; Rob Jackson, vp-acct super.

Hispanic consumer mktg

Ad agency: Castor Advertising, New York. Castor Fernandez, chmn.

Sales promotion

Ad agency: Frankel & Co., Chicago. James Mack, exec vp; Rick Bollinger, Bob Schneider, vps-mgmt reps.

Ad agency: Simon Marketing, Chicago/Los Angeles. Allan Brown, chmn; Paul Marcus, exec vp; Jay Babineau, sr vp; Norm Kerr, vp.

Public relations

Ad agency: Golin/Harris, Chicago. Jack Daly, exec vp-media relations; Don Ingle, sr vp-pr & sports.

Black consumer public relations

Ad agency: Burrell public relations, Chicago. Jim Hill, pres; Michael Bateman, asst vp.

RANK: 70

Mobil Corp.

Fairfax, Va.

Ad spending: $156.3 million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	4,496	5,176	(13.1)
Sunday magazine	28	63	(54.9)
Newspaper	3,641	6,728	(45.9)
Outdoor	28	26	6.6
Network TV	12,118	12,203	(0.7)
Spot TV	14,653	12,002	22.1
Syndicated TV	4,180	3,020	38.4
Cable TV networks	1,890	990	90.9
Network radio	427	317	34.6
Spot radio	6,505	6,767	(3.9)
Measured media	47,966	47,292	1.4
Unmeasured	108,300	106,800	1.4
Total	156,266	154,092	1.4
By top brands	**1989**	**1988**	**% chg**
Mobil gasoline & oil	21,770	22,984	(5.3)
Hefty storage bags	12,940	13,036	(0.7)
Hefty wastebaskets	3,159	0	NA

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	58,188	54,361	7.0
Earnings	1,809	2,087	(13.3)
U.S.	**1989**	**1988**	**% chg**
Sales	19,191	17,411	10.2
Earnings	809	997	(18.9)
Division sales	**1989**	**1988**	**% chg**
Petro exploration, production	4,824	4,852	(0.6)
Petro marketing, refining	46,615	44,567	4.6
Chemicals	4,039	4,280	(5.6)

Annual review

Saddam Hussein's August invasion of Kuwait and the ensuing embargo on Iraqi and Kuwaiti oil was a temporary boon for Mobil Corp. and the U.S. oil patch. But experts say a long-term stand-off could be damaging and a shooting war disastrous.

Whatever the effect either scenario will have on media spending, it is clear Mobil will be fighting back with advertising. Shortly after the invasion when gasoline prices were soaring, Mobil was first to lash out against critics accusing the industry of reaping fat profits from the conflict.

In a newspaper ad titled "Where's the rip-off?" Mobil insisted that it wasn't passing on the full weight of price increases to consumers. Greater use of such issue-oriented ads would likely reverse cutbacks in measured totals for corporate newspaper ROP spending, which fell 45% to $3 million in 1989, according to LNA/Arbitron.

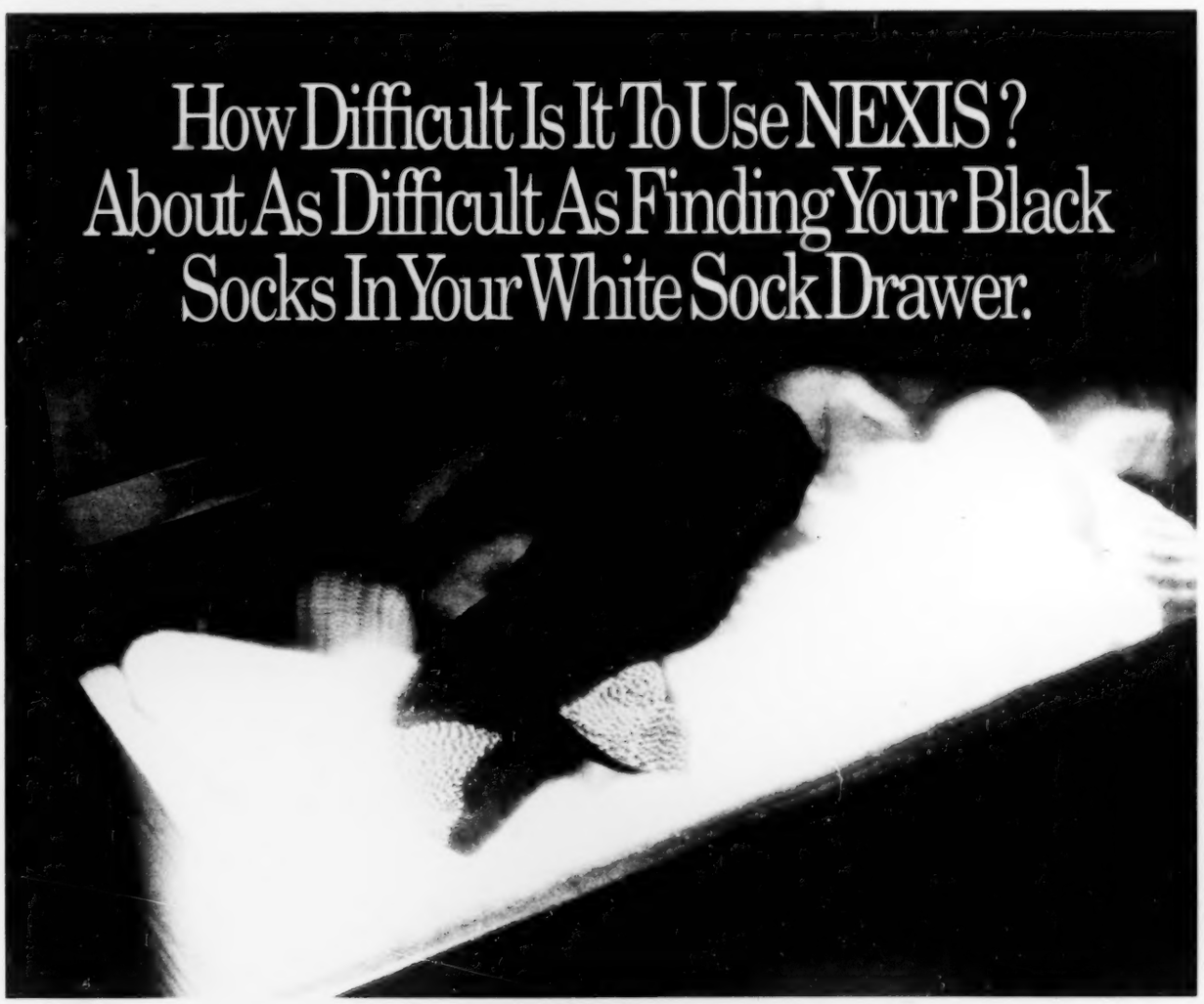
Gasoline brand advertising by Mobil and other big oil companies virtually dried up in the 30 days after the invasion, as consumer demand remained strong in the face of soaring prices. Assuming the gulf stand-off continues, product advertising is likely to return to normal levels to prevent loss of consumer loyalty.

The oil companies also did not shelve their advertising during the OPEC-sponsored oil embargo in 1973. It plummeted initially, only to be replaced by public service-style ads urging conservation.

Mobil's measured spending for gasoline advertising grew 14% in 1989 to $9.5 million, mostly spot TV. Mobil held a 7.4% share of U.S. gasoline sales in 1989, putting it in fifth place behind Shell at 8.8%; Chevron, 8.3%; Exxon, 7.8%; and Texaco, 7.5%, according to *National Petroleum News, Des Plaines, Ill.*

Charlie goes on diet?

Charlie the Tuna is reported to be making a comeback as StarKist's (Heinz) animated authority, but in slimmer form. Agency Leo Burnett USA declines comment.



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Measured spending for Mobil 1 motor oil grew 3% in 1989 to $9.1 million.

Mobil Chemical Co. spent a measured $16.9 million on the Hefty bag brand in 1989, up 10%, including $3.2 million on Hefty wastebaskets, a new line of molded plastic waste containers.

In a running battle with First Brands' Glad bags for market leadership, Mobil spent $12.3 million of the Hefty brand total on Hefty Tall Kitchen and Trash Bags, all of which was on TV.

Mobil in March 1990 said it would remove the word "degradable" from boxes of its Hefty plastic trash bags, bowing to demands by environmental groups and the threat of legal action from the attorneys general of seven states. Mobil later settled degradability claims on Hefty products with Wisconsin and Texas, but still is being probed by five states and the FTC.

Mobil also completed in August 1990 the move of all headquarters operations from New York to Fairfax, Va.

■ Headquarters

Mobil Corp.
3225 Gallows Road
Fairfax, Va. 22037
(703) 846-3000

■ Corporate personnel

Allen E. Murray, chmn-pres-ceo.

■ Brands

Corp adv

Ad agency: DDB Needham Worldwide, New York. Lawrence Iannuzzelli, exec vp; Anne Oliver, vp-mgmt super.

■ Division

Mobil Oil Corp.
Fairfax, Va.

■ Corporate personnel

Richard F. Tucker, vice chmn-pres-coo; Eugene A. Renna, pres-Mobil Mktg. & Refining, Worldwide; Robert O. Swanson, exec vp-intl mktg & refining, Mobil U.S. Marketing & Refining Div.; Joseph L. Cooper, pres; Robert J. McCool, vp-US mktg; Andy Spiess, genl mgr-mktg svcs.

■ Brands

Mobil auto gasoline, Mobil 1 oil

Ad agency: DDB Needham Worldwide, New York. Lawrence Iannuzzelli, exec vp; Bill Mattes, sr vp-mgmt super; Jose Banzon, acct super; Lisa Rimberg, acct exec.

■ Division

Mobil Chemical Co.
Fairfax, Va.

■ Marketing personnel

Philip W. Matos, pres.; Jeffrey A. Jones, business mgr-waste mgmt prods.

■ Brands

Hefty Bags, Baggies, Kordite

Ad agency: Wells, Rich, Greene, New York. Dick Byrne, exec vp; Lisa Partrick, vp-mgmt super; Stuart Westland, acct super; Christian Difalco, acct exec.

RANK: 49

Montgomery Ward & Co.

Chicago
Ad spending: **$213.6** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	359	34	944.2
Sunday magazine	6	173	(96.5)
Newspaper	67,248	62,001	8.5
Outdoor	4	13	(72.4)
Spot TV	23,236	4,849	379.2
Spot radio	16,373	10,232	60.0
Measured media	107,226	77,303	38.7
Unmeasured	106,400	76,700	38.7
Total	213,626	154,003	38.7
By top brands	**1989**	**1988**	**% chg**
Montgomery Ward misc	35,861	22,527	59.2
Montgomery Ward household	29,657	25,510	16.3
Montgomery Ward apparel	11,061	9,017	22.7
Montgomery Ward automotive	7,739	5,643	37.0
Montgomery Ward jewelry	3,569	2,395	49.0
Montgomery Ward sport	2,615	1,690	54.7

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	5,323	5,452	(2.4)
Earnings	151	146	3.4

■ Annual review

Montgomery Ward & Co.'s repositioning as a specialty retailer continues its slow but steady pace as it spends heavily on expansion and advertising.

The ninth largest retailer recently linked with Thrifty Rent-A-Car for in-store presence and signed three new celebrity spokeswomen as it continued to revamp full-line stores and add free-standing specialty shops.

Top management has been reshuffled, reflecting the emphasis on expansion, to prepare for the opening of 53 new stores by the end of 1991.

In July, Thrifty Rent-A-Car agreed to open offices in Ward's stores in 15 cities and will accept Ward's credit cards this fall. The test agreement calls for as many as 20 rental offices installed in Ward's stores by yearend. Possible joint advertising or direct marketing programs are in the works.

Three female celebrities will appear in print and TV ads by fall, continuing increased spending in those media. Chris Evert, Elle Macpherson and Connie Sellecca signed their name to new lines of contemporary apparel—part of Ward's effort to build name brand credibility.

Adding a wide range of national brands to its private label merchandise is paying off. Ward's is a leading retailer in sales of Maytag appliances. Sealy bedding products, La-Z-Boy furniture and NAPA auto parts.

Three prototypes of the new full-line specialty store under one roof opened in late '89 clustering Electric Avenue, Home Ideas, The Apparel Store and Auto Express. Each division has an individual exterior entrance and is joined inside by a central midway with customer services.

Existing stores are continually being converted to the specialty strategy and more stand-alone stores are opening in strategic markets, as well as near existing department stores in order to further leverage advertising. About a half dozen new markets will be entered in early 1991.

Five free-standing Kids Stores opened in Chicago in October. This children's apparel chain, featuring a high selection of merchandise, faces stiff competition but hopes to niche itself by targeting middle-income shoppers. The company is pleased with its results. Its newly-licensed Raggedy Ann and Andy line averages about 15% of the total merchandise mix.

Thirty-eight of the total new stores should be opened by yearend '90 and 20 new full-line stores by yearend '91, with at least half a dozen in new markets including Savannah, Ga. Ward's currently operates 336 stores in 39 states.

Although Ward's employment level dropped by 2,600 in 1989, it plans to staff up with 10,000 more by 1991 to run the new stores.

Chairman-CEO Bernard Brennan plans a high concentration of spot TV advertising for each new market and estimates the full-line stores (21 by end of 1991) planned for new markets will add about $400 million in sales.

Growth in ad spending in 1989 is credited mostly to spot TV and spot radio, which Ward's tried out for the first time in late 1988. Magazine spending also received a sizable increase.

The retailer's main campaign theme via Saffer USA Advertising continues to emphasize value-pricing on name brands. Chicago-based Saffer, which won the account in 1988 succeeding Young & Rubicam, faces a possible loss of the $15 million account as Montgomery Ward & Co. announced an agency review in mid-September.

■ Headquarters

Montgomery Ward & Co.
Montgomery Ward Plaza
Chicago, Ill. 60671
(312) 467-2000

■ Marketing personnel

Bernard F. Brennan, chmn-ceo; William J. McCarthy, pres-mktg; Dale Pond, sr vp-mktg; Ron Gilmore, media dir; John Bulgarella, dir-adv & promo planning; Jim Neustadt, creative dir-specialty stores.

■ Brands

Montgomery Ward

Ad agency: Saffer USA Advertising, Chicago. Nancy Bernstein, acct mgr.

RANK: 11

Nestle SA

Vevey, Switzerland
Ad spending: **$608.4** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	77,202	62,651	23.2
Sunday magazine	3,352	3,562	(5.9)
Newspaper	2,525	1,822	38.6
Outdoor	158	789	(80.0)
Network TV	125,642	105,892	18.7
Spot TV	53,393	68,062	(21.6)
Syndicated TV	33,291	25,489	30.6
Cable TV networks	5,298	4,955	6.9
Network radio	8,112	5,666	43.2
Spot radio	2,708	4,291	(37.1)
Measured media	311,674	283,179	10.1
Unmeasured	296,700	269,600	10.1
Total	608,374	552,779	10.1
By top brands	**1989**	**1988**	**% chg**
Stouffer frozen entrees	38,192	31,541	21.1
L'Oreal hair coloring products	21,186	13,971	51.5
Taster's Choice coffee	19,558	18,977	3.1
Nestle candy	18,448	13,744	34.2
L'Oreal Plenitude skin cream	12,331	159	NA
Lancome creams & lotions	11,940	10,009	19.3
Nestle mixes & baking products	11,440	14,597	(21.6)
L'Oreal hair styling products	11,006	13,250	(16.9)
Coffee-Mate non dairy creamer	9,250	7,133	29.7
Friskies cat food	9,022	7,704	17.1

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	29,478	27,051	8.9
Earnings	1,480	1,355	9.2

■ Notes: Sales and earnings figures are converted at the rate of 0.6135 dollars to the Swiss franc in 1989.

Nestle SA continued to build its U.S. market presence by funneling increased ad spending behind its major U.S. units, Carnation Co., Cosmair and Nestle Foods, realigning its advertising agencies and reconfiguring compensation arrangements while seeking greater international marketing hegemony in a joint venture deal with General Mills.

Nestle and General Mills formed Cereal Partners Worldwide (CPW) in 1989 to market breakfast cereals worldwide. CPW then bought the U.K. cereal business of Ranks Hovis McDougall PLC, giving the new unit an instant 15% of the $1 billion U.K. cereal market.

General Mills, a minor player in the European cereal market, sought out Nestle because of its marketing power in Europe where the cereal market is expected to grow to about $6 billion by the late 1990s, quadrupling its current size.

Carnation Co. in early 1990 consolidated consumer advertising in the Los Angeles offices of two Interpublic-owned shops, Dailey & Associates and McCann-Erickson Worldwide.

Dailey secured its position as Carnation's primary agency, while McCann was a new agency for the food and pet foods marketer. Carnation pulled all its brands from another Interpublic shop, Lintas:New York, and two other agencies, Ogilvy & Mather, Los Angeles, and Bloom Cos., Dallas.

Early this year, Carnation expanded an agency incentive program after testing the idea in 1989. The program links agency compensation to how ads score in research, production cost controls and other factors.

Carnation this year recast its problematic infant formulas, introduced in 1988. In early 1989, Carnation had dropped the controversial positioning of Good Start H.A. starter formula as "hypoallergenic" but refused to change the brand's name; last spring, it quietly dropped "H.A." from the title.

After spending $4.3 million in measured media in 1989 to promote Good Nature formula for older babies, the company renamed it Carnation Follow-Up Formula. Carnation has managed only an estimated 2% to 3% share of the $1.6 billion U.S. formula market.

Carnation entered the dog treat business in June 1990 by buying Superior Brands, with sales of $60 million. In July 1990, Carnation turned over marketing of Perform, its premium direct-market pet food, to SmartPets, a mail-order pet products marketer.

Carnation claimed a 13.9% share of the $6.21 billion pet foods market in 1989, up 1.2 share points from 1988, but still far behind leader Ralston Purina at 27%, according to John C. Maxwell Jr., analyst with Wheat, First Securities. Its cat foods lines performed better than dog food, reflecting similar trends among other players in the industry.

The Friskies cat food brand got $9.8 million, up 12.7%, according to LNA/Arbitron; its Friskies Buffet trailed only Heinz's 9-Lives (20.5% versus 9% of dollar value) in the canned cat food subcategory valued at $1.4 billion. Carnation's Fancy Feast, backed with $8.1 million, down 34.6%, took 12.4% of the subcategory.

Carnation held down the No. 3 and No. 4 positions in the canned dog food subsegment valued at $1.06 billion with Mighty Dog at 8.4% of market, down from 9.3%, and Grand Gourmet at 6.5%, up from 5.3%. Mighty Dog got $5.8 million in media backing, up 13.7% and Grand Gourmet was backed with $5.3 million, down 43.6%.

Carnation in January 1990 introduced nationally Coffee-mate Liquid, an extension of its powder non-dairy creamer, with an $18 million campaign.

Nestle joined the Nestle Foods' coffee units with Hills Bros. Coffee Co. to form the Nestle-Hills Coffee Co. This new entity, based in San Francisco, now handles Nescafe, Hills Bros., Taster's Choice, MJB, Chase & Sanborn and Sakes and Zoegas.

Nestle's market share for regular coffee (Hills Bros., MJB, Chase & Sanborn, Taster's Choice) rose to 13.5% in 1989 from 13%, according to Mr. Maxwell. It trailed Procter & Gamble at 32.2%, up 0.4 share points, and General Foods at 32.1%, down 0.9, in instant coffees (Nescafe, Taster's Choice, Sunrise, etc.), the company hit a 33.6% share, up 0.5 share points from 1988. Nestle backed its coffees with $33.5 million in 1989, down 9.5%. Spending decreases were monitored for virtually all lines.

Nestle was led by Hills Bros. among regular coffees with a 7.8% share (P&G's Folgers led all at 32.2%). Nestle's 17.3% share for regular and decaf Taster's Choice placed it No. 2 in instant coffees behind P&G's Folgers regular and decaf at 23.1%.

Following the coffee business consolidation, Nestle pulled its Taster's Choice account, valued at $25 million, from Della Femina, McNamee and placed it with McCann-Erickson Worldwide, which also handles all Cosmair advertising. Della Femina also lost the Lean Cuisine line to Tatham-Laird & Kudner, Chicago, but retained Stouffer's frozen foods.

Nestle merged the Stouffer Restaurant Co. and the Stouffer Hotel Co. to form the Stouffer Hospitality Group, headquartered in Cleveland. In addition, Nestle's ice cream and dairy business was consolidated with Carnation to form the Nestle Ice Cream Co.

Stouffer, which leads the $3.2 billion frozen entrees market with its red box and Lean Cuisine entrees, was challenged earlier this year by Kraft General Foods national launch of its 16-item blue box line. Advertising behind the blue box line, estimated at $10 million-$15 million, compared the quality of its ingredients with those in the red box line.

Stouffer also has been challenged this year with comparative ads from Geo. A. Hormel & Co.'s Top Shelf shelf-stable entrees. Stouffer's red box line in 1989 held 12.2% of market, down from 12.8%. Stouffer's Lean Cuisine dropped to 11.25% from 11.7%. Kraft GF's share rose to 11.6% from 11.1%. H.J. Heinz Co.'s Weight Watchers was the category growth winner with 10.5%, up from 9.9%, according to Arbitron/SAMI.

Nestle Foods purchased Baby Ruth, Butterfinger and Pearson candies from RJR Nabisco. Subsequently, the $10 million Baby Ruth/Butterfinger account was awarded to Jordon, McGrath, Case & Taylor from Lintas:New York. The new candy bars helped boost Nestle's share in the $5.1 billion candy market to 12% from 7% in 1988, behind Hershey at 40% and Mars at 36%.

After Eight dinner mints and Turtles candy accounts were awarded to J. Walter Thompson USA, while Nestle Enterprises shifted its $3 million corporate advertising account to Wyse Advertising, Cleveland. Nestle Foods daytime network TV media buying was awarded to Jordan, McGrath, Case & Taylor, New York.

The realignment of many of its agency relationships is a reflection of Nestle's policy of aligning brands to agencies designated as "preferred" based on the belief that this provides enough clout with these agencies so they won't work for Nestle competitors.

Cosmair boosted its cosmetics ad budget this year by about 30% for new product launches following several successful introductions in 1989. Majority owned by Nestle, it is the U.S. licensee of L'Oreal. Nestle also is a minority owner in Gesperal, a holding company that owns a majority of L'Oreal.

L'Oreal is adding Plenitude Action Liposomes to its mass-market skincare line (which competes directly with P&G's Oil of Olay). Plenitude was backed with $12.5 million in advertising for the six months it was marketed in 1989, according to LNA/Arbitron. Plenitude is the mass-market leader in France and may have achieved first-year sales of $10 million-$15 million largely in drugstores, according to Diane Temple, analyst with Salomon Bros. The U.S. skincare market was expected to reach $4.56 billion in 1990, up 9%, according to Ms. Temple.

L'Oreal haircoloring market share in supermarkets was 24.7%, down 0.1 share points. The leader was Bristol-Myers Squibb's Clairol at 70.4%, up 2.4 share points. L'Oreal's top haircoloring line is Preference, backed by $14.9 million in media in 1989, up 20.2%.

L'Oreal hair styling products (Free Hold, L'Oreal setting lotion, Studio) claimed 11.5% of supermarket category sales, down from 19.9% in 1988, as Helene Curtis (Suave, Finesse, Salon Selectives) passed it with a leading 14.9% share. Ad spending for Studio also dropped 34% to $11.8 million.

■ Headquarters

Nestle SA
363 Case Pestale
1800 Vevey
Switzerland

Nestle Enterprises
5757 Harper Road
Solon, Ohio 44139
(216) 349-5757

■ Corporate personnel

James M. Biggar, chmn.

■ Division

Carnation Co.
Glendale, Calif.

■ Marketing personnel

Timm F. Crull, pres-ceo; John McMennamin, vp-mktg svcs; Anne Fox, dir-media; Lou Carlo, pres-gm, dairies div; Stephen Cunliffe, pres-gm, pasta & cheese; John Harris, vp-gm, Carnation prods div; Fred Hull, pres-Nestle/Carnation Food Service Co.; Gordon James, vp-gm, culinary prods div; Ernie Strapazon, vp-gm, nutritional prods div; Chuck Weil, vp-gm, Friskies PetCare div.

■ Brands

Spot radio buying

Ad agency: Bloom Cos., Dallas. Mark Bateman, sr vp-mgmt super.

Carnation Bon Bons Ice Cream Nuggets, Carnation Deluxe Ice Cream, Carnation Hot Cocoa, Carnation Instant Breakfast, Carnation Malted Milk, Coffee-mate, Contadina canned tomato prods, Contadina pasta sauce, Libby's canned meats, Libby's pumpkin, Libby's salmon, Come 'N Get It dog food, Fresh Catch cat food, Friskies cat foods, Grand Gourmet dog food, Mighty Dog dog food, new products, sales promo

Ad agency: Dailey & Associates, Los Angeles. Brian Morris, exec vp-dir, client svcs; Robert Berger, sr vp-mgmt super; John O'Meara, vp-mgmt super.

Buitoni, Carnation Follow-Up Formula infant formula, Contadina Fresh pasta & sauces, Fancy Feast cat food

Ad agency: McCann-Erickson Worldwide, Los Angeles. Alan Burgis, sr vp-mgmt rep; Arlene Spector, vp-acct dir.

Direct mktg: Carnation Follow-Up Formula infant formula

Ad agency: McCann Direct, New York. Keith Weld, vp-mgmt super.

Professional medical adv: Carnation Follow-Up Formula, Good Start infant formulas

Ad agency: M.E.D. Communications, Woodbridge, N.J. Robert Portman, pres; Randi Kessler, acct super.

Black adv: Coffee-mate

Ad agency: E. Morris Ltd., Chicago. Karen Conorqui, vp-acct super.

Hispanic adv: ice cream, Carnation Follow-Up Formula, Coffee-mate

Ad agency: La Agencia de Orci & Asociados, Los Angeles. Roberto Orci, sr vp-acct mgmt rep; Macuqui Orci, acct super.

■ Division

Cosmair Inc.
New York

■ Corporate personnel

Jacques Correze, chmn; Guy Peyrelongue, pres-ceo.

■ Brands

L'Oreal hair care, L'Oreal cosmetics, Paloma Picasso, Cacharel Anais Anais, Lou Lou, Drakkar Noir, Biotherm

Ad agency: McCann-Erickson, New York. Beth Lynch, grp head; Donna Goldberg, Stacey Shokin, planners.

Armani fragrances, Lancome products, L'Oreal Plenitude skincare line

Ad agency: Publicis, New York. Fred Rhines, pres; Anne Lacome, sr acct exec.

■ Division

Nestle-Hills Coffee Co.
San Francisco

■ Marketing personnel

Barry Reis, vp-mktg.

■ Brands

Hills Bros., Chase & Sanborn, Nescafe, MJB, Taster's Choice

Ad agency: McCann-Erickson Worldwide, New York.

■ Headquarters

Nestle Foods Corp.
Purchase, N.Y.

■ Marketing personnel

Frank J. Anhofer, grp vp-chocolate; C. Larry Davis, grp vp-devel business; Steve Kubinski, dir-adv.

■ Brands

Nestle Crunch Bar, Goobers, Raisinets, Bit-O-Honey, Nestle Hot Cocoa Mix, Crunch Ice Cream Bars, 100 Grand Bar, Laffy Taffy, Baby Ruth, Butterfingers

Ad agency: Jordan, McGrath, Case & Taylor, New York. John Taylor, exec vp; Stephen Badenshop, sr vp-mgmt super.

Nestea, O'Henry, Chunky, Nestle Bars, Alpine White, After Eight, Turtles, Toll House, Nestle Morsels, Nestle Frozen Ready to Bake

Ad agency: J. Walter Thompson, USA, New York. Steven Dorwin, sr vp.

■ Division

Stouffer Foods Corp.
Solon, Ohio

■ Marketing personnel

Gerald DeCroce, vp-mktg.

■ Brands

Lean Cuisine, new products

Ad agency: Tatham-Laird & Kudner, Chicago. Robert Hoetscher, sr partner-dir, client svcs.

■ Division

Stouffer Hospitality Group
Solon, Ohio

■ Marketing personnel

Dr. Ronald Nykiel, sr vp-mktg.

■ Brands

Stouffer Hotels, Stouffer restaurants

Ad agency: Wyse Advertising, Cleveland. Marc Wyse, chmn; James Rucker, vice chmn, Lois Wyse, pres.

RANK: 83

News Corp.

Sydney
Ad spending: **$128.9** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	12,583	5,776	117.9
Sunday magazine	93	130	(28.6)
Newspaper	19,787	21,613	(8.4)
Outdoor	134	82	63.8
Network TV	26,467	19,809	33.6
Spot TV	29,825	46,871	(36.4)
Syndicated TV	4,824	3,595	34.2
Cable TV networks	2,610	3,515	(25.7)
Network radio	2,194	9,734	(77.5)
Spot radio	24,759	13,360	85.3
Measured media	123,275	124,484	(1.0)
Unmeasured	5,600	5,700	(1.8)
Total	128,875	130,184	(1.0)
By top brands	**1989**	**1988**	**% chg**
20th Century Fox movies	52,365	58,813	(11.0)
TV Guide	18,720	36,530	(48.8)
Fox Broadcasting Co.	13,858	4,649	198.1
Harper & Row	2,270	1,877	20.9
KTTV TV	1,467	1,466	0.1
KRIV TV	1,444	1,065	35.7
WFLD TV	1,330	762	74.6
WTTG TV	1,178	750	57.0
Boston Herald	1,152	1,662	(30.7)
Soap Opera Digest	1,126	2	NA

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	8,763	7,813	12.2
Earnings	282	497	(43.1)
U.S.	**1989**	**1988**	**% chg**
Sales	4,930	3,739	31.8
Operating income	799	585	36.6
Division sales	**1989**	**1988**	**% chg**
Newspapers	NA	1,859	NA
Magazines	NA	441	NA
Television	NA	408	NA
Filmed entertainment	NA	857	NA
Commercial printing	NA	188	NA
Other	NA	602	NA

Annual review

Rupert Murdoch is turning his gaze inward after a decade of consuming media properties which built News Corp. into a global giant and left the company an estimated $6 billion in debt.

Media analysts agree that Mr. Murdoch, who said the company will concentrate on existing business for the next several years, is under no pressure to spin off assets. They said a spate of sales earlier this year, however, indicate the company's desire to lessen its debt load.

News Corp. took on heavy debt in acquiring such properties as 20th Century-Fox, Triangle Publications, the Metromedia TV stations and the launch of Sky Television in the U.K. and Fox TV Network in the U.S. Apart from Sky, the other three operations represent the lion's share of News Corp.'s national media spending. Reduced advertising by *TV Guide* (Triangle), and 20th Century-Fox heavily influenced the overall 10% drop in the company's measured media.

"They are very highly leveraged and their operating results right now aren't very impressive," said Peter Apert, media analyst with Cyrus J. Lawrence. "Selling assets would help reduce the debt and that, in and of itself, is a desirable goal. But I don't see a fire sale by any means."

Last March, News Corp. shocked the publishing world when it sold the *Star* and its sister publication, *Weekly World News*, to *National Enquirer* publisher Macfadden Holdings, for $400 million. Two months later, News Corp.'s Harper-Collins publishing subsidiary sold its J.B. Lippincott unit to Wolters Kluwer N.V., a Dutch publisher, for more than $250 million.

Murdoch Magazines this May sold *Sportswear International* and the rights to *In Fashion*, which it folded in 1989, to the magazines' former publisher, Michael Belluomo. The following month, News Corp. floated 49% of the stock in its Hong Kong papers, the *South China Morning Post* and *Sunday Morning Post*. The stock was snapped up by investors within 24 hours.

News Corp.'s net profit took a bashing in fiscal 1990, dropping 43% from fiscal 1989, largely from losses on Sky, its money-draining U.K.-based satellite-TV service and the impact of a pilots' strike in Australia where it owns a 50% stake in the domestic airline Ansett Transport Industries.

Mr. Murdoch has pledged long-term support for Sky. News Corp. execs expect the service to be breaking even on a month-to-month basis by late 1991.

In the U.S., Murdoch Magazines posted fairly strong results despite an ad page crunch affecting the entire magazine industry. Murdoch has introduced *Men's Life*, a magazine for men over 30, but suspended plans to launch a newsweekly developed by former *Self* editor Anthea Disney.

TV Guide—Mr. Murdoch's crown jewel—is trying to reverse an ad page and circulation slump while facing increased competition from rival TVSM, publisher of *The Cable Guide* and the new weekly *TV Time*. In response, *TV Guide* unveiled a series of themed ad packages this year and will begin testing a larger-size edition in several markets early next year.

Media spending on *TV Guide* was slashed by $18 million to $18.7 million in 1989, largely due to the magazine's decision to end its barter arrangement with local TV stations. The media mix split evenly between spot and network TV, a medium not even used in 1988 when spot claimed $25 million and network radio $9.5 million. Network radio advertising was shelved by the publication in 1989.

After losing an estimated $125 million in its first two years of operation, Fox TV Network posted its first profit for the fiscal year ended June 30. The fourth network signed an estimated $550 million in upfront business this summer, almost double last year's $300 million.

Ad spending backing the network rose a dramatic 108% to $37.4 million, largely divided between magazines ($10.5 million, up from $3.5 million) and spot radio ($23.5 million, up 75%).

Fox's success is largely attributed to the ratings success of such shows as "Married ... With Children" and "The Simpsons." Fox is increasing its offerings for the 1990-91 season, expanding its prime-time schedule to five nights, adding a two-hour children's block of programming on Saturday morning and an animated weekday half-hour series.

Movie studio 20th Century-Fox finished the year ranked No. 6 with a 6.5% share of box-office take in North America, a far cry from its 11.6% share in 1988 that placed it No. 3, according to *Variety*. The studio released 17 films compared to 14 the prior year and cut its media spending by 9.3% to $52.7 million, distributed largely between network and spot TV and newspapers. "Big" got the biggest dollar allotment of $10.5 million.

Headquarters

News Corp.
2 Holt St.
Sydney, Australia N.S.W. 2010

News America Publishing
10 E. 53rd St.
New York, N.Y. 10002
(212) 815-8606

Corporate personnel

Rupert Murdoch, ceo.

Marketing personnel

News America Publishing: Rupert Murdoch, chmn; Martin Singerman, pres. Murdoch Magazines: Leslie Hinton, pres; Richard Hawkes, exec vp. Fox Inc: Barry Diller, chmn; Jonathan Dolgen, pres. Fox Television Stations: Greg Mathanson, pres. Fox Cable Programming: Robert Kreek, pres-coo. Fox Broadcasting Co.: Jamie Kellner, pres-coo. HarperCollins Publishers: George Craig, ceo.

Brands

News America Publishing, Murdoch Magazines, Fox TV Stations, Fox Broadcasting, HarperCollins Publishers

Ad agency: (In-house). Leon Hertz, exec vp-News America Publishing, vp-global mktg, News Corp Ltd.

Subsidiary

Twentieth Century Fox Film Corp.
Los Angeles

Marketing personnel

Joe Roth, chmn.

Brands

Twentieth Century-Fox

Ad agency: J. Walter Thompson USA, Los Angeles. James Agnew, exec vp-genl mgr.

RANK: 99

Nike Inc.

Beaverton, Ore.
Ad spending: **$104.6** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	18,930	16,660	13.6
Sunday magazine	2	9	(78.7)
Newspaper	330	277	18.9
Outdoor	292	77	277.9
Network TV	24,206	14,456	67.4
Spot TV	1,290	369	249.5
Syndicated TV	3,428	1,855	84.8
Cable TV networks	2,385	1,902	25.4
Network radio	0	335	NA
Spot radio	466	48	880.4
Measured media	51,328	35,987	42.6
Unmeasured	53,300	37,400	42.5
Total	104,628	73,387	42.6
By top brands	**1989**	**1988**	**% chg**
Nike sporting footwear	30,766	32,100	(4.2)
Nike sportswear	14,165	2,215	539.5
Side 1 sporting footwear	1,953	0	NA

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By top brands	1989	1988	% chg
Cole-Haan shoes	1,888	1,147	64.6
Nike	1,168	0	NA

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	2,235	1,711	30.6
Earnings	243	167	45.5
U.S.	**1990**	**1989**	**% chg**
Sales	1,755	1,362	28.9
Division sales	**1990**	**1989**	**% chg**
Athletic footwear	1,369	1,058	29.4
Non-athletic footwear	121	96	26.0
Apparel	266	208	27.9
Foreign	480	349	37.5

Notes: Fiscal year ended May 31, 1990

Annual review

Until it was targeted this August for a boycott by the civil rights organization Operation PUSH, Nike appeared to be on a roll.

Staking out the performance shoe market as its primary turf and—with agency Wieden & Kennedy—producing "Bo Knows" and other award-winning ads, the company took first place in the branded athletic shoe market in 1989 with a 24.8% share, topping Reebok International at 23.7%, which had led the market the previous three years.

Nike initially said it would make no changes in response to PUSH's criticisms of its affirmative action record and fought back by charging that PUSH and Reebok had financial ties. But in mid-August Nike announced a plan that would include naming a minority member to its board. Not good enough for PUSH, the boycott remains in effect.

The boycott is just one of the several factors placing Nike in a stiff marketing battle.

"The sneaker industry is driven by who has the best gimmick and who promotes best," said Gary M. Jacobson, industry analyst at Kidder Peabody. "Reebok had stumbled and other companies were not big enough to challenge Nike. Now that Reebok is back and other companies are focusing on Nike's market place, the competition should increase," said Mr. Jacobson.

Chairman-CEO Philip Knight gave his company a "D" grade in marketing to women in the 1988 annual report and Nike's record still hasn't improved, analysts said. Men represent 80% of Nike's business, according to Mr. Jacobson.

"By not doing a great job with women, Nike left a door open for companies like L.A. Gear and they took a lot of sales," said Frank Podbelsek of PaineWebber. Although L.A. Gear came in a distant third at 11% of market in 1989, it was up dramatically from 4.7%.

From "Bo Knows" to "Emotional Running," which won the Kelly Award, Nike's ads have been a story in themselves. Nike, which is continuing its "Just Do It" umbrella theme this year, recently broke a pro-education Bo Jackson spot (in which "Bo Knows Shakespeare"), having pledged $5 million of its $60 million ad budget to a pro-education campaign.

Other celebrities signed to the company include David Robinson, Michael Jordan, Spike Lee, Andre Agassi, John McEnroe, track star Lynn Jennings and Stacy Allison, who climbed Mt. Everest.

A major move by Nike in 1989 was to link apparel and shoes. That category catapulted from $1 million in 1988 to $13.3 million. As spending for just apparel decreased 0.6% to $1.6 million, spending for just footwear rose only 2.2% to $32.9 million, according to LNA/Arbitron.

Ad spending for non-sport footwear rose 166.3% to $3.1 million.

In mid-1989, Nike shifted its broadcast media buying account to SFM Media from Wieden & Kennedy which retained the remainder of Nike business.

Headquarters

Nike Inc.
3900 S.W. Nimbus
Beaverton, Ore. 97005
(503) 644-9000

Corporate personnel

Philip H. Knight, chmn-ceo.

Marketing personnel

Tom Clarke, dir-mktg; Andy Mooney, dir-footwear mktg; Stephen Gomez, dir-apparel mktg; Tim O'Kennedy, dir-intl mktg; Scott Bedbury, dir-adv.

Brands

Nike

Ad agency: Wieden & Kennedy, Portland, Ore. Dan Wieden, pres-adv creative dir; David Kennedy, chmn-creative dir; Dave Luhr, dir-acct svcs.

Broadcast media buying

Ad agency: SFM Media, New York. Bill Barrett, dir-client svcs; Robert Perlstein, dir-natl bdcast; Annette Mendola, dir-spot bdcast; Susie Schwarz, planning dir.

RANK: 37

Nissan Motor Co.

Tokyo
Ad spending: **$300.6** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	31,339	35,826	(12.5)
Sunday magazine	836	342	144.6
Newspaper	5,321	8,076	(34.1)
Outdoor	391	977	(59.9)
Network TV	73,425	57,159	28.5
Spot TV	113,502	64,147	76.9
Syndicated TV	4,936	1,559	216.7
Cable TV networks	2,321	595	290.0
Spot radio	4,971	8,633	(42.4)
Measured media	237,043	177,312	33.7
Unmeasured	63,600	47,600	33.6
Total	300,643	224,912	33.7

By top brands	1989	1988	% chg
Nissan cars	173,595	118,623	46.3
Infiniti cars	31,406	0	NA
Nissan trucks & vans	24,188	48,540	(50.2)
Nissan car leasing	1,374	899	52.8

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	26,600	23,867	11.5
Earnings	566	424	33.5

Notes: Fiscal year ended March 31, 1990

Annual review

Despite an infusion of new cars and the much ballyhooed entry of Infiniti, Nissan Motor Corp. in U.S.A., a subsidiary of Nissan Motor Co., Tokyo, got its biggest sales boost from improved sales performances of older cars and trucks, backed by its biggest ad budget.

Nissan's U.S. car/truck sales (imported and domestic production) were 663,416 units, up 3.2% from 1988 as Nissan claimed a 4.5% share of the total car-truck market, up from 4.15%. Nissan accounted for 5.1% of U.S. car sales, up from 4.4%, and 3.2% of the light-truck market, down from 3.4%.

Introduction last November of the new luxury Infiniti line, the $38,000 Q45 sedan and the $23,500 M30 coupe had the backing of a $60 million-plus campaign. Promotional efforts began in late August, however, with TV spots discoursing on product "philosophy" and abstract images of trees, rocks and sand—no car in sight.

More product-oriented second- and third-campaign phases came in February and in early spring. Nissan called the overall campaign a success, although Infiniti fell short of its sales goal despite a lot of showroom traffic. The line sold 1,723 units in December but only another 1,789 through June 1990.

Another sour note was the lackluster sales performance of the Axxess, a hybrid wagon/minivan introduced in 1989 but withdrawn from the market after just one model year. Sales, backed by $4 million in media advertising, totaled just 9,776 units as larger and more stylish minivans from other carmakers made the Axxess seem outdated.

U.S. sales performance in particular of the 240-SX sports coupe and the 300ZX model were brighter spots, especially that of the $19,000 Maxima, which sold 109,429 units, up 46.9%.

Maxima benefited from a TV-magazine campaign measured at $35 million, up 25%, heaviest for any Nissan model. Much of Maxima's promotion was based on its selection as 1989's most trouble-free car in a J.D. Powers & Associates survey.

Sales of Nissan's best-selling Sentra, an entry-level, sub-compact base priced at $7,399, accounted for 118,158 units, down 12.4%. Sentra received $15.2 million in media in 1989, down 10.5%, according to LNA/Arbitron.

Nissan's 1990 car lineup introduced an all-new sports car, the 300ZX Turbo, and in the compact category a new Stanza, intended to boost Nissan's share of the mid-sized sedan market dominated by Honda Accord, Toyota Camry and Mazda 626. Stanza had 42,736 sales in 1989, down 8.4%, although sales of 100,000 are projected for this year and 150,000 by 1992. Stanza's spending rose to $21.9 million, up from only $6.2 million in 1988.

The restyled 1990 Stanza compact is critical to Nissan's 1990 U.S. marketing plan. The Japanese importer spent an estimated $18 million on a three-week ad blitz last fall to position Stanza as a performance car for the family. Base price is $11,450.

The new Stanza campaign, like the rest of Nissan's 1990 model-year advertising, uses the theme "Built for the human race." The campaign is helping push Stanza sales to the 80,000 range for the model year.

Cash incentives to boost Stanza sales included a summer test-drive program, the "Stanza Challenge," offering $100 to anyone who took a test drive and still bought a competitive make compact—namely a Honda Accord or Toyota Camry. Nissan also paid dealer and customer incentives ranging from $300 to $1,500.

For the 1990 model year, Nissan is aiming for sales of about 660,000 units, though it has forecast a 6.6% industry-wide decline in auto and light-truck sales to about 14 million units. Its optimism of course is based on the anticipated 125% rise in Stanza sales.

TV is claiming about 85% of Nissan's 1990 national media budget of $200 million-plus; print will get the rest.

Nissan in 1989 set up Nissan North America, headquartered in Torrance, Calif. It will coordinate the 10 North American subsidiaries of Nissan Motor Co., Tokyo, including those of Nissan Motor Corp in U.S.A. They formerly reported to Nissan's North American Division in Tokyo.

Headquarters

Nissan Motor Corp in U.S.A.
P.O. Box 191
Gardena, Calif. 90247-7635
(213) 532-3111

Corporate personnel

Yoshikazu Hanawa, chmn-Nissan N. America; Tom D. Mignanelli, pres-Nissan div; Robert J. Thomas, vp-genl mgr, Nissan div; William Bruce, vp-genl mgr, Infiniti div.

Marketing personnel

Nissan: Jules Clavadetscher, genl sales mgr; Ron Hannum, genl mktg mgr; John Rinek, natl adv comms mgr; Karen Gustafson, natl adv svcs mgr; William Bivens, natl merch mgr; William Pauli, natl pr mgr. Infiniti: Earl Hesterberg, genl sales mgr; Peter Bossis, genl mktg mgr; David Hubbard, natl adv mgr; Brian O'Malley, natl merch mgr; Jack Collins, natl regional mktg mgr; Debra Sanchez, natl pr mgr; Laura Fox, media relations mgr.

Brands

Nissan

Ad agency: Chiat/Day/Mojo, Venice, Calif. Lee Clow, pres-creative dir; Tom Patty, exec vp-acct dir; Steve Goldman, vp-acct dir, regional; Pam Keehn, mgmt super-regional; William Flora, mgmt super-genl svcs; David Butler, sr vp-assoc creative dir; Mas Yamashita, vp-assoc creative dir; Hank Antosz, vp-media dir.

Infiniti

Ad agency: Hill, Holliday, Connors, Cosmopulos; Marina Del Rey, Calif. Jack Sansolo, pres-USA; Robert Blinick, Walt Verbanick, sr vps-mgmt supers; Kurt Olson, sr vp-media dir; Michele Shibuya, vp-acct super.

RANK: 93

Nynex Corp.

New York
Ad spending: **$120.7** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	6,910	9,814	(29.6)
Sunday magazine	1,248	1,937	(35.5)
Newspaper	14,844	22,461	(33.9)
Outdoor	213	180	18.1
Spot TV	33,259	42,412	(21.6)
Syndicated TV	22	0	NA
Cable TV networks	266	389	(31.6)
Spot radio	6,041	6,252	(3.4)
Measured media	62,803	83,444	(24.7)
Unmeasured	57,900	77,000	(24.8)
Total	120,703	160,444	(24.8)

By top brands	1989	1988	% chg
Nynex	15,721	18,973	(17.1)
New York Telephone Co	14,768	32,793	(55.0)
New England Telephone & Telegraph Co	14,087	13,693	2.9
Nynex information resources	10,130	9,691	4.5
Nynex business centers	1,082	1,360	(20.4)

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	13,211	12,661	4.3
Earnings	808	1,315	(38.6)
Division sales	**1989**	**1988**	**% chg**
Local service	5,494	5,395	1.8
Long distance	1,411	1,415	(0.3)
Network access	3,293	3,251	1.3
Other	3,013	2,601	15.9

Annual review

The weakening economy of the Northeast and four-month strike by telephone operators produced a drop in earnings at Nynex Corp. in 1989 and resulted in a 24.7% decline in ad spending.

Nynex's biggest corporate contributor, New York Telephone, was affected by the city's soft economy, in particular the troubled financial services industry.

"The engine of growth during the 80's was financial services and that is extremely weak today. In that kind of environment, it is difficult for Nynex to perform well," said Frank Governali, VP, First Boston.

New York Telephone also experienced a slight decline in its network access lines, the first such decline at the company, as customers switched to other carriers.

New York Telephone media spending dropped 55% to $14.7 million as its "A call can make a difference" campaign ran its course. It has been replaced by the "We're all connected" campaign. New England Telephone advertising grew 2.9% to $14.1 million as it introduced voice messaging. This year it launched call trace, call return and repeat dialing.

Nynex continued its "The answer is Nynex" campaign, using a case history format. In addition, a vertical industry

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Source: WSJ 1990 Worldwide Subscriber Study.
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technical ad campaign has been developed as an off-shoot of the corporate campaign. Nynex is currently reviewing its corporate campaign and may make modifications later this year.

Information Resources continues its ad campaign "Human Cartoons" from Chiat/Day/Mojo. The campaign was chosen by The One Club of New York as one of the 10 best TV campaigns of the 1980s.

Nynex Mobile Communications experienced a 68% growth of its cellular base in 1989. Its cellular base has increased from 12,000 in 1984 to 213,000 today. Media ad spending increased to $599,000, up from $35,500 in 1988.

Nynex Business Centers attracted $1.1 million in media spending in 1989, about the same as 1988. The centers, comprised of 78 branches in the U.S., market personal computers and related services. Nynex is the third largest non-franchised computer reseller in the country. The total PC market is expected to grow 16% annually, reaching about $58 billion in sales this year, the company said. But analysts have strongly recommended that Nynex get out of this business.

"Nynex has a weak earnings record. The diversification strategy that took Nynex into retail stores and software hasn't been one that Wall Street has favored. Wall Street is enamored with expansion of cellular telephones, but Nynex hasn't expanded much upon its original holdings," Mr. Governali said.

Regulations prevent Nynex from competing in the cable TV industry. In information services, Nynex is allowed to transmit data generated by others, but is prohibited from generating its own data.

Headquarters
Nynex Corp.
335 Madison Ave.
New York, N.Y. 10017
(212) 370-7400

Corporate personnel
Matthew Stover, vp-external affairs; Al Boschulte, vp-mktg.; Trish Watson, dir-adv.

Brands
Corp adv
Ad agency: Young & Rubicam, New York. Robert Gleckler, mgmt super; Ann Sullivan, acct super; Kevin White, acct exec; Renell Sullivan, acct exec.

Subsidiary
New York Telephone
New York

Marketing personnel
Theodore Federici, vp-external affairs; Michael Clendenin, mg dir-external affairs; Jerome Cadigan, dir-adv.; Milt Stamm, dir-adv.

Brands
Public telephone, Public telephone direct, direct mail, various programs
Ad agency: Grey Direct, New York. Rich Mascolo, exec vp; Margaret Myhan, acct super.
Direct Mail
Ad agency: Chapman Direct Advertising, New York. Rosemary O'Brien, vp-mgmt super; Francine Edelman, mgmt super.
Hispanic mktg
Ad agency: Conill Advertising, New York. Carlos Rossi, pres; Marisol Estay, acct exec.
Business & residential adv
Ad agency: Young & Rubicam, New York. Larry Shapiro, vp-grp dir; Sean Healey, mgmt super; John Morris, acct super; Gloria Tenofsky, acct exec.

Subsidiary
New England Telephone
Boston

Marketing personnel
James Crain, vp-external affairs; Geraldine O'Brien, mg dir-adv.

Brands
Business & residential adv
Ad agency: Cabot Communications, Boston. Carolyn Smith, sr vp-mgmt super; Arthur Sweetser, vp-acct super.
Residential direct mail
Ad agency: Cabot Direct, Boston. Suzanne Delice, vp-mgmt super.
Genl & business direct mail
Ad agency: Dickinson Printing & Mailing, Quincy, Mass. Reid Dickinson, pres.
Business direct mail
Ad agency: Rapp, Collins, Marcoa, Boston. Karen Zahorsky, vp-mgmt super.

Subsidiary
Nynex Information Resources Co.
New York

Marketing personnel
Donald MacKenzie, pres; Bernie Bloomfield, vp-mktg.

Brands
Yellow Pages
Ad agency: Chiat/Day/Mojo, New York. Mary Maroun, mgmt super-vp; Sara Rutherford, Lorraine Arado, acct supers.
Hispanic mktg
Ad agency: Conill Advertising, New York. Carlos Rossi, pres; Marisol Estay, acct exec.

Subsidiary
Nynex Business Information Systems
New York

Marketing personnel
Thomas G. Philie, vp-mktg; Frank Pilon, vp; Germaine Coriell, mgr-adv; Mike Marino, vp-Nynex Business Centers.

Brands
Nynex Business Centers, Nynex Business Information Systems
Ad agency: Hill, Holliday, Connors, Cosmopulos, Boston. Scott Cheyne, sr vp-grp dir.

Subsidiary
Nynex Mobile Communications
Pearl River, N.Y.

Marketing personnel
Dennis McManus, vp-N.Y. metro; Cynthia Woodyard, mgr-adv & promo, Upstate N.Y.-W. Mass.; Lisa Clarey, mgr-adv & promo, New England Cellular Provider.

Brands
Collaterals
Ad agency: Lohmeyer Simpson Inc., Morristown, N.J. Richard Ricciardi, exec vp; Valerie Moody, acct exec.
Upstate N.Y. & W. Mass
Ad agency: Schnurr & Jackson, Albany, N.Y. Jesse Jackson, vp.
New England Cellular Provider
Ad agency: Leonard, Monahan, Lubars & Partners, Providence, R.I. Tom Monahan; president-exec creative director; Kevin Conroy, vp; Scott White, account exec.

RANK: 75

Paramount Communications

New York
Ad spending: **$141.2** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	2,513	942	166.9
Sunday magazine	29	0	NA
Newspaper	24,066	26,799	(10.2)
Outdoor	71	55	29.2
Network TV	24,645	31,872	(22.7)
Spot TV	20,612	18,052	14.2
Syndicated TV	7,658	3,222	137.7
Cable TV networks	3,205	2,589	23.8
Network radio	829	795	4.3
Spot radio	1,816	577	214.8
Measured media	85,444	84,902	0.6
Unmeasured	55,800	55,400	0.7
Total	141,244	140,302	0.7

By top brands	1989	1988	%chg
Paramount Pictures	67,443	70,426	(4.2)
Paramount home video	9,910	8,114	22.1
Simon & Schuster	2,007	1,915	4.8
Madison Square Garden events	1,215	1,492	(18.5)

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	3,392	3,056	11.0
Earnings	1,465	385	280.9

Division sales	1989	1988	% chg
Entertainment	2,072	1,862	11.3
Publishing	1,320	1,194	10.6

Notes: Fiscal year ended Oct. 31, 1989

Annual review

Paramount Communications, renamed from Gulf & Western, turned into a fully entertainment company last year with the sale of Associates First Capital Corp., but its plan to become the largest entertainment conglomerate has so far met with roadblocks.

The Associates sale to Ford Motor Co. for $3.35 billion left Paramount cash rich, but its move this July to buy the remaining 21% share it didn't already own in TVX Broadcast Group was rejected by stockholders. TVX owns independent TV stations in six major U.S. cities.

Paramount's move to acquire Time Inc. for $12.2 billion also disintegrated in the summer of 1989 when Time opted to merge with Warner Communications.

Paramount formed Premier Advertising Sales with MCA, its frequent venture partner. The new company is the fifth largest broker of TV advertising, behind the Big 3 networks and Fox Broadcasting Co., with combined ad sales of about $250 million in the 1988-89 season.

Paramount Pictures fell from second to fifth in domestic box office take, or from a 15.2% share in 1988 to 13.8% in 1989. Its strongest release in 1989 was "Indiana Jones and the Last Crusade," with domestic receipts of $195 million. The film also was the most heavily promoted of the studio's 1989 picture lineup, with $7.9 million in media. The movie through 1989 ranked ninth in revenues on *Variety*'s all-time rental list.

Paramount spent $67.4 million on all films in 1989, down 2.6% from the prior year. LNA/Arbitron reported six other films received media support of more

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Fax (212)599-6980

*Independent matched panel studies on file with Ackerr, Capozzi & Petersen, Inc.

than $5 million: "Fat Man & Little Boy," "Black Rain," "Major League," "We're No Angels," "Cousins" and "Harlem Nights."

This year began strong for the studio with "The Hunt for Red October" taking in more than $80 million at the box office through mid-August. "Ghost" was the summer's big sleeper and could top $100 million by yearend, according to the studio.

Other summer releases, "Days of Thunder" and "Another 48 Hours," were expected to gross more than $70 million. Budgets for the two films were high, estimated by industry analysts at $50 million and $40 million, respectively.

Advertising direction for Paramount Pictures shifted in October 1989 with the arrival of Arthur Cohen, formerly of Revlon, as president of marketing. He began what is now an industry-wide trend of outdoor advertising and put ads for "The Hunt for Red October" on the sides of buses in major markets. He also shifted to smaller newspaper ads and increased magazine buys.

Paramount spent $3 million in media to advertise various books and publishing units within its publishing division. Simon & Schuster claimed the largest take of $2 million, same as 1988.

The company boosted its educational division with the acquisition of Computer Curriculum Corp., a producer of computer-based learning systems.

Paramount's Madison Square Garden Network cable unit began airing New York Yankee games in 1989 and got exclusive TV rights to 150 Yankee games each season from 1991 to 2000. This helped increase MSG's subscriber base 50% to 3.4 million.

Headquarters

Paramount Communications
15 Columbus Circle
New York, N.Y. 10023-7780
(212) 373-8000

Corporate personnel

Jerry Sherman, vp-corp comms; Barry London, pres-Paramount Pictures, Motion Pictures Grp.

Marketing personnel

Motion Picture Grp: Arthur Cohen, pres-worldwide mktg; Nancy Golinger, exec vp-mktg & creative affairs; Martin Kutner, exec vp-intl; Mardi Marans, exec vp; Deborah Rosen, exec vp-worldwide publicity; Michael Camp, sr vp-creative adv; Thomas Campanella, sr vp-adv; Cheryl Boone Isaacs, sr vp-natl publicity; Lucia Ludovico, sr vp-creative adv; Diana Widom, sr vp-worldwide publicity & planning; Michael Battaglia, vp-promo & special field publicity; Andrea Hein, vp-licensing; Ron Hein, vp-admin; Jerry A. Meadors, vp-mktg svcs; Blaise Noto, vp-publicity; Leslie Pound, vp-intl mktg; David S. Rosenbaum, vp-legal affairs.

Brands

Paramount Pictures-Motion Pictures Grp.
Ad agency: Ogilvy & Mather, New York. Ernie Shapiro, vp-acct super.

Division

Television Group
New York

Marketing personnel

Domestic Television Div: Steven Goldman, exec vp-sales & mktg; Meryl Cohen, sr vp-adv & promo; Susan Bluttman, dir-publicity. Network Television Div: John A. Wentworth, vp-adv, promo & publicity. Video Div: Hollace Brown, vp-adv & promo, home video; Alan Perper, vp-mktg.

Brands

Domestic television
Ad agency: Jacobs & Gerber, Los Angeles. Ray Jacobs, Susan Kantor, acct dirs.
Network television
Ad agency: Grey Advertising, New York. Gerry Logue, acct dir.
Video Div.
Ad agency: J. Walter Thompson USA, Los Angeles. Michael Arkin, vp-entertainment grp, vp-acct super.
Ad agency: 90% (for design), Hollywood, Calif. Henry Vizcarra, pres.

Division

Madison Square Garden
New York

Marketing personnel

Michael Walker, sr vp-mktg & comms; Linda Burns, corp vp-mktg; Monie Begley, vp-corp comms. Lee Berke, vp-mktg, MSG Network.

Brands

MSG Network
Ad agency: Grey Entertainment & Media, New York. Al Lieberman, pres; Ed Ritchkoff, mgmt super.

Division

Simon & Schuster
New York

Corporate personnel

Barbara M. Reno, sr vp-dir, corp comms.

Brands

Simon & Schuster trade div, Simon & Schuster, Pocket Books, Summit Books
Ad agency: Franklin Spier, New York. Alex Nelson, ceo; Erin McHugh, vp-assoc creative dir; Rhonda Hall, vp-acct exec.
Prentice Hall Press
Ad agency: Danza Schulman & Glennon, New York. Dennis Glennon, partner.
Prentice Hall School
Ad agency: Whitman Studios, Clifton, N.J. Jim Whitman, pres.
Ad agency: Group IV Design, Avon, Conn. Kathy Sterling, acct rep.
Modern Curriculum Press
Ad agency: Belden, Frenz & Lehman, West Lake, Ohio. Jerry Fenton, pres.
Manac Systems International
Ad agency: Marketel, Foster/McCann-Erickson, Montreal. John Woodfine, acct exec.
Simon & Schuster Human Resources
Ad agency: Tempo Advertising, New York. Irene Goldsmith, acct exec.

RANK: 26

J.C. Penney Co.

Dallas
Ad spending: **$407.5** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	13,983	10,927	28.0
Sunday magazine	2,254	2,883	(21.8)
Newspaper	81,388	74,169	9.7
Outdoor	37	49	(23.9)
Network TV	31,494	39,645	(20.6)
Spot TV	6,613	8,530	(22.5)
Syndicated TV	2,535	3,647	(30.5)
Cable TV networks	1,134	2,620	(56.7)
Network radio	11,864	5,008	136.9
Spot radio	7,621	6,496	17.3
Measured media	158,923	153,973	3.2
Unmeasured	248,600	240,800	3.2
Total	407,523	394,773	3.2
By top brands	**1989**	**1988**	**% chg**
Penney's apparel	59,215	53,824	10.0
Penney's misc.	45,581	52,892	(13.8)
Penney's household	18,010	15,030	19.8
Penney's jewelry	10,519	9,450	11.3
Penney's sportswear	5,725	4,750	20.5
Penney's drugs & toiletries	3,404	2,787	22.1
Thrift drugstores	3,150	3,138	0.4
Penney's suits	1,402	1,351	3.8
Penney's sport toy hobby	1,287	1,028	25.1

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	16,103	14,833	8.6
Earnings	802	807	(0.6)
Division sales	**1990**	**1989**	**% chg**
J.C. Penney stores	14,469	13,364	8.3
Catalog	3,205	2,918	9.8

Notes: Fiscal year ended Jan. 31, 1990

Annual review

J.C. Penney Co. continues to make progress in its ongoing repositioning as America's fashion department store.

The nation's fourth largest retailer this September introduced new image advertising for the 1990s themed: "Fashion comes to life." It replaces "You're looking smarter than ever," Penney's theme since 1983.

The new, stylish, lifestyle-oriented advertising is part of Penney's decade-long exodus from its mass merchandiser roots. Penney's wants to be thought of in the same league as upper-moderate department stores such as R.H. Macy & Co., Dillard Department Stores and May Department Stores, and not the Sears, Roebuck & Co. and Montgomery Ward & Co. clone it once was.

The retailer during 1989 spent its largest media outlays on general promotion, $26.4 million, up 25.2%; women's apparel, $22.3 million, up 18.6% and Penney's home furnishings, $18 million, up 20%.

Its media mix remained static except for network radio, which was more than doubled to $11.9 million in 1989. Jewelry, women's apparel and children's clothing sectors were new advertisers in the medium, an ad vehicle used in 1988 for most other apparel units.

Penney's target is the traditional/update consumer, women 18 to 44 with annual household incomes of $18,000-$70,000. Its goal is to get these middle-to-upper income shoppers to take a second look at its stores.

"Our biggest challenge is to get the targeted consumer to spend more money in Penney's stores," said Ron Shuler, director of marketing communications. "That buyer accounts for more than 70% of the purchases in our stores. She buys a certain item like hosiery, but not dresses and careerwear."

Penney's new advertising from N W Ayer, Dallas, shows off its newfound fashion flair. The campaign's major thrust is TV, on which five 30-second spots kicked off the campaign. Price points, traditionally screamed by Penney's in print, will become more discreet. A test involving 200,000 Penney's customers is under way on a men's and women's fashion newsletter, "Premiere," which could expand to Penney's 30 million cardholders.

Always promotion conscious, Penney's plans 1990/1991 promotions: "Spirit of the American Woman" and "Ports '91" as well as merchandising tie-ins with Walt Disney Co.'s holiday movie "Rescuers Down Under."

The retailer continues to spruce up its stores and refine and upgrade its merchandise mix, with a special emphasis on adding better name brands.

Penney's sales results have been mixed, according to analysts, signaling that some progress has been made in its repositioning, though it hasn't "arrived" yet. Men's and children's apparel sales have fared well, while women's apparel sales have lagged.

"It is very difficult to change a store's image. It is the single most difficult thing to do," said Monroe Greenstein, senior retail analyst with Bear Stearns & Co. "Penney's has made progress, but it still must convince consumers it is a fashion house."

Penney's also has ventured into specialty retailing and is betting on five new concepts. The concepts in various stages of test or development are: Amanda Fielding, an apparel store for women 35-plus; Tezio, an upper-moderate cosmetic chain for women 35-plus; In Detail, an upscale bed-and-bath shop; Portfolio Interiors by J.C. Penney, a home furnishings, accessories and home decorating chain; and Mixit, a casual wear concept similar to The Limited.

The new ventures have a role model—Units, the Penney 200-store clothing store subsidiary that emerged nationally several years ago and is now moving into Canada, Mexico and the U.K.

Penney's also has its own 24-hour cable TV shopping channel, the J.C. Penney Television Shopping Channel. Bozell, Dallas, handles.

Headquarters

J.C. Penney Co.
14841 N. Dallas Parkway
Dallas, Texas 75240-6760
(214) 591-1000

Marketing personnel

W. Barger Tygart, exec vp-dir, merch; Ronald Shuler, dir-mktg comms; Dean Erickson, sales plans mgr; Edward Hayward, adv mgr; K.L. Baker, dir-merch publicity & special events; Dave Nafziger, dir-visual merch; Don Hoggatt, mgr-presentation; Charles Lipscomb, dir-personal merch; Robert Burke, controller-merch. Women's Div: John A. McConville, pres; Kenneth Russo, Bill McCarthy, Marshall Beere, div vps-dirs, mktg; Marilee Cumming, vp-dir, prod devel. Men's Div: Thomas D. Hutchens, pres; J. Raymond Pierce, Ralph La Rovre, div vps-dirs, mktg. Children's Div: James L. Hailey, pres; Andrew Cumming, div vp-dir, mktg. Home & Leisure Div: James J. Kennedy, pres; J. Thomas Arthur, div vp-dir, mktg.

Brands

J.C. Penney stores & products, Portfolio Interiors by J.C. Penney
Ad agency: N W Ayer, Dallas. Tom Hooke, pres; Jim Hradecky, mg dir-creative svcs; Dave Lyon, mgmt super; Scott Bennett, acct super; Dillard Spring, also acct super.
J.C. Penney Television Shopping Channel
Ad agency: Bozell, Irving, Texas. Liener Temerlin, chmn; Dennis McClain, pres; Henry Lewczyk, exec vp-dir, strategic planning.
Units
Ad agency: In-house. Cathy Edwards, adv dir.

RANK: 6

PepsiCo

Purchase, N.Y.
Ad spending: **$786.1** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	3,010	1,753	71.7
Sunday magazine	32	228	(86.2)
Newspaper	7,229	5,966	21.2
Outdoor	3,681	3,080	19.5
Network TV	168,815	145,048	16.4
Spot TV	264,650	257,957	2.6
Syndicated TV	10,062	7,090	41.9
Cable TV networks	9,741	4,707	105.9
Network radio	5,823	3,942	47.7
Spot radio	33,382	28,198	18.4
Measured media	506,424	457,968	10.6
Unmeasured	279,700	252,900	10.6
Total	786,124	710,868	10.6
By top brands	**1989**	**1988**	**% chg**
Kentucky Fried Chicken restaurants	118,401	100,623	17.7
Pizza Hut restaurants	94,467	83,009	13.8
Pepsi beverages	71,952	70,244	2.4
Taco Bell restaurants	59,212	64,921	(8.8)
Diet Pepsi beverage	57,229	48,470	18.1
Doritos snacks	19,581	14,697	33.2
Slice beverages	11,388	13,002	(12.4)
Ruffles snacks	10,549	6,659	58.4
Frito snacks	10,537	8,584	22.6
Mountain Dew beverage	9,142	6,183	47.9

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	15,242	12,533	21.6
Earnings	901	762	18.2
U.S.	**1989**	**1988**	**% chg**
Sales	12,519	10,551	18.7
Operating profits	1,617	1,304	24.0
Division sales	**1989**	**1988**	**% chg**
Soft drinks	5,777	4,638	24.5
Snack foods	4,215	3,514	19.9
Restaurants	5,251	4,381	19.9

Annual review

PepsiCo quenched its thirst for growth in the soft-drink and snack-food sectors with $3.4 billion in acquisitions during 1989 and it fed its hunger for further dominance among restaurant chains with the addition of a combined 1,100 Pizza Hut, Kentucky Fried Chicken and Taco Bell outlets.

While PepsiCo fattened its bottom line—worldwide earnings grew 18.2%—PepsiCo botched its introduction of the well-received KFC Hot Wings. It did little to restore the goodwill of franchisees already angered by a new franchise contract and the slow development of menu items geared toward the health conscious.

Further management changes reflected attempts to put the KFC house in order and bolster real per-store sales, which fell 5%-8% for company and franchised stores. Profits at company-owned stores fell 14% to $100 million. That compares with PepsiCo's other restaurant operations: Taco Bell (up 38% to $113 million) and Pizza Hut (up 36% to $208 million).

Feeling the heat from McDonald's, KFC bit back with an aggressive and controversial ad campaign by Young & Rubicam satirizing Ronald McDonald. CBS would not run the spots which showed McDonald's more interested in toys than chicken. Pizza Hut strongly countered a test market foray by McDonald's with spots intended to put McDonald's new pizza menu item on ice. Cycling champ Greg LeMond wheeled onto the scene peddling the wares of Taco Bell.

KFC was included in a three-way promotion experiment with sister companies Pizza Hut and Taco Bell. Rives Smith Baldwin Carlberg, Houston, is handling. KFC accounts for 50% of the quick-service chicken market, Pizza Hut 22% of the pizza market and Taco Bell 66% of the Mexican restaurant market.

PepsiCo spent $118.4 million in media to back KFC, up 11.7%, $94.5 million for Pizza Hut, up 13.9%, and $59.2 million for Taco Bell, down 8.8%.

The corporate mainstay, Pepsi-Cola, increased its share of the $43 billion U.S. soft-drink market to 31.1%, up four-tenths of a point. Coca-Cola accounted for 41.1%. Pepsi-Cola outspent Coca-Cola in advertising its soft-drink lineup —$151.2 million to $140 million in measured media, according to LNA/Arbitron.

The Pepsi line claimed the largest portion of the total, $71.9 million, down 1.4%; Diet Pepsi got $57.2 million, up 17.9%; Slice $11.4 million, down 24%; and Mountain Dew $10.7 million, up 2.8%.

Pepsi also upped its TV advertising 50% in 1990 to contest Coke's gains in the rapid-growth diet-soft-drink sector. Diet Coke leads the pack at 8.9% total market share followed by Diet Pepsi at 5.7%, Caffeine-Free Diet Coke at 2.4% and Caffeine-Free Diet Pepsi 1.5%. All shares were up slightly.

Test marketing began for Mountain Dew Sport, aimed at siphoning away some of Gatorade's $350 million-plus sales and 90% market share among isotonic sports drinks.

PepsiCo supported its Frito-Lay snack food division with $48.2 million in media spending, up 32.8%. That total balloons to about $90 million when adding in unmeasured support, such as sales promotion, couponing, etc. The F-L brand getting the largest ad dollar attention again was Doritos, $19.6 million, up 28.1%.

The heavy support shows the value of Frito-Lay to PepsiCo. The division's worldwide sales grew to $4.2 billion in 1989, or 28% of PepsiCo's total revenues. F-L's operating profit spiraled to $821 million, or 42% of the corporate total.

Ruffles potato chips got $10.6 million in media, up 67.6% in 1989. Ruffles Light, Chee-Tos Light and Doritos Light rolled out nationally this spring backed by an estimated $20 million marketing campaign. The campaign followed strong tests in several states that eased concerns that "lighter" chips have less flavor. F-L competitors discovered this problem in previous attempts to carve out this segment niche. An F-L cooking process extracts the oil from Ruffles, for example, *after* they are cooked.

Ruffles were F-L's leading sales generator, with $560 million manufacturers level in 1989, up 8.7%, followed by Lay's at $420 million, up 5.7%, estimates *Snack Food* magazine. F-L's salted snacks in fact grew at twice the 5% rate of the salted snacks industry and represent about 50% of the market.

F-L decentralized its operations into regionalized units, a move seen by observers as a defensive maneuver to counter inroads into its domain by Borden, Anheuser-Busch (Eagle snacks), Keebler and Procter & Gamble.

Headquarters

PepsiCo
Anderson, Hill Rd
Purchase, N.Y. 10577
(914) 253-2000

Corporate personnel

Roger A. Enrico, pres-ceo; Allan Pottasch, sr vp-worldwide creative.

Division

Pepsi-Cola USA
Somers, N.Y.

Corporate personnel

Craig E. Weatherup, pres-coo; Michael Simpson, exec vp-mktg & natl sales; Michael Lorelli, pres-Pepsi-Cola East; Ronald W. Tidmore, pres-Pepsi-Cola South; Mauricio Pages, pres-Pepsi-Cola Central; Christopher M. Hallenback, pres-Pepsi-Cola West.

Marketing personnel

Brenda Barnes, sr vp-sales & channel mktg; Judy Fearing, vp-cola mktg; Frank Rupp, vp-graphic arts; John Mourhead, vp-mktg svcs; Rick Rock, vp-media.

Brands

Pepsi-Cola, Diet Pepsi, Slice, Mountain Dew
Ad agency: BBDO, New York. William Katz, sr acct exec; Peter Klinge, Evelyn Owen, acct execs.
Domestic black adv
Ad agency: Lockhart & Pettus, New York. Keith E. Lockhart, pres; David Harris, sr vp-dir, client svcs; Tom Jones, acct exec.
Mug root beer
Ad agency: Lois/GGK, New York. Mark Rothman, mgmt super; Andy Brief, acct super.
Domestic Hispanic adv
Ad agency: Siboney Advertising, New York. Luis Nasr, vp-gm; Carla Trum, vp-acct super.
Pepsi-Cola fountain beverages-regional mktg & adv
Ad agency: Tracy-Locke, Dallas. Mike Rawlings, exec vp-operations, gm; Mark Lamperski, Bruce Orr, grp acct dirs.

Division

PepsiCo Worldwide Foods
Plano, Texas

Corporate personnel

Michael H. Jordan, pres-ceo; John S. Pingel Jr., pres-ceo, PepsiCo Foods Intl.; Robert H. Beeby, pres-ceo, Frito-Lay.

Marketing personnel

Craig S. Jung, Doug Boyle, David Cowin, mktg dirs-PepsiCo Foods Intl; David J. Gustin, sr vp-mktg, Frito-Lay; W. Leo Kiely II, sr vp-field opers, Frito-Lay.

Brands

PepsiCo Foods Intl.-worldwide mktg
Ad agency: Young & Rubicam, Toronto. Gary Payne, worldwide acct dir-exec vp.
PepsiCo Foods Intl.-worldwide mktg
Ad agency: Tracy-Locke, Dallas. Howard Davis, pres-ceo; Mike Rawlings, gm.
Ruffles potato chips, Frito corn chips, Chee-Tos
Ad agency: DDB Needham Worldwide, Chicago. Alan Alexander, grp acct dir; Mark Leitner, mgmt rep-Ruffles; Don Shea, acct exec-Ruffles; Debra Rosenberg, acct super-Frito & Chee-Tos; Joanne Foster, acct exec, Chee-Tos.
Doritos, Tostitos, Lay's potato chips, Lay's Crunch Tators, Frito-Lay's dips, Rold Gold pretzels, Funyun's onion snacks
Ad agency: Tracy-Locke, Dallas. Howard Davis, pres-ceo; Mike Rawlings, gm; Ron Askew, dir-acct svcs; Tom Monroe, chief creative officer; Diane Fannon, dir-creative svcs; Ron Sataro, creative dir; Janet Bustin, acct dir.
Frito-Lay's Light snacks, Smartfood popcorn, Sunchips multigrain snacks
Ad agency: Levine, Huntley, Schmidt & Beaver, New York. James F. Brandhorst Jr., exec vp-mgmt dir; Steve Barcan, vp-mgmt super, Lights & Sunchips; Laurine Garrity, acct super-Lights & Sunchips; John Wheaton, sr vp-mgmt super, Smartfood; Diana Bowes, acct super-Smartfood.

Division

Kentucky Fried Chicken Corp.
Louisville, Ky.

Corporate personnel

John M. Cranor III, pres-ceo; Kyle T. Craig, pres-KFC USA; Martyn R. Redgrave, cfo-sr vp, finance; Olden C. Lee, sr vp-human resources; Gregg M. Reynolds, vp-public affairs.

Marketing personnel

William J. McDonald, sr vp-mktg; Colin W. Moore, vp-mktg & operations devel, intl; Peter J. Foulds, vp-adv; David S. Brooker, vp-field mktg; Thomas A. Cross, vp-mktg svcs.

Brands

Kentucky Fried Chicken
Ad agency: Young & Rubicam, New York. Tony Pace, mgmt super-domestic; Norman Kappler, mgmt super-intl; Nancy Katz, acct super-new prods; Tom Sebok, acct super-base business; Chris Callas, acct super-intl; Chris Goodman, acct

super-intl; Chris Goodman, acct exec-new prods; Dana Wade, acct exec-base business.

■ **Division**

Pizza Hut Inc
Wichita, Kan

■ **Corporate personnel**

Steven S Reinemund, pres-ceo

■ **Marketing personnel**

Terry Davenport, vp-mktg & adv; Roger Rydell, dir-public affairs; Bill Klepper, vp-finance

■ **Brands**

Pizza Hut

Ad agency: BBDO New York. Martha Pease, mgmt rep; Gretchen Hofmann, acct super; Liza Nathan, Christine Beeby, Yanna Nikitas, acct execs.

■ **Division**

Taco Bell
Irvine, Calif

■ **Corporate personnel**

John E. Martin, pres-ceo

■ **Marketing personnel**

Tim Ryan, sr vp-mktg; Karen Eadon, vp-mktg svcs & adv; Damon Liever, sr dir; Art Redmond, dir-mktg research

■ **Brands**

Taco Bell

Ad agency: Foote, Cone & Belding, San Francisco. John Balousek, exec vp-gm.

RANK: 45

Pfizer Inc.

New York
Ad spending: **$235.3** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	22.880	24.525	(6.7)
Sunday magazine	1.115	1.124	(0.7)
Newspaper	159	50	218.4
Network TV	62.623	56.671	10.5
Spot TV	5.581	3.105	79.7
Syndicated TV	1.835	1.194	53.7
Cable TV networks	1.137	2.149	(47.1)
Network radio	0	23	NA
Spot radio	1.148	358	221.1
Measured media	96.477	89.199	8.2
Unmeasured	138.800	128.400	8.1
Total	235.277	217.599	8.1
By top brands	**1989**	**1988**	**% chg**
Plax mouthrinse	19.618	14.999	30.8
Visine eye drops	14.614	13.295	9.9
Stetson men's toiletries	8.860	7.692	15.2
exclamation! perfume	7.446	5.818	28.0
Lady Stetson perfume	7.144	6.343	12.6
Pfizer Corp	7.030	333	NA
Unisom	6.261	6.410	(2.3)
Itzon cologne	4.509	5.789	(22.1)
Ben-Gay products	4.344	5.141	(15.5)
Coty facial products	2.987	4.720	(36.7)

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	5.672	5.385	5.3
Earnings	917	1.104	(17.0)
U.S.	**1989**	**1988**	**% chg**
Sales	3.097	2.884	7.4
Operating profit	564	685	(17.6)
Division sales	**1989**	**1988**	**% chg**
Health care	3.629	3.453	5.1
Consumer products	628	484	29.7
Animal health	489	540	(9.4)
Specialty chemicals	509	512	(0.6)
Specialty minerals	416	396	5.1

■ **Annual review**

Pfizer Inc. continued into 1990 its policy of building market share by spinning out new line extensions of its power brands. The plan met with mixed results in 1989, as Ben-Gay and Barbasol lost share points and Visine held tight to its dominant share—all of which were fortified by brand extensions.

In the consumer products division—formerly called Leeming/Pacquin—line extensions Visine AC and Visine Extra helped Pfizer's Visine remain the leader with a 50% share of the eye-care market. Measured spending registered $14.8 million, up 11%. This year, Pfizer rolled out Visine L.R., a long-acting relief for irritated eyes.

Ben-Gay Warming Ice, a line extension supported with $2.2 million in measured media, helped Ben-Gay meet encroaching competition from Bristol-Myers Squibb's Mineral Ice. But as a brand, Ben-Gay slipped from 39% to 35% of market, according to Julie Wolf, a consultant with Kline & Co. Measured spending dropped 56.3% for the Ben-Gay brand to $2.4 million.

Barbasol Gel, a line extension to Barbasol, the shaving market leader with 20% of the category, did not perform well. Retailers blame the modest performance of the gel on fierce competition from other gels such as Edge as well as cannibalization from Barbasol regular. LNA/Arbitron figures point to another problem—no measured spending against Barbasol versus a mere $1 million devoted to the brand in 1988.

More than $19 million in media (up 27%) backed Plax, an oral hygiene brand acquired in 1988, and helped it retain third place in the mouthwash arena behind Warner-Lambert's Listerine and Procter & Gamble's Scope. More than $150 million worth of Plax was sold worldwide last year.

Pfizer continues to be criticized for its Plax commercials that claim Plax is "clinically proven to remove more plaque than brushing alone." Various plaque-fighting products were reviewed by *Consumer Reports* last year, and Plax was found not to live up to its claims. Pfizer has denied all such claims.

The company is employing an unusual marketing tactic this year by test marketing a new product called Water-Jel in McDonald's restaurants. The product, intended for treatment of minor burns, comes in packets.

Pfizer's Coty division fared well in 1989 and so far in 1990 at a time of industrywide consolidation: Schering-Plough shed its Maybelline Co. cosmetics business; American Cyanamid Co. sold off its Shulton products including Old Spice.

Coty's Stetson and exclamation! remain in the top five-selling fragrances in drug chains, according to Ted Peterson, VP-trade relations for the National Assn. of Chain Drug Stores, Alexandria, Va. Measured spending behind Stetson for men totaled $8 million while another $7.1 million was pumped into Lady Stetson, up 9.5% and 12.7%, respectively.

Spending against exclamation! was $7.4 million, up 30%. Volume for the women's scent is approaching $30 million—almost double initial expectations. Flush with the success of both items, Coty is planning two new fragrances—Analtsa floral cologne and Chill Out Cologne Spritzer. Coty also markets Sand & Sable with spending just over $2 million.

The company's Iron men's scent generated sales of $7 million in 1989, although short of expectations. Measured spending dipped 22% to $4.5 million.

The Coty division makes strong use of network TV. The four popular scents—exclamation!, Iron, Lady Stetson and Stetson for men—were backed by a combined $27.3 million in media, of which 76% was network TV and the remainder largely magazines.

Pfizer continues to be one of several companies marketing pharmaceutical items directly to consumers via advertisements in health publications and health-related cable programs.

■ **Headquarters**

Pfizer Inc.
235 E. 42nd Street
New York, N.Y. 10017
(212) 573-2323

■ **Corporate personnel**

Edmond T. Pratt Jr., chmn-ceo; Gerald D. Laubach Ph.D., pres.

■ **Brands**

Corp media buying

Ad agency: Adforce Inc. (in-house), New York. Robert J. Geller, pres; John M. McAvity, vp-bdcast; Martin J. Gennusa, vp-media.

■ **Division**

Pfizer Animal Health Group
New York

■ **Corporate personnel**

M.W. Roche, pres; W.P. Crawford, exec vp.

■ **Marketing personnel**

R.A. Behrenhausen, vp-worldwide mktg & devel; G.H. Levy, P.O. Wilder, dirs-worldwide mktg.

■ **Division**

Pfizer Consumer Products
New York

■ **Corporate personnel**

J.F. Harmon, pres.

■ **Division**

Consumer Health Care
New York

■ **Marketing personnel**

R.L. Unger, sr vp; T.F. Coughlin, vp-sales; Roy Pera, vp-purchasing & packaging.

■ **Brands**

Pacquin, Unisom

Ad agency: Avrett, Free & Ginsberg, New York. Don Bandman, exec vp; Marlene Wheeler, acct super.

Visine, Visine A.C., Rid

Ad agency: Backer Spielvogel Bates Worldwide, New York. Joe Prior, exec vp; Tom Blut, acct super; Cheryl Bain, acct exec.

Ben-Gay, Barbasol, Plax

Ad agency: Ally & Gargano, New York. Jim Feeney, exec vp; Bob Taber, vp-mgmt super.

■ **Division**

Coty Division
New York

■ **Marketing personnel**

J.L. Abernathy, exec vp; J.T. Markowski, vp-mktg; J. MacDougald, vp-sales.

■ **Brands**

Lady Stetson, Iron, Overnight Success, exclamation!

Ad agency: Ketchum Advertising, New York. Pam Sarnoff, vp-mgmt dir; Diane Nuttall, acct exec.

RANK: 1

Philip Morris Cos.

New York
Ad spending: **$2,072.0** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	281.454	271.301	3.7
Sunday magazine	14.973	19.830	(24.5)
Newspaper	29.713	40.716	(27.0)
Outdoor	70.924	61.701	14.9
Network TV	368.373	388.602	(5.2)
Spot TV	180.492	158.380	14.0
Syndicated TV	106.801	88.592	20.6
Cable TV networks	20.492	23.075	(11.2)
Network radio	8.778	8.698	0.9
Spot radio	42.714	40.092	6.5
Measured media	1.124.712	1.100.987	2.2
Unmeasured	947.300	927.400	2.1
Total	2.072.012	2.028.387	2.2
By top brands	**1989**	**1988**	**% chg**
Miller beer	146.847	163.561	(10.2)
Post cereals	101.956	103.440	(1.4)
Marlboro cigarettes	100.751	119.207	(15.5)
Maxwell House coffees	71.112	44.385	60.2
Kraft cheeses	57.078	67.969	(16.0)
Merit cigarettes	54.223	55.185	(1.7)
Kraft salad dressing & mayonnaise	51.462	23.977	114.6
Virginia Slims cigarettes	44.361	31.931	38.9
Benson & Hedges cigarettes	37.616	57.363	(34.4)
Jell-O gelatins & puddings	30.681	34.839	(11.9)

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	44.759	31.742	41.0
Earnings	2.946	2.337	26.1
U.S.	**1989**	**1988**	**% chg**
Sales	31.233	20.866	49.7
Operating profit	6.061	3.975	52.5
Division sales	**1989**	**1988**	**% chg**
Domestic tobacco	9.489	8.501	11.6
International tobacco	8.375	8.085	3.6
Food	22.933	11.265	103.6
Beer	3.435	3.262	5.3
Financial svcs	527	629	(16.2)

■ **Annual review**

Philip Morris Cos. pumped up its international marketing muscle with an agreement to acquire Swiss coffee and confectionery giant Jacobs Suchard in June 1990.

The $3.8 billion deal promises to make PM, already the world's largest consumer package goods company, a leader in European ground roast coffee and No. 3 among Europe's confectionery marketers.

The acquisition also brings the company into closer competition with marketing superpower Nestle SA. Suchard's brands include Milka and Toblerone chocolates, Kroenung, Night & Day and Jacobs Cafe coffee. Not included in the PM deal were Suchard's Canadian subsidiary and E.J. Brach, its U.S. candy company.

In August 1990, PM appointed Raymond Viault, formerly Maxwell House division president, to CEO of Jacobs Suchard. Mr. Viault is succeeded by Charles Phillips, formerly of Kraft General Foods International, where he was president-Latin America, Eastern Europe, Middle East and Africa.

PM's sweet tooth for acquisitions may not have been satisfied by Suchard, however. Analysts said the company is expected to make another large-scale acquisition soon because of its strong cash flow position. That cash is generated mainly by PM's tobacco operations, which posted another record year in 1989. PM defied the odds, gaining 2.6 share points in the U.S. tobacco market in 1989, to 41.9%, despite a 6% slump in industry-wide unit sales.

According to Wheat, First Securities analyst John Maxwell, PM's growth in the market was led by Marlboro, which picked up an additional 1.4 share points in 1989, sending its share to 26.3%. The brand family received $75 million in media and got a line extension, Marlboro Menthol, introduced nationally.

PM stunned the industry in 1989 by bringing out its long-rumored "de-nicotinized" cigarette, made by a process borrowed from coffee decaffeination. The cigarette is testing in five markets either under the Merit DeNic or Next DeNic name. Leo Burnett USA, Chicago, handles.

PM this October will test Benson & Hedges DeNic in Phoenix. Sales of regular B&H cigarettes have been ailing. The brand dropped below a 4% share in 1989 from 4.1% the prior year. Last October PM asked its shops to come up with new creative for B&H, but the $60 million account remained at Wells, Rich, Greene, New York. PM has reportedly considered positioning B&H as a less upscale brand.

PM rolled out Virginia Slims Superslims, a low-smoke, small-circumference brand for women in 1989, which the company said has racked up more than a 0.5% share. The company also is testing Cartier Vendome, a ritzy, premium-price cigarette on the West Coast via Backer Spielvogel Bates, New York.

PM moved to strengthen its lineup in the price-value category, an industry category now accounting for 18% of all cigarettes sold. In 1989 it began testing two price-value brands—Bucks and Bristol. It also converted Alpine from full to generic pricing.

PM continued to hold the line on outdoor advertising for its cigarettes, spending $55 million in the medium, about the same as in 1988. A downward trend among cigarette marketers is anticipated by the medium. Tobacco advertisers this summer have faced heavy criticism from community groups concerning their heavy use of outdoor boards in minority areas.

PM drew criticism for its $60 million "Bill of Rights" corporate campaign in 1989 from anti-smoking groups that claimed it was a veiled attempt at advertising cigarettes on TV. (There is a Philip Morris cigarette.) PM's network TV and print campaign celebrated the Bill of Rights and offered a free copy of the document to viewers. Ogilvy & Mather, New York, handled.

An aggressive new-products program and $65 million in measured 1989 spending advanced General Foods USA's Maxwell House's coffee share to 27.5%, up from 27% in 1988, according to Mr. Maxwell. Procter & Gamble's Folgers, meanwhile, crept to 32.2% from 31.8%. By mid-1990, GF's Maxwell House had gained steam, though. Only about two share points are believed to separate the two.

The Maxwell House revitalization came from a host of new Maxwell House products in 1989 including Colombian Supreme ground coffee, Maxwell House Rich French Roast and Maxwell House pre-measured Filter Packs.

In 1990 the company rolled out a "slow-roasted" nostalgia brand called Maxwell House 1892 and began testing a refrigerated liquid coffee concentrate under the Maxwell House name, and a bottled iced coffee called Cappio. D'Arcy Masius Benton & Bowles, which snared the $65 million-$70 million Maxwell House account from Ogilvy & Mather, New York, in 1989, handles all the new products, with the exception of Cappio, which is at Margeottes Fertitta & Weiss, New York.

GF got into hot water in spring 1990 over its Maxwell House campaign that claimed taste tests showed "America prefers Maxwell House" to Folgers. Ads were modified when NBC and CBS-TV refused them under pressure from P&G. The tagline was changed to "America loves Maxwell House."

Unlike Maxwell House, there was no turnaround for GF's other troubled unit, Post cereals, which cut its media spending for all brands 4.7% to $102 million. Hurt in part from the fallout in oat bran cereals, Post continued to lose share in 1989, dropping from 11.4% in 1988 to 10.5% in 1989. GF had pinned its hopes on two new major oat-based entries in 1989, Post Oat Flakes and Honey Bunches of Oats, but despite $25 million-plus in marketing budgets for each, neither was able to maintain even a 1% share.

Kraft General Foods' strategy during 1989-90 was to become "fat-free." KGF's Entenmann's Bakery unit began testing a line of fat- and cholesterol-free, low-calorie baked goods. KGF Frozen rolled out cholesterol-free Sealtest Fat Free dessert bars, Sealtest Free frozen dairy dessert and frozen yogurt, and Light 'n Lively Free no-fat refrigerated yogurt.

Kraft USA rolled out Kraft Free no-fat salad dressings in March 1990. Kraft Free is a particularly important product for KGF, whose salad dressing share (including Seven Seas) dropped to 40.9% in 1989 from 42.7% a year earlier. Its main competitor, Clorox Co. at a 20% share, met the fat-free challenge with the rollout of Take Heart low-fat dressings.

In August 1989, Kraft reached an agreement to use NutraSweet Co.'s Simplesse in mayonnaise and Miracle Whip, while parent KGF applied for FDA approval for its own fat substitute, code-named Trailblazer, which is made from egg whites and milk.

In frozen novelties, GF USA (Jell-O, Crystal Light, Kool-Aid novelty lines) lost its leading share of 9.6% to Unilever at 17.9% when Unilever added newly acquired Gold Bond to its Good Humor share.

Synergies promised from PM between food units GF and Kraft came to fruition in 1989, with GF folding its Culinova refrigerated entree business under the Kraft Chillery label, and a year later, changing its Impromptu shelf-stable line to Kraft Microwave Entrees. Frozen meals also were built up with the rollout of Kraft blue box entrees, handled by Foote, Cone & Belding, Chicago, and competing with Stouffer's red box line.

KGF consolidated its media services units for an estimated savings of $15 million annually. David Braun, former director of media and promotional services at GF USA, was named VP-media services of the combined unit, which spends $750 million annually on advertising. President-CEO Michael Miles added the post of chairman from John Richman, who took early retirement in October, and Charles Martin was named VP-marketing services at Kraft USA, succeeding Joel Weiner, who left.

Miller Brewing's share of the U.S. beer market moved up a share point 22.4% in 1989, according to *Beverage Industry* magazine. Miller rolled out Lowenbrau Light and Sharp's non-alcoholic beer during the year. It was expected to spend $5 million-$7 million on Sharp's in 1990 via Franklin, Laughlin & Constable, Milwaukee.

Miller Brewing, like Anheuser-Busch, cut its media expenditures in 1989. Miller spent $150.2 million for all brands, off 11.3% from 1988. The difference came out of spending for Miller High Life, $28.3 million, down 17%; Genuine Draft, $46.3 million, down 15% and Miller Lite, $64 million, down 6%, according to LNA/Arbitron.

In 1990, Miller is facing new competition from Anheuser-Busch, which began testing Busch Cold Filtered Draft targeted at Miller Genuine Draft. Miller Genuine Draft sold 4.5 million barrels in 1989, up 21.6%, according to *Beverage Industry*.

Miller may soon move national with a light version of Genuine Draft, originally tested as Lite Genuine Draft, and Genuine Draft Light.

Miller sewed up a four-year, $130 million deal with the National Basketball Assn. in March 1990 giving the brewer exclusive rights to promote its involvement with NBC/NBA broadcasts in POP materials. Although the company reached agreement with NBA to call Miller "the malt beverage of the NBA" Miller won't be the games' exclusive sponsor.

■ **Headquarters**

Philip Morris Cos.
120 Park Ave.
New York, N.Y. 10017
(212) 880-5000

■ **Division**

Philip Morris USA
New York

■ **Marketing personnel**

David E.R. Dangoor, sr vp-mktg; Vincent Bucceliato, sr vp-sales; Elizabeth Buston, vp-new prods; Jim Morgan, sr vp-planning; Ellen Merlo, vp-mktg svcs; David Beran, dir-business planning; Richard Stirlen, dir-media; James Spector, dir-consumer promos; Louis Suwarna, dir-new prods; Micheal Heinrich, dir-purchasing; Carolyn Levy, dir-mktg research; Leo McCullagh, dir-events mktg; Nancy Brennan Lund, grp dir-Marlboro; Robert Mikulay, grp dir-price value; Brian Schuyler, dir-retail merch program; James Scully Jr., grp dir; Thomas McCarthy, grp dir, Benson & Hedges, Virginia Slims; Timothy Beane, mgr-retail promo planning; Barbara Weinstein, mgr-mktg planning & forecasting; Maryanne Nawrocki, mgr-dir mktg; Esther Fortner, mgr-special trade events; Roy Anise, mgr-mktg research; Richard Camisa, brand mgr-Marlboro & new product analysis; Thomas Garguilo, asst brand mgr-media & adv, Marlboro; Stuart Fuller, brand mgr, Benson & Hedges; Renee Simons, dir-special prods & corp planning; Arthur Goldfarb, brand mgr-price value brands; Arthur Raporte, brand mgr-Cambridge; Susan Jannetta, brand mgr-new prods; Alex Aliksanyan, brand mgr, Parliament.

■ **Brands**

Parliament, Bristol, new products

Ad agency: Backer Spielvogel Bates Worldwide, New York. Ron Kraut, sr vp-dir, sales prom; Rene Natoli, acct exec.

Marlboro, Merit, Virginia Slims, Cambridge, Alpine, new products

Ad agency: Leo Burnett USA, Chicago. James Oates, vice chmn-client svcs dir; Peter Volz, sr vp; Tom Dudreck, vp-acct dir; Ted Simon, vp-acct super, U.S. & intl.

Benson & Hedges

Ad agency: Wells, Rich, Greene, New York. Chris Lloyd, acct super; Jolie DeFeis, acct exec; Christine Gillespie, assoc acct exec.

■ **Division**

Kraft General Foods Corp.
Glenview, Ill.

■ **Marketing personnel**

Eric Strobel, sr vp-corp mktg

■ **Division**

Kraft General Foods Frozen Products
Glenview, Ill

■ **Marketing personnel**

Tom Herskovitz, pres; William Dowd, pres-dairy grp; W. Michael Goodwin, vp-mktg.

■ **Brands**

Birds Eye, Jell-O Pudding Pops, Brewer's

Ad agency: Young & Rubicam, New York. David Kahn, grp dir; Daryl Elliot, Dave Findel, mgmt supers.

Light 'n Lively, Breakstone, Frusen Gladje, Lender's

Ad agency: McCann-Erickson, New York. Dan Cohen, sr vp-grp dir.

All American Gourmet, Tombstone Pizza

Ad agency: Foote, Cone & Belding Communications, Chicago. Jim Cerasani, sr vp-grp mgmt dir.

■ **Division**

Kraft USA
Glenview, Ill.

■ **Marketing personnel**

Charles Martin, vp-mktg svcs.

■ **Brands**

Corp adv

Ad agency: Foote, Cone & Belding Communications, Chicago. Jim Cerasani, sr vp-grp mgmt dir.

■ **Division**

Grocery Products Group
Glenview, Ill.

■ **Marketing personnel**

Roger Deromedi, vp-grocery prods grp.

■ **Brands**

Miracle Whip, meat enhancements, Versatile side dishes, caramels, added meats, Touch of Butter

Ad agency: Foote, Cone & Belding Communications, Chicago. Jim Cerasani, sr vp-grp mgmt dir.

Kraft mayonnaise, Breyers fruit spreads

Ad agency: Young & Rubicam, New York. Chris Becker, mgmt super.

Fresh foods, "Project Dig," pourable dressings, Seven Seas, Kraft Intl., margarine, Parkay, fresh foods new products

Ad agency: Leo Burnett USA, Chicago. Sarah McGhie, vp-acct dir.

■ **Division**

Refrigerated Products Group
Glenview, Ill.

■ **Marketing personnel**

Mary Kay Haben, vp-mktg; Bob Eckert, exec vp-genl mgr.

■ **Brands**

100% Natural, Velveeta Loaf, Velveeta Slices, Cracker Barrel, Spreadery, Chillery

Ad agency: Leo Burnett USA, Chicago. Connie Nelson, Sarah McGhie, vps-acct dirs.

Grated Cheese, Handi Snacks

Ad agency: Foote, Cone & Belding Communications, Chicago. Jim Cerasani, sr vp-grp mgmt dir.

Philadelphia cream cheese, Cheese Whiz

Ad agency: J. Walter Thompson USA, Chicago. Jane Wilson, acct super; Karen Gruber, acct dir.

Knudsen, Cheese Sauces

Ad agency: Grey Advertising, Los Angeles. Larry Varnes, exec vp-dir, client svcs.

Polly-O Cheese

Ad agency: Young & Rubicam, New York. Chris Becker, mgmt super.

■ **Division**

Kraft General Foods
Commercial Products
Glenview, Ill.

■ **Marketing personnel**

George Goebler, pres; Rick Avery, pres-KGF Ingredients Corp.

■ **Division**

General Foods USA
White Plains, N.Y.

■ **Corporate personnel**

Richard P. Mayer, pres.

■ **Marketing personnel**

Loraine Scarpa, vp-mktg svcs; Richard Helstein, dir-mktg svcs; Charles Phillips, pres-Maxwell House div; Robert Pizuti, dir-mktg & sales, Maxwell House; Sylvester T. Hinkes, grp vp-Post cereals; Peter Waters, controller-mktg & sales; J. Mark Haran, vp-sales & mktg; Gregory Murphy, pres-ceo, Entenmann's Bakery Cos.; Peter Rollins, dir-mktg & business devel, Bakery Cos.; Paula Sneed, pres-food svcs; Douglas Smith, grp vp-beverages; Henry Rak, dir-div information-beverages; Irene Rosenfield, mktg mgr-established brands; Stephen Sadove, grp vp-desserts; Dana Gioia, dir-mktg, packaged desserts; Jown Bowlin, grp dir-dinners & enhancers; Ann Fudge, mktg dir-dinners & enhancers.

■ **Brands**

Entenmann's, Crystal Light, Crystal Light frozen novelties, Cool Whip, Good Seasons, Maxwell House, Master Blend, Yuban, Brim, Private Collection

Ad agency: D'Arcy Masius Benton & Bowles, New York. Peter Rosown, Richard Levenson, joint mg dir; Courtney Day, Becky Bunnell, dirs-operations & strategy; Jack Reed, sr vp-grp acct dir.

Post Raisin Bran, Grape-Nuts, Grape-Nuts Flakes, Honeycombs, Fruit & Fibre, Post Bran Flakes, Post Oat Flakes, Crispy Critters, Minute Rice, Stove Top, Kool-Aid, Kool-Aid Koolers, Baker's Chocolate/Coconut, D-Zerta, Dream Whip

Ad agency: Grey Advertising, New York. Jack Frantz, exec vp; Carolyn Carter, Jerry Zaret, Carol Herman, sr vps.

Pebbles, Super Golden Crisp, Alpha Bits, Country Time, Tang, Log Cabin syrup, Shake 'n Bake

Ad agency: Ogilvy & Mather, New York. Richard Roth, sr vp-grp dir; Robert Hay, **Jell-O, Sanka, General Foods Intl Coffees**

Ad agency: Young & Rubicam, New York. Daryl Elliot, mgmt super; Larry Shapiro, worldwide acct dir.

Foodservice, desserts, cold beverages

Ad agency: Cato Johnson Worldwide, New York. Nick Becce, vp-mgmt super.

Log Cabin syrup-Hispanic adv

Ad agency: Noble & Asociados, Irvine, Calif. Karmen Guzman, acct super.

Cappio iced coffee

Ad agency: Margeotes Fertitta & Weiss, New York. George A. Fertitta, pres-ceo.

■ **Division**

Miller Brewing Co.
Milwaukee, Wis.

■ **Marketing personnel**

Richard Strup, vp-brand promos; Scott Stewart, dir-mktg promos; Mary Seggerman, premium category dir; David Krishock, low-calorie category dir; Thomas Cardella, brand mgr; Mark Wildman, asst brand mgr; Kevin Tripp, brand mgr-Draft Light; Laurie Panosh, asst brand mgr; Jeffrey Schoutenm, brand mgr-Miller High Life; David Rosenburg, assoc brand mgr; Todd Brachman, asst brand mgr; Robert Ward, adv svcs dir.

■ **Brands**

Miller High Life, Milwaukee's Best, Meister Brau, Magnum

Ad agency: Leo Burnett USA, Chicago. Jim Oates, vice chmn; David Selby, vp-acct dir; Doug Porter, acct super; Dave Barnes, acct exec-Miller High Life; Jill Baskin, Sue Knapp, sr acct execs-below premium & new prods; Jim Kordenbrock, client svcs assoc; Todd Townsend, acct exec.

Miller Lite, Genuine Draft, Miller High Life

Ad agency: Backer Spielvogel Bates Worldwide, New York. Matthew Crisci, exec vp; Howard Sherman, sr vp; Paul Daniusus, vp-mgmt super; Dawn Moriarty, vp-acct super; Paul Steiner, Mara Schwartz, acct execs.

Hispanic mktg: Lowenbrau, Genuine Draft Light, Genuine Draft, Miller Lite, High Life

Ad agency: Casanova Pendril, Irvine, Calif. Randy Ransome, acct dir; Sergio Garcia, acct exec; Leonardo Rubi, acct coord; Rafeal Traver, promo dir.

■ **Division**

Oscar Mayer Foods
Madison, Wis.

■ **Marketing personnel**

James McVey, pres-ceo.

■ **Brands**

Oscar Mayer meats

Ad agency: J. Walter Thompson USA, Chicago. Stephen Bowen Jr., pres; Nancy Statza, acct rep.

Louis Rich Meats

Ad agency: D'Arcy Masius Benton & Bowles, New York. B. Frank Assumma, joint mg partner.

RANK: 62

Philips NV

Eindhoven, The Netherlands
Ad spending: **$182.3** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	19,455	11,633	67.2
Sunday magazine	1,752	909	92.8
Newspaper	1,003	1,536	(34.7)
Outdoor	13	18	(26.8)
Network TV	60,211	51,384	17.2
Spot TV	3,334	3,442	(3.1)
Syndicated TV	529	0	NA
Cable TV networks	1,485	1,601	(7.2)
Network radio	3,240	2,301	40.8
Spot radio	385	0	NA
Measured media	91,407	72,824	25.5
Unmeasured	90,900	72,400	25.6
Total	182,307	145,224	25.5
By top brands	**1989**	**1988**	**% chg**
Norelco shavers	33,244	20,525	62.0
Magnavox video equipment	22,802	20,274	12.5
Philips light bulbs	8,959	1,116	702.7
Norelco appliances	6,159	235	NA
Magnavox audio equipment	5,245	3,628	44.6
Genie systems	2,780	1,389	100.1
Vendex Pacific Headstart computer	2,487	2,250	10.5
Norelco small appliances	2,401	5,657	(57.5)
Explorer computer	1,924	0	NA
Philips color TV	1,566	556	181.4

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	29,960	28,040	6.8
Earnings	719	528	36.2
U.S.	**1989**	**1988**	**% chg**
Sales	6,203	5,895	5.2
Net income	(178)	(18)	NA
Division sales	**1989**	**1988**	**% chg**
Lighting	4,005	3,487	14.9
Consumer electronics	12,313	12,844	(2.6)
Professional prods	8,247	7,680	7.4
Components	4,436	5,600	(20.8)
Miscellaneous	1,027	698	47.1

■ **Notes:** Sales and earnings figures are converted at the rate of 0.52356 and 0.50 dollars to the guilder in 1989 and 1988, respectively.

■ **Annual review**

sumer operations have appeared relatively insulated from the turmoil at NAP's Dutch parent company, Philips NV, which took a $1.44 billion charge against earnings earlier this year, planned 10,000 layoffs worldwide and forced its president into early retirement.

NAP is expected to experience some of the fallout, especially in its mainframe consumer business, while its U.S. consumer business may even benefit. Some analysts say Philips will put additional emphasis on its consumer businesses after winnowing its unsuccessful units.

NAP's various divisions already are ad spending leaders in at least two of the four consumer product categories it is in and isn't far behind in the others.

NAP's Philips Consumer Electronics in the last two years has been the biggest ad spender in the U.S. on consumer electronics. The more than $30 million the company said it spent on supporting the Magnavox line, together with additional spending on its three other brands, Philips, Sylvania and Philco, towers over rivals. NAP has advertised heavily to gain market share, even when competitors have cut advertising citing profitability concerns.

Magnavox is the No. 3 brand of TV sets with a 6.4% share of unit sales last year, up from 5.85% in 1988, according to *Television Digest*, an industry newsletter. With Sylvania, Philips and Philco's 4.65% share, down from 4.8%, NAP has more than 11% of the U.S. market.

In camcorders, Magnavox was No. 5 at a 6.7% share, up from 6.5%, and Sylvania added another 1%. In VCRs Magnavox held a 6.55% share, up from 5.5%. The other brands added 1.9%. In the U.S., NAP positions Philips as the technology leader and prices it on the high end, Magnavox is priced mid-range and Philco as the lower priced. Sylvania and Philips also have been used to reflect different distribution lines.

Philips expanded and upgraded its Sylvania line and brought back the Philco name it had taken out of distribution. The company moved to expand the Magnavox name more strongly into home office products, especially home computers. Headstart Technologies, formerly a separate NAP company, has been integrated into Philips Consumer Electronics and now markets under the Magnavox brand. NAP spent $14.9 million on its various brands of TV sets in 1989, down 24.7%, with reduced spending for Magnavox the reason for the drop.

Norelco Consumer Products, which holds more than 50% of the men's electric shaver market under the Norelco name, will spend more than $40 million this year advertising a new version of its lift and cut razors, making it by far the category leader. Men's and women's shavers got $28.4 million in media backing in 1989, up 64%.

Norelco holds about 7% of the iron business and more than 30% of the women's electric shaver market.

NAP's Polygram Records, a little advertised unit, is turning more aggressive by launching its first network TV spots in nearly 10 years to tout a recording of a concert at the Berlin Wall. Polygram's purchase last year of A&M Records and Island Records has made it the third largest distributor. Island, A&M and Polygram, however, remain separate for most marketing functions, with distribution merged.

Polygram's chart share of popular albums rose to 7.3% for the first half of the year compared with 6.5% for all of 1989, according to *Billboard* magazine.

Philips Lighting Co. remains second in the U.S. (behind GE) with about 20% of the market. With heavy competition for normal bulbs, Philips has introduced a variety of specialty bulbs, including soft tone pastel bulbs last year that pushed Philip's home light bulb-spending to $8.2 million from virtually nothing in 1988. Other specialties—a bulb that dims instead of burning out, a fluorescent bulb that screws into a regular socket—have been added to the line.

Philips N.V. named Jan D. Timmer, formerly chairman of consumer electronics, president, replacing the retiring Cornelis J. van der Klugt. At NAP, Stephen C. Tumminello, former NAP exec VP-vice chairman, was named NAP's president-CEO. He replaced Einar Kloster, who had advanced to president-CEO of Philips Lighting Holding B.V., the lighting products arm of the parent company.

■ **Headquarters**

Philips N.V.
Gloeilampenfabrieken
5621 BA Eindhoven
The Netherlands

North American Philips Corp.
100 E. 42nd St.
New York, N.Y. 10017
(212) 850-5000

Stephen C. Tumminello, pres-ceo-chmn.

■ **Division**

Philips Consumer Electronics
Knoxville, Tenn.

■ **Marketing personnel**

Donald F. Johnstone, pres; Mike Keel, dir-adv; William Ulewicz, vp-retail sales; Henk Bos, sr vp-gm, home office grp.

■ **Brands**

Magnavox, Philips, Sylvania, Philco

Ad agency: Backer Spielvogel Bates Worldwide, New York. Ed Keating, exec vp-acct mgmt; Randall Windschitl, sr vp-mgmt rep; Dave Watson, vp-mgmt rep; Bob Rizzuto, vp-acct super.

■ **Division**

Norelco Consumer Products
Stamford, Conn.

■ **Marketing personnel**

John Beggs, pres; Leigh Alexander, sr mktg mgr-razors; Ed Crawford, mktg mgr-garment care; Bill Kelso, mktg mgr-kitchen appliances; A. J. Riedel, mktg mgr-special projects.

■ **Brands**

Norelco, Philips

Ad agency: D'Arcy Masius Benton & Bowles, New York. Ira Schwartz, sr vp-grp dir; Jack McFadden, sr vp-dir operations & strategy; Lisa Baker, acct dir; Kitty Ravenhall, Alan Barcus, Hal Nankin, creative dirs.

■ **Division**

Polygram Records Corp.
New York

■ **Marketing personnel**

Steve Pritchitt, vp-prod devel & mktg, East Coast; Michael Bays, vp-adv & creative; Cliff O'Sullivan, prod devel & mktg-West Coast; Dane Benable, vp-artist devel.

■ **Brands**

Polygram, Mercury, Verve, Deutsche Grammophon, London, Philips, Wing

Ad agency: Phonad (in-house). Sylvia Chandler, mgr-merch; Leslie Borrok, mgr-adv.

■ **Division**

A&M Records
Los Angeles, Calif.

■ **Marketing & in-house adv personnel**

Tom Corson, vp-mktg; Robert Gold, exec dir-adv & merch.

■ **Division**

Philips Lighting Co.
Somerset, N.J.

■ **Marketing personnel**

Carl Johnson, vp-consumer mktg & sales; Mark Frissorra, dir-consumer mktg; De-Verges Jones, dir-mktg svcs; Maureen Carpenter, adv mgr.

■ **Brands**

Philips adv

Ad agency: Cliff Freeman & Partners, New York. Cliff Freeman, pres; Arthur Bijur, exec vp.

Philips-media buying & planning

Ad agency: Saatchi & Saatchi, New York. Joe McCarthy, sr vp-mgmt dir; Katie Giffault, vp-acct super; Amy Lee, acct exec.

RANK: 2

Procter & Gamble Co.

Cincinnati
Ad spending: **$1,779.3** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	118,892	107,998	10.1
Sunday magazine	2,150	1,535	40.1
Newspaper	4,981	4,144	20.2
Outdoor	480	719	(33.2)
Network TV	449,072	421,683	6.5
Spot TV	222,019	222,301	(0.1)
Syndicated TV	90,414	65,728	37.6
Cable TV networks	39,271	31,544	24.5
Network radio	24,217	26,204	(7.6)
Spot radio	14,281	16,915	(15.6)
Measured media	965,778	898,770	7.5
Unmeasured	813,500	757,000	7.5
Total	1,779,278	1,655,770	7.5
By top brands	**1989**	**1988**	**% chg**
Folgers coffees	90,384	64,128	40.9
Tide laundry products	52,164	24,657	111.6
Oil of Olay creams & lotions	44,709	31,600	41.5
Crest toothpaste	40,908	41,017	(0.3)
Head & Shoulders shampoos & cond	27,469	19,400	41.6
Nyquil cold products	27,405	27,505	(0.4)
Pampers diapers	21,890	16,702	31.1
Crisco oils	21,430	15,265	40.4
Secret deodorant & antiperspirants	21,089	18,872	11.8
Luvs diapers	20,793	16,264	27.8

■ **Sales & earnings** ($ in millions)

Worldwide	1990	1989	% chg
Sales	24,081	21,398	12.5
Earnings	1,602	1,206	32.8
U.S.	**1990**	**1989**	**% chg**
Sales	14,962	13,312	12.4
Net earnings	1,304	927	40.7
Division sales	**1990**	**1989**	**% chg**
Laundry & cleaning	7,942	7,138	11.3
Personal care	11,767	1,032	NA
Food & beverage	3,318	3,029	9.5
Pulp & chemicals	1,666	1,778	(6.3)

■ **Notes:** Fiscal year ended June 30, 1990.

■ **Annual review**

Procter & Gamble Co. underscored its commitment to become an international

of Edwin L. Artzt, 59, as chairman-CEO.

Mr. Artzt, who as P&G International vice chairman-president orchestrated a dramatic turnaround of P&G in Japan, plans to push P&G's international sales to 60% during his tenure, a considerable boost from its 38% in fiscal 1990. He succeeded John G. Smale, who retired this January.

"The company is really coming alive, using its clout in a productive manner," said Lynne Hyman, a First Boston analyst. "Although in many ways P&G is still catching up globally, its strategy is to move with concepts that work well in one place, like Pert Plus, and make those global brands."

Pert Plus, a combination shampoo and conditioner with 12.5% of the $1.4 billion U.S. category, was introduced in 22 countries in fiscal 1990. In September, P&G introduced Vidal Sassoon Ultra Care, a combination shampoo, conditioner and finishing rinse, to follow up the successful launch of Pert Plus. P&G also upped spending behind the No. 2 shampoo, Head & Shoulders, to $27.5 million, up 41.8%, to introduce Head & Shoulders Dry Scalp formula.

P&G became the top marketer of cosmetics in mass-market outlets with the September 1989 purchase of Noxell Corp. for $1.3 billion. Noxell markets Cover Girl and Clarion makeup lines.

This July, the company reorganized its health, beauty and personal-care operations into two new business units, a health care sector and a beauty-care sector. Noxell now is part of beauty-care. The move split the Richardson-Vicks division, placing RVI's Oil of Olay into the beauty-care and its Nyquil and Vicks cough-cold remedies into health care. The Norwich division, created in 1982 after P&G acquired the drug business of Morton-Norwich Products, moved into health care.

P&G in January 1990 acquired the Hawaiian Punch juice-drink brand from Del Monte Corp. for about $150 million, and within six months revived "Punchy," the animated Hawaiian Punch spokescharacter, in a campaign titled "Punchy's Greatest Hits" from N W Ayer, New York. Ayer handles Citrus Hill juices and its new three-item lemonade line in addition to the $10 million Hawaiian Punch account.

In July 1990, it completed its estimated $330 million purchase of the toiletries and fragrances portion of American Cyanamid's Shulton Group, excluding the Pierre Cardin fragrance line. P&G added Old Spice and Santa Fe men's fragrance and toiletries, giving the company a much-desired lead in the men's toiletries market. Old Spice and Santa Fe were assigned in August to Tatham-Laird & Kudner, Chicago, from Scali, McCabe, Sloves, New York.

The company in August 1990 dropped plans to market Maalox antacid and other Rhone-Poulenc Rorer brands after the Justice Department filed an antitrust suit charging the deal would give P&G too big a share of the OTC stomach remedies market. The government estimated P&G and Rorer would have controlled combined sales of $236 million in the $900 million category. P&G in 1989 supported Pepto-Bismol, holding a 12% share, with $20.3 million in media, down 25%.

P&G, in the first of several environmental initiatives, began testing a refill carton for Downy fabric softener, introduced a 100% recycled plastic container for Spic & Span liquid pine cleaner and began using recycled plastics for its liquid laundry detergent containers.

It also began testing superconcentrated powder detergents as "Ultra" versions of Tide, Cheer, Oxydol and Gain.

P&G introduced nationally Cheer Free (no dyes or perfumes). Cheer media spending climbed 33% to $16.2 million in support of the national launch. Cheer has a 7.5% share of the $3.8 billion category.

Tide, the detergent category leader with a 31.5% share, was supported with $52.1 million in media, up 110%.

Cascade, the leader in the $500 million automatic dishwasher detergent category, was supported with $19.8 million, up 43.1%. P&G is testing Cascade Gel. The gel helps prevent the detergent from separating in the bottle.

P&G's Folgers coffee checked in with the highest level of media support in 1989 of $90.4 million, a 58% gain. Folgers won out in the battle with Kraft General Foods' Maxwell House as the top selling coffee, but P&G finished second in total coffee sales to Kraft GF.

P&G in fall 1989 introduced Folgers Gourmet Supreme, its response to the introduction of GF's Maxwell House Colombian Supreme. Then in early 1990 it persuaded the TV networks not to air two commercials that claimed consumers preferred Maxwell House to Folgers.

P&G, according to Kidder, Peabody &

ground coffee market, and a 20% share of the $950 million instant coffee market in the U.S.

In the $1 billion cooking-oil market, P&G's Crisco and Puritan hold a combined 28% share. P&G supported Crisco shortening and cooking oil brands with $21.4 million in media, up 40%.

P&G in September introduced the Oil of Olay Cleansing Collection, a five-item line of Foaming Face Wash, Water-Rinsable Cold Cream and Refreshing Toner, and the existing Facial Cleansing Bar and Facial Cleansing Lotion.

P&G leads the $600 million mass-market facial moisturizer market with a 26% share. Oil of Olay drew $44.4 million in media support, up 41.4%.

Crest, the leading toothpaste in the $1.05 billion category with a 36% share, got $40.9 million in media, even with 1988. Squeezable Soft Pump Crest toothpaste dispensers are in test. They return to their original shape after squeezed.

With the addition of Old Spice from American Cyanamid, P&G now controls 31.5% of the $1.1 billion deodorant market. P&G backed Secret, its leading brand with a 14% share, with $21.1 million in media, up 11.6%.

Spending behind Nyquil, the leading cold remedy, remained stable in 1989 at $27.4 million.

P&G in March 1990 expanded nationally Luvs prints with different designs for boys and girls. Luvs was supported with $20.8 million, up 19%. Pampers for Boys and Pampers for Girls also hit the market, an indication that consumers preferred gender-specific diapers. P&G currently holds a 49.5% share of the $3.7 billion disposable diaper category, having neither gained nor lost ground to archrival Kimberly-Clark Corp., which recently announced it would launch Huggies for Him and Huggies for Her.

P&G made a number of media-buying moves in 1990, taking $25 million in network TV evening news media-buying assignments from D'Arcy Masius Benton & Bowles and moving it to N W Ayer, New York. In July 1990 it consolidated $110 million in magazine media-buying at Saatchi & Saatchi Advertising, New York. Leo Burnett USA (teen, beauty and fashion magazine buying) and Tatham-Laird & Kudner (men's buying) together lost $36 million in the shift.

■ Headquarters

Procter & Gamble Co
P.O. Box 599
Cincinnati, Ohio 45201
(513) 983-1100

■ Corporate personnel

E.L. Artzt, chmn-ceo.

■ Marketing personnel

J.E. Pepper, pres; J. Hintz, D. Jager, exec vps; G.F. Brunner, R.E. Cannon, G.V. Dirvin, L.A. Dare, R.J. Herbold, J.W. Nethercott, D.S. Swanson, sr vps; W.C. Berndt, S.O. Donovan Jr., H. Einsmann, M. Jozoff, R.R. Nicolosi, W.N. Zau, grp vps; P. McHenry, sr vp-genl counsel; T.A. Barrett, vp-Beauty Care Div; R.T. Blanchard, vp-worldwide strategic planning, health & beauty care; B.L. Byrnes, vp-Packaged Soap & Detergent Div; D.W. Campbell, vp-Food Svc & Lodging Prods Div; C.C. Carroll, vp-business devel, health & beauty care; J.K. Goodwin, vp-sales; L. Ross Love, vp-adv; L.D. Milligan, vp-sales, customer devel & intl; J.A. Saxton, vp-Noxell div; M. Upson, vp-Food & Beverage Div; R.L. Wehling, vp-public affairs.

■ Brands

Bold, Cheer, Era Plus, Gleem, Lava liquid & bar soaps, Lilt home permanent, Luvs disposable diapers, Secret, Peri Plus, White Cloud, Pepto-Bismol, Prell, Clarion cosmetics, Noxzema

Ad agency: Leo Burnett USA, Chicago. Mary Bishop, exec vp.

Black adv: Crest, Crisco shortening.

Ad agency: Burrell Advertising, Chicago. Anna Morris, exec vp-chief creative officer; Linda Fharr, sr vp-dir, acct svcs; Fay Ferguson, vp-acct dir.

Vicks Formula 44, Clearasil, Dramamine, Fastteeth, Fixodent, Icy Hot, NyQuil, Percogesic, Vaporub, Sinex, Dawn, Ivory Snow, Dash, Bounce, Crest, Scope, Always, Attends, Charmin, Pampers

Ad agency: D'Arcy Masius Benton & Bowles, New York. Roy Bostock, pres-coo.

Ivory shampoo & conditioner, Wondra

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis. Clayton Wilhite, dir.

Professional adv: Attends, Crest, Head & Shoulders, Peridex, Pepto-Bismol, Puffs Plus, Safeguard, Pampers, Norwich, Ivory Snow

Ad agency: Medicus Intercon International, New York. Lawrence Lesser, chmn-ceo.

Cover Girl cosmetics, Downy fabric softener-liquid & dryer sheets, Joy, Crisco shortening & Crisco cooking oil, Jif, Lestoil cleaner, Pantene haircare line, Sure

Ad agency: Grey Advertising, New York. Neil Kreisberg, exec vp.

Sunny Delight

Ad agency: Gumpertz/Bentley/Fried, Los Angeles. Richard Fried, pres.

Beauty Care Div: trade adv

Ad agency: Haddon Advertising, Chicago. Harvey Haddon, pres.

Bounty, Cinch from the makers of Spic and Span, Fisher Nut, Safeguard, Top Job, Zest

Ad agency: Jordan, McGrath, Case & Taylor, New York. Alice Bond, sr vp-acct svcs.

Foodservice cleaning products, coin vending cleaning products

Ad agency: Ketchum/Mandabach & Simms, Chicago. Lee Lippman, exec vp.

Professional adv: Folgers coffee, Ivory soap

Ad agency: Kiemtner Advertising, New York. Robert C. Erwin, sr vp-acct super.

Citrus Hill Plus Calcium, Denquel, Peridex, Pediatric Formula 44

Ad agency: Lally, McFarland & Pantello, New York. Ron Pantello, pres.

Folgers regular & decaffeinated coffee, Puffs Plus, Citrus Hill Select, Citrus Hill Lite, Certain, Duncan Hines Baking Mix line, Hawaiian Punch, Puritan cooking oil

Ad agency: N W Ayer, New York. Warren E. Albright, exec vp.

Foodservice & lodging products, shortening & oils, coffee, bar soap & amenities

Ad agency: Northlich, Stolley, Cincinnati. John Bloomstrom, vp-acct super.

Vidal Sassoon-shampoos, conditioners, rinses, styling aids

Ad agency: Peter Rogers Associates, New York. Peter Rogers, pres.

Bain de Soleil suncare line

Ad agency: Rosenfeld, Sirowitz, Humphrey & Strauss, New York. Linda Srere, exec vp-dir, acct mgmt.

Tide, Tide Liquid, Tide with Bleach, Cascade, Camay, Comet, Dreft, Ivory bar soap & liquid soap, Oxydol, Solo, industrial, chemical, grocery trade, drug trade & military adv

Ad agency: Saatchi & Saatchi Advertising, New York. Paula Forman, exec vp-exec mgmt dir.

Biz, Chloraseptic, Mr. Clean, Coast, Comet liquid bleach, Head & Shoulders, Metamucil, Vicks Throat Drops, Old Spice, Santa Fe men's fragrance

Ad agency: Tatham-Laird & Kudner, Chicago. Robert Hielscher, sr partner-client svcs dir.

Gain, Oil of Olay, Pringle's, Spic and Span, Spic and Span Pine liquid

Ad agency: Wells, Rich, Greene, New York. Richard Hopple, pres-worldwide.

RANK: 30

Quaker Oats Co.

Chicago
Ad spending: **$357.8** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	23,409	30,135	(22.3)
Sunday magazine	1,312	1,111	18.1
Newspaper	1,449	400	262.7
Outdoor	64	456	(85.9)
Network TV	104,415	123,327	(15.3)
Spot TV	21,835	24,327	(10.2)
Syndicated TV	17,535	18,414	(4.8)
Cable TV networks	4,325	4,032	7.3
Network radio	1,856	419	343.2
Spot radio	3,101	2,552	21.5
Measured media	179,300	205,172	(12.6)
Unmeasured	178,500	204,300	(12.6)
Total	357,800	409,472	(12.6)

By top brands	1989	1988	% chg
Quaker cereal	58,187	53,118	9.5
Fisher-Price toys	33,006	36,366	(9.2)
Gatorade drinks	19,682	25,971	(24.2)
Ken-L Ration dog food	10,554	13,416	(21.3)
Life cereal	8,578	5,825	47.3
Cap'n Crunch cereal	8,130	7,381	10.2
Gaines dog food	7,537	6,464	16.6
Cycle dog food	6,188	8,344	(25.8)
Aunt Jemima syrups	5,322	4,794	11.0
Rice-A-Roni	3,654	10,582	(65.5)

■ Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	5,031	4,879	3.1
Earnings	169	203	(16.7)
U.S.	**1990**	**1989**	**% chg**
Sales	3,610	3,630	(0.5)
Operating income	373	256	45.3

■ Notes: Fiscal year ended June 30, 1990. Sales and earnings figures exclude results from Fisher-Price. F-P is included in ad dollar totals.

■ Annual review

Quaker Oats Co. slashed its media spending during 1989 as it moved to become a food-only company with a new strategy that focuses advertising on high-growth, high-margin product lines.

Food became its sole focus when earlier this year it announced plans to spin off the Fisher-Price toy subsidiary to shareholders by yearend.

Shortly afterwards, Quaker reorganized its largest unit, U.S. and Canadian Grocery Products, shuffled managers from brand group to brand group and added a Frozen Foods division to oversee Aunt Jemima frozen products, Celeste pizza and new products.

The company embarked on a risky strategy to bring advertising and marketing expenses in line with sales increases, by focusing ad dollars on sports drinks, hot and ready-to-eat cereals, frozen foods and certain pet food categories—all high-growth, high-margin categories.

The strategy produced some alarming drops in unit volume sales during the just completed fiscal year among the company's more mature product lines: pet foods were down 19%; Aunt Jemima frozen foods, down 11%; Celeste pizza, down 9%; Golden Grain, down 9%; Van Camp beans, down 9%.

Coupled with the "planned declines" in those categories came some bad luck in others: A cool, rainy summer cut into Gatorade sales.

In January 1990, just as Quaker Oat Bran ready-to-eat cereal was reaching national distribution, the *New England Journal of Medicine* published a research report questioning oat bran's effect on blood cholesterol levels. Although Quaker used TV and print ads to point out that oat bran's cholesterol-reduction properties were supported by 27 years of research, the pr and ad effort wasn't enough. The oat bran craze was over, and Quaker's oat bran sales fell 50% in short order.

Overall, Quaker's hot cereals experienced a 6% decline in unit volumes during fiscal 1990, although the company held onto a leading 61% of the $600 million market.

Although less dependent on oat bran, the company's ready-to-eat cereals saw unit volumes decline 9% during fiscal 1990; Quaker's No. 4 share of the $6.9 billion market fell from 8.7% to 8.0% for the year ended in May.

In addition to the cold oat bran cereal, Quaker—like competitors Kellogg Co. and Ralston Purina Co.—introduced a cold rice bran product, Crunchy Rice Bran, in February.

Quaker's single largest brand, Gatorade, continued to dominate the $500 million U.S. market for sports drinks,

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National Council on Alcoholism and Drug Dependence (NCADD)
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MARKETING—EXECUTIVES

Packaged Goods and Financial Services

MARTHA WARD ASSOCIATES
EXECUTIVE SEARCH SPECIALISTS

with more than a 90% share. But Quaker held its breath as soft-drink giants Coca-Cola Co. and Pepsi-Cola Co. introduced products that encroach on Gatorade's franchise. Pepsi-Cola's Mountain Dew Sport, a bottled sports drink in regular and low-calorie varieties, is seen as the more direct competitor. As a defensive move, Quaker introduced into limited markets two new Gatorade offshoots, Freestyle and low-calorie Gatorade Light. It also began testing Gatorade in fountain systems; Coca-Cola's PowerAde is being distributed in fountain systems as well.

Although Gatorade remains Quaker's largest advertised brand, media spending fell 25%, to $20.5 million, during calendar 1989, according to LNA/Arbitron.

The effect of Quaker's new marketing strategy could best be seen in its pet foods division, which, with unit volumes down 19% in fiscal 1990, remains the company's biggest challenge. Quaker continued advertising Kibbles'n Bits 'n Bits 'n Bits soft-dry dog food, and Cycle canned and dry dog foods, but essentially eliminated advertising for other brands, including King Kuts canned dog food, Gravy Train dry dog food and Tender Chops soft-dry dog food.

Quaker was the clear No. 2 pet food marketer after its acquisition of Gaines Foods in 1987. Sales declines over the past three years now tie it for third with Mars Inc.'s Kal Kan division (each with 12% of the pet food market), behind both Ralston (27%) and Carnation Co. (14%) in the $6 billion pet food industry, according to John C. Maxwell Jr., analyst with Wheat, First Securities.

Reflecting its desire to focus on high-margin growth products, Quaker's pet food division will launch Frisbee Flying Dog Treats in limited distribution this fall. The $430 million dog treat market, where Quaker's Ken-L Ration brands have about an 8% share, is growing at a faster clip than the rest of the industry.

The new Frozen Foods division gets its first test this fall, when OvenStuffs frozen microwaveable sandwiches go national with a $22 million ad, marketing and promo budget.

Quaker started up Quaker Direct, a direct mail program that will reach a select database of consumers. The program is set to begin this fall with a tie-in to CBS-TV's fall schedule.

Among management shifts, Chairman-CEO William Smithburg will assume the additional responsibilities of President-COO Frank Morgan, who retires this month.

Headquarters
Quaker Oats Co.
Quaker Tower
321 N. Clark St.
Chicago, Ill. 60610
(312) 222-7111

Corporate personnel
William Smithburg, chmn-ceo.

Division
U.S. & Canadian Grocery Products
Chicago

Corporate personnel
Philip A. Marineau, exec vp; Verinder K. Syal, sr vp-pres, Quaker Breakfast div; Jon K. Grant, pres-ceo, Quaker Oats Co. of Canada (breakfast div); Peter J. Vitulli, pres-Grocery Specialties div; Barbara R. Allen, pres-Frozen Foods div; Walter G. VanBenthuysen, pres-Foodservice; David Bere, pres-Golden Grain.

Marketing personnel
David R. Nogle, sr vp, John Blair, vp-mktg svcs & new ventures; C. Clarkson Hine, vp-adv, Quaker Breakfast div; John Breuer, vp-mktg, ready-to-eat cereals; Lyle Hubbard, vp-mktg, Aunt Jemima syrups & mixes, snacks & corn goods; Keith Robinson, vp-mktg, hot cereals, Grocery Specialties div; Bill Schmidt, vp-sports mktg; Peggy Dyer, vp-mktg; Deborah E. Kelly, vp-new beverages, Pet Foods div; Douglas W. Mills, sr vp-gm; Mark Shapiro, vp-mktg, Foodservice; Paul Barron, vp-mktg.

Brands
Cap'n Crunch, Crunchy Bran, Freestyle, Gatorade & Gatorade Light, Gravy Train, Kretschmer wheat germ, Ohl's, Puffed Rice, Puffed Wheat, Quaker Oat Bran, Quaker Oven-Stuffs, new products
Ad agency: Bayer Bess Vanderwarker, Chicago. Gary R. Bayer, chmn-ceo; Ronald Bess, pres-coo; Tony Vanderwarker, vice chmn-chief creative officer; R. Brian Goodall, exec vp-dir, acct mgmt.
Industrial cereals, Health foods
Ad agency: Bender, Browning, Dolby & Sanderson, Chicago. Kathleen Truty, acct super.
Celeste pizza, Granola bars, hispanic adv, Quaker corn products, Van Camp's beans, Wolf brand chili
Ad agency: Berry-Brown Advertising, Dallas. Robert Berry, chmn; Patricia Magel, Laurie Weir, vps-acct supers.
Golden Grain, Noodle-Roni, Rice-A-Roni
Ad agency: Goldberg Moser O'Neill, San Francisco. Gail Piper, mgmt super.
Crunchy Rice Bran, Life, 100% Natural cereal, Quaker Oat Squares, Quaker Oats Oatmeal
Ad agency: Jordan, McGrath, Case & Taylor, New York. Jim Jordan, chmn; Bruce Guidotti, exec vp-acct grp dir.
Aunt Jemima, Cycle, Frisbees dog treats, Kibbles'n Bits 'n Bits 'n Bits, King Kuts, Pounce cat treats, rice & popcorn cakes, Sausages
Ad agency: J. Walter Thompson USA, Chicago. John Wells, sr vp-mgmt dir.
Hispanic adv: Aunt Jemima syrup & pancake mix, Kibbles 'n Bits
Ad agency: Berry-Brown Advertising, Dallas. Robert Berry, chmn; Robert Brown, pres; Linda Osgood, vp-creative dir; Sharon Griesing, vp-media dir.

Division
Fisher-Price
East Aurora, N.Y.

Corporate personnel
Ronald J. Jackson, chmn-ceo.

Marketing personnel
Strawn Cathcart, vp-US mktg.

Brands
Fisher-Price toys
Ad agency: Waring & LaRosa, New York. Larry Weisberg, sr vp-acct super, traditional line; Dick Upson, sr vp-acct super, infant prods.

RANK: 24

Ralston Purina Co.

St. Louis
Ad spending: **$429.5** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	34,093	22,372	52.4
Sunday magazine	1,407	1,597	(11.9)
Newspaper	3,163	2,499	26.6
Outdoor	24	160	(85.3)
Network TV	69,068	76,489	(9.7)
Spot TV	25,256	22,838	10.6
Syndicated TV	13,423	10,483	28.0
Cable TV networks	4,803	4,949	(3.0)
Network radio	1,183	5,315	(77.7)
Spot radio	2,166	1,840	17.7
Measured media	154,585	148,542	4.1
Unmeasured	274,900	264,200	4.0
Total	429,485	412,742	4.1
By top brands	**1989**	**1988**	**% chg**
Purina dog food	47,177	33,253	41.9
Eveready batteries	30,427	35,026	(13.1)
Ralston cereals	18,482	11,716	57.8
Purina cat food	14,453	9,591	50.7
Chex cereals	11,129	6,201	79.5
Beech-Nut baby food	7,782	7,201	8.1
Oatmeal Goodness bread	5,715	5,201	9.9
Wonder bread	3,563	6,449	(44.7)
Cookie Crisp cereal	3,005	647	364.6
Chex snack mix	2,064	2,649	(22.1)

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	6,658	5,876	13.3
Earnings	423	388	8.9
Division sales	**1989**	**1988**	**% chg**
Bakery prods.	1,941	1,783	8.9
Pet foods	1,685	1,550	8.7
Cereals	414	339	22.2
Batteries	1,351	1,139	18.6
Other	1,268	1,066	18.9

Notes: Fiscal year ended Sept. 30, 1989.

Annual review
Strong results from new product introductions and heavy advertising kept Ralston Purina's share in the highly contested pet foods, cold cereals and battery markets on an even keel in 1989.

After suffering through two years of flat sales with Eveready Battery Co., purchased in 1986, Ralston shelved its marketing approach to hone in on just the Energizer line, switching the $25 million account to Chiat/Day/Mojo from DDB Needham.

Ralston, which previously had locked in on a divide-and-conquer marketing strategy by creating Eveready Classic and Conductor specialty products to build its share in the $3 billion U.S. battery market, got an unusual TV campaign with creative that parodied advertising.

The campaign introduced the drum-beating bunny, powered by an Energizer, which interrupted mock commercials. Airing began during the second game of the 1989 World Series. The bunny became omnipresent during the fourth quarter, pushing full-year Energizer media totals to $27.2 million.

Energizer battery advertising carried the Eveready brand, which received $30.8 million, down 28% from the prior year.

Ralston sought greater hegemony in the worldwide battery market through acquisition. It purchased COFINEA, the French holding company that controls Mazda and Wonder, the best-selling dry cell battery brands in France, and bought Eveready Australia/New Zealand.

Although energized on TV, Eveready remained at about 36.4% for the year against Duracell's 40.4% share of the $2 billion alkaline battery market, according to Nielsen Marketing Research. Company and agency execs expected the spots to have a residual effect on sales in 1990, when replacement decisions in the slow-moving market are made.

Ralston boosted spending 21.3% for pet foods to $63.3 million in 1989 and managed to hold its ground in the $6.21 billion pet food market (food stores). It lost a slight 0.1 point as its share slipped to 27.1% of market. Its weakness if any was in the dry dog food sector which accounted for 30.2% of all pet food sales and 50% of Ralston's. Ralston pet foods are generally marketed under the Purina banner.

Purina again claimed the top two positions in the category with Dog Chow and Puppy Chow, as Dog Chow grew 2.3% in dollar sales and Puppy Chow declined 3.2%, according to John C. Maxwell, analyst with Wheat, First Securities. An on-package coupon campaign cross-promoted Purina Dog Chow and the new syndicated Lassie TV show.

But without new entries in the market Purina would have suffered a 3.8% decline in sales from brands existing in both years. As it was, Purina dog food sales advanced 1.4%, according to Mr. Maxwell.

New entries in the category were led by Pro Plan with new sales of $28 million backed by $857,400 in advertising, largely spot TV; Prime, $12.5 million in sales supported by $5.2 million in advertising, divided between magazines and network TV; and Beef Complete, $4.8 million in sales backed by $1.7 million in media split between magazines and spot TV.

Ralston Purina established Pro-Visions Pet Specialty Enterprises earlier this year to develop new pet food products and marketing plans directed at the out-of-supermarket market, estimated to be worth $600 million. It is a division of the Grocery Products Group.

The Grocery Products Group in 1989 introduced four new licensed cereals—Nintendo Cereal System, Teenage Mutant Ninja Turtles, Batman and Breakfast with Barbie—which helped Ralston improve its dollar share of the $6.8 billion cold cereal market to 6.6%. A boost in cereal media spending of 26.8% to $34.5 million also contributed to growth.

Breakfast with Barbie marked the first venture between Barbie's parent Mattel Inc. and a package goods marketer. Avrett, Free & Ginsberg, New York, handled the $10 million introduction, using network and spot TV, print and coupons as well as an in-pack diamond giveaway. AFG also received the Cookie Crisp account formerly handled by Noble-Tennant, Chicago, and supported the October debut of Oat Chex with TV, print, FSIs and cross-promotion.

These character-licensed products in fact were the only reason the company improved its market share. They added 1.4 share points combined as Ralston's traditional lineup dropped 0.7 share points led by a decline in its top cereal, Chex, which fell from 3.2% of market to 2.9% in 1989.

Ralston subsidiary Continental Baking Company moved its $8 million Wonder Bread account from Tatham-Laird & Kudner, Chicago, to Grey Advertising, New York. Continental also unveiled Hostess Lights, a line of 97% fat-free, no-cholesterol snack cupcakes, developed in response to increasing consumer demand for more nutritionally sound products. TBWA/Kerlick Switzer, St. Louis, handled the introductory campaign, which consisted primarily of spot TV.

Earlier this year Ralston announced it would be taking part in a promotional effort aimed at planting 100,000 tree seedlings in response to consumers who call a 900 telephone number printed on boxes of Almond Delight, Oat Bran Options and Rice Bran Options cereals.

Ralston set itself up in a new market in 1989 with the purchase of Beech-Nut Nutrition Corp. from Nestle SA. Beech-Nut is a distant second to Gerber Products Co. in the baby-food market.

Headquarters
Ralston Purina Co.
Checkerboard Square
St. Louis, Mo. 63164
(314) 982-1000

Marketing personnel
T.E. Touhill, vp-dir, adv & creative resources; H. Blickenstaff, dir-mktg pr. Centra-Adv. (in-house): T.P. Cenova, S.J. McMichael, vps, co-creative dirs; J.K. Lucas, vp-dir, client svcs. Checkmark Promo. & Mktg. (in-house): G.C. Cook, pres; J.C. Hanrahn, vp-exec creative dir, promo creative. Checkerboard Media (in-house): D.R. Martin, pres. Grocery Prods. Div: W.H. Lacey, chmn-ceo; W.P. McGinnis, pres-coo; T.E. Block, vp-dir, dog food mktg; A.R. Bresler, vp-dir, cat food mktg; J.R. von der Heydt, dir-mktg, Chex cereals & specialty foods; D.D. Buck, dir-mktg, children's foods & family mktg; J.R. Sivewright, business dir-store brand mktg. Continental Baking Co: J.W. Brown, chmn-ceo; R.W. Bracken, exec vp; M.S. Foley, vp-dir, bread mktg; R.M. Proctor, vp-dir, cake mktg. Eveready Battery Co: J.P. Mulcahy, chmn-ceo; G.L. Meffert, exec vp; J.T. Sweetwood, vp-brand mktg, business devel; R.J. Smith, dir-brand mktg, primary batteries; A.A. Bevilacqua, dir-brand mktg, diversified prods. Beech-Nut Co: J.A. Nichols, pres; E.H. Cohen, grp dir, mainline; B.L. Korn, grp dir-new prods.

Brands
Cheesedawgs, Dog Chow, Dog Snack Line, Field Master, Field 'n Farm, Honey Graham

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Chex, Hearty Chews, Kibbles & Chunks, Muesli, Oat Bran Options, Puppy Chow, Special Dinners, Eveready Super Heavy Duty, Unique, Wisker Lickens
Ad agency: Centra Advertising Co. (in-house), St. Louis. J.W. Hickman, vp-acct super.
Almond Delight cereal, Barbie cereal, Bran Chex, Chex, Cookie Crisp, Cat Chow, Jetsons cereal, Hot Wheels cereal, Kitten Chow, Nintendo cereal
Ad agency: Avrett, Free & Ginsberg, New York. John G. Avrett, chmn; Lawrence Riegel, exec vp-grp dir; Michael Perry, vp-mgmt super; Susan Phillips, acct exec.
Eveready Conductor, Eversafe, Kit 'n Kaboodle, Meow Mix
Ad agency: DDB Needham Worldwide, Chicago. Patricia Winegar, vp-acct super, mgmt rep; Dawn Hudson, grp acct dir; Elisa Lewis, acct super; Judith Werme, grp creative dir; Fran Johns, Rick Korzeniowski, creative dirs.
Bran News, Ghostbusters cereal, Purina Hi Pro
Ad agency: Ally & Gargano, New York. Warren Dechter, pres-coo; Monty Kiernan, sr vp-mgmt dir; Paul Basquin, vp-acct dir.
Tender Vittles
Ad agency: Wells, Rich, Greene, New York. Cary Raffle, exec vp.
Beggin' Strips, Chex Snack Mix, Double Chex, Lucky Dog, Sunflakes
Ad agency: Tatham-Laird & Kudner, Chicago. Thomas Schaeffer, sr partner-acct mgr.
Batman cereal, Morning Funnies, Teenage Mutant Ninja Turtles cereal
Ad agency: Noble-Tennant, Chicago. Timothy Dorgan, pres; Alan Moser, exec vp; Denis Naylor, chief creative officer; Bettina Kokinis, acct exec; Jon Flannery, copywriter; Mike Havel, art dir.
Energizer, lighting products
Ad agency: Chiat/Day/Mojo, Venice, Calif. Bob Kuperman, pres-ceo, L.A.
Dog line campaign
Ad agency: Fallon McElligott, Minneapolis. Patrick R. Fallon, chmn.
Pro Plan, Breeder Enthusiast
Ad agency: Stockton West Burkhart, Cincinnati. Maureen L. Vogele, vp-client svcs; Allan Godshall, vp-creative dir; Andrea N. Rassin, acct super; Karen M. Davis, acct exec; Linda Burchett, media dir.
Purina biscuits, Chuck Wagon, Bonz
Ad agency: Martin, Marshall, Jaccoma & Mitchell, New York. George Jaccoma, exec vp.
Gravy, O.N.E.
Ad agency: Scali, McCabe, Sloves, New York. Stuart Epstein, exec vp-grp dir; Keith Green, exec vp-dir, mktg & strategic planning; Joan Bergman, mgmt acct super; Diane Epstein, acct super; Patricia Bischoff, assoc media dir; Gwen Weiss, asst media dir.
Pets for People
Ad agency: Simmons, Durham & Associates, St. Louis. B.W. Durham Jr., exec vp-treasurer.
Veterinary adv
Ad agency: The John Volk Co., Chicago. John Volk, pres-acct super.
Bread du Jour, Home Pride-Light, Wonder Bread, Wonder Light, Oatmeal Goodness, Beefsteak Rye
Ad agency: Grey Advertising, New York. Robert Schoenfein, exec vp.
Beech-Nut
Ad agency: Sherwood & Schneider, New York. Branden Hawk, mgmt super.
Beech-Nut hispanic adv
Ad agency: Conill Advertising, New York. A. Conill, mgmt super.

RANK: 58

Revlon Group

New York
Ad spending: **$196.5** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	59,236	42,488	39.4
Sunday magazine	8,854	5,872	50.8
Newspaper	277	181	52.7
Outdoor	59	19	215.5
Network TV	18,149	30,127	(39.8)
Spot TV	6,151	4,164	47.7
Syndicated TV	2,805	3,532	(20.6)
Cable TV networks	2,251	613	267.3
Network radio	323	232	39.1
Spot radio	9	701	(98.8)
Measured media	98,113	87,929	11.6
Unmeasured	98,400	88,200	11.6
Total	196,513	176,129	11.6
By top brands	**1989**	**1988**	**% chg**
Revlon lip & eye prods.	7,133	12,431	(42.6)
Revlon nail care prods.	6,400	5,699	12.3
Revlon shampoos & conditioners	6,216	7,749	(19.8)
California perfume	5,156	0	NA
Max Factor lip & eye products	4,347	3,540	22.8
Revlon creams & lotions	4,097	492	733.0
Revlon hair products	3,798	2,169	75.1
Revlon men's toiletries	3,497	0	NA
Revlon facial products	3,467	6,523	(46.8)
Jean Nate bath toiletries	3,399	3,173	7.1

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	2,942	2,670	10.2
Earnings	114	189	(39.9)
U.S.	**1989**	**1988**	**% chg**
Sales	1,978	1,795	10.2
Operating profit	242	240	0.9
Division sales	**1989**	**1988**	**% chg**
Beauty products	2,446	2,277	7.4
Healthcare	402	314	28.2
Flavors	94	80	18.1

Annual review

Revlon in 1990 continues its aggressive introduction of new scents despite an overall decline in the $4 billion women's and men's fragrance industry.

Following a 1989 agreement with Guess? Inc. to market fragrances and cosmetics under the apparel manufacturer's name, Revlon earlier this year introduced Guess, an upscale perfume for women. Ads for the product feature Guess and Chanel model Claudia Schiffler.

The campaign was created by Paul Marciano, a Guess creative director.

Miss Schiffler's appearance in the ad is expected to attract a new breed of young customers to Revlon, a group that shops for cosmetics primarily in drugstores.

Revlon is appealing to older buyers as well with its "Unforgettable Women" ad campaign that features mature spokespeople. The drop-off in department store attendance also has forced inventory reductions by the big stores, sending customers, who tend to be older, into drugstores.

All other advertising at Revlon is handled in-house by Tarlow Advertising, which Revlon acquired last year for an estimated $11 million.

Tarlow already was handling $65 million in Revlon business. It will keep its other clients, worth an additional $10 million. Agency president Dick Tarlow was named Revlon exec VP-advertising. Revlon's existing in-house shop, Creative Workshop, remains an autonomous unit although it may be folded into Tarlow.

Although Revlon said at the time it acquired Tarlow that other agencies would not be dropped, the company parted with Hill, Holliday, Connors, Cosmopulos (Classic Revlon, Intimate, Neat-Touch, Super Lustrous Lipsticks); with Hal Riney & Partners (Princess Marcella Borghese); and Ketchum Advertising (new products)—consolidating their accounts with Tarlow.

All together, Tarlow handles an estimated $80 million in billings, including No Sweat, the company's new anti-perspirant line, and a line of Revlon International shampoos.

In addition to Guess, Revlon in 1990 will introduce Unforgettable, a women's fragrance, as an extension of its "Unforgettable Women" ad campaign. The new scent will be supported by an estimated $8 million effort that features excerpts from the Nat King Cole song of the same name.

The "Unforgettable" umbrella campaign for the company's cosmetics lines has featured print ads with Oprah Winfrey as well as famous husband-and-wife teams Don Johnson and Melanie Griffith and Barbara and Frank Sinatra. Actor Dan Aykroyd and his wife, Donna Dixon, are appearing in current ads.

Existing women's fragrance lines got additional support in 1990. The 10-year-old Ciara line signed former Revlon Ultima II model Lauren Hutton as its spokesperson.

California fragrance line, introduced in 1989 under Revlon's Max Factor division, with Jaclyn Smith as its spokesperson, continues to be a strong seller. The line, according to the company, reported sales between $20 million and $30 million. Revlon this year plans a line extension called California for Men.

Revlon backed its fragrance lines with $28 million in media in 1989, up 63.7%. The main difference between the two years was new ad monies for California of $5.1 million. Ad support in general was borne by magazines, except for the California launch that weighted toward network and syndicated TV. Revlon gave token media support for new fragrance entries in 1989: Montana and Electric Youth.

No Sweat deodorant was introduced this spring with a $12 million campaign. The product is what Revlon calls a "breakthrough" because the deodorant formula is microencapsulated to offer time-released protection throughout the day.

An increase in awareness of animal testing and a fresher approach toward makeup application have stimulated sales at Revlon's Almay division. Almay, a hypoallergenic line, is seeing increased competition in the marketplace, most notably from Noxell's Prescriptive line and Plenitude from L'Oreal. But Almay remains the leader in the category, according to Diana Temple, analyst with Salomon Bros. The entire Almay line drew $11.9 million in media, about the same as in 1988.

Revlon controls 5.2% of the $4.6 billion U.S. skin-care market (supermarket sales), powered primarily by new 1989 product line Clean & Clear with a 3.3% share. Revlon ranks third in the market to P&G's 16.4% and Unilever's 15%.

Revlon held a 5.3% share of the shampoo market in 1989 behind P&G (32.7%) and Helene Curtis (14.6%). Flex was the main contributor with a 3.6% share, followed by Clean & Clear at 1.3%. Revlon backed its Clean & Clear line with $7.1 million in new ad dollars and the Flex line with $5.2 million, more than double 1988 media expenditures.

Revlon is teaming with Nintendo to create a shampoo and bubble bath line for children. Products include Super Mario Bros. Princess and Mario shampoo and bubble bath.

Headquarters

Revlon Inc.
767 5th Ave.
New York, N.Y. 10022
(212) 572-5000

Corporate personnel

Ronald O. Perelman, chmn & ceo; Howard Gittis, vice chmn; Sol Levine, pres; Lawrence Wechsler, pres-Revlon Comms. & Creative Grp.

Marketing personnel

Richard Tarlow, exec vp-adv; George W. Feld, vp-adv svcs; Anthony Cozzolino, vp-media & budget. Revlon Classic Cosmetics & Fragrance Grp: Arnold Zimmerman, pres; Paul Bloch, exec vp; Steve Costa, sr vp-mktg. Peter Beatus, pres-Beauty Care Grp.; Andrea Robinson, pres-Ultima II; Michael Gannaway, gm-Prestige fragrance div; Robert Nielsen, pres-Fashion & Designer Grp.; Jackie Hadley, vp-mktg, Fashion & Designer Grp.

Brands

Revlon, Almay, Ultima II, Max Factor, No Sweat deodorant, fragrances
Ad agency: Tarlow Advertising, New York. Richard Tarlow, exec vp-adv.
Corp media buying
Ad agency: Young & Rubicam, New York. Denise Weiman, vp-grp super, natl television.
Scaasi frangrance
Ad agency: Peter Rogers Associates, New York. Linda McGrath, acct super.

RANK: 9

RJR Nabisco

New York
Ad spending: **$703.5** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	132,781	116,903	13.6
Sunday magazine	4,073	6,207	(34.4)
Newspaper	6,176	6,992	(11.7)
Outdoor	49,149	57,246	(14.1)
Network TV	143,452	168,091	(14.7)
Spot TV	11,261	17,214	(34.6)
Syndicated TV	13,458	14,974	(10.1)
Cable TV networks	19,149	13,934	37.4
Network radio	2,584	4,741	(45.5)
Spot radio	4,257	501	749.2
Measured media	386,340	406,802	(5.0)
Unmeasured	317,200	334,100	(5.1)
Total	703,540	740,902	(5.0)
By top brands	**1989**	**1988**	**% chg**
Nabisco cookies & crackers	69,906	63,238	10.5
Salem cigarettes	29,606	34,943	(15.3)
Camel cigarettes	27,222	23,903	13.9
Vantage cigarettes	24,999	27,719	(9.8)
Winston cigarettes	23,981	30,460	(21.3)

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By top brands	1989	1988	% chg
Nabisco cereals	21,572	28,280	(23.7)
Magna cigarettes	19,618	4,783	310.1
Now cigarettes	18,396	25,359	(27.5)
More cigarettes	17,825	16,461	8.3
Fleischmann's margarine & oils	14,924	12,476	19.6

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	12,764	12,635	1.0
Earnings	2,016	1,924	4.8
Division sales	**1989**	**1988**	**% chg**
Tobacco	6,981	7,068	(1.2)
Food	5,783	5,567	3.9

Annual review

RJR Nabisco in 1989 sliced its advertising budget as part of a companywide move to hold down costs while paying back debt incurred from the company's $25 billion buyout by Kohlberg Kravis Roberts & Co. in 1988.

The company pared media spending by $50 million for the year. Advertising isn't expected to move much this year either: RJR Tobacco late in 1989 told magazine publishers it would slash its print budget by 25% or an estimated $26 million in 1990. It also stopped the traditional practice of promoting cigarettes at the end of each quarter to move inventories.

RJR cigarette products, however, finished 1989 with a marginal increase in measured spending—to $172.8 million, up 3%, according to LNA/Arbitron.

Much of the debt reduction in 1988-89 came from the sale of businesses: The European foods operation was sold to BSN Groupe, Paris, for $2.5 billion; Chun King was bought by Yeo Hiap Send Ltd. and Fullerton Holdings Pte. Ltd. for $52 million; Del Monte fresh fruits went to British company Polly Peck International for $875 million; Del Monte processed foods were picked up by a management group backed by Citicorp and Kikkomann Corp. of Japan for $1.48 billion; Nabisco's Baby Ruth and Butterfinger brands were snapped up by Nestle Foods for $370 million.

RJR has had its Milk-Bone dog biscuits on the block since mid-1990, but no takers have surfaced at presstime.

Cost savings also came from the reduction of 1,640 jobs, or more than 11% of the workforce, at R.J. Reynolds Tobacco in August 1989. Another estimated $8 million was saved when Nabisco Brands canceled its umbrella sponsorship of the Professional Golfers Assn. Tour in February 1990.

The cost-cutting turned out to be an unexpected boon for one of the company's agencies. FCB/Leber Katz Partners, when Nabisco Brands disbanded its in-house media buying staff, awarding the $140 million-plus buying assignment to the agency in fall 1989.

FCB/LKP in July had been awarded Winston cigarettes from McCann-Erickson Worldwide, New York, in a shift which also saw Camel move from McCann to Young & Rubicam, New York.

By year's end RJR had spent $23 million on Camel, down 11.5%, and another $29 million on Winston, down 34.5%, according to LNA/Arbitron.

Both brands lost share in 1989. Winston finished the year with a 9.2% market share, down from 10.7% a year earlier, while Camel dropped to 2.7% from 2.9%. Overall, RJR's share of the tobacco market slid to 28.6% from 31.8% in 1988, according to Wheat, First Securities analyst John Maxwell. The company's biggest gains came from the sector in which all tobacco companies are gaining share—the price-value end—where RJR's Doral moved from 3.4% of market to 3.6%, and Magna moved from 0.1% to 0.5%.

New management moved into the tobacco unit in July 1989 as David Iauco became senior VP-marketing, succeeding John Winebrenner, who moved to senior VP-RJR Tobacco International. Mr. Iauco, formerly senior VP at RJR Tobacco Development Co., had overseen the Premier "smokeless" cigarette, another casualty of buyout debt.

The company also canceled test marketing of Uptown, a black-targeted cigarette, after public outcry from religious, political and health officials. Uptown, handled by Trone Advertising, Greensboro, N.C., had been slated for test in Philadelphia in February 1990.

Only weeks later, RJR made national headlines with Dakota, also handled by Trone Advertising, when the marketing plan was leaked to the press. The plan positioned the brand as appealing to "virile females." RJR said the brand, which did go into two test markets, was targeted at both men and women smokers of Philip Morris USA's Marlboro.

Nabisco Brands continued an aggressive new products program in 1989, with a few notable flops. Encouraged by the success of Teddy Grahams cookies, which rang up $150 million in first-year sales, the company extended the concept to a ready-to-eat children's cereal in October. But the cereal came up short with a marginal market share of 0.3% by mid-1990.

Another Nabisco cereal, 100% Bran with Oat Bran, also failed to boost Nabisco's share in the $6.9 billion cold cereal market, where the company dropped to a 4.6% share for the period ended May 1990, down 0.7 points. Along with a hot cereal entry, Wholesome 'N Hearty Oat Bran, Nabisco's attempt to capitalize on the oat bran phenomenon failed along with similar efforts by other companies when a study casting doubt on oat bran's cholesterol-reducing ability tumbled the oat bran market.

Nabisco Spoon Size Shredded Wheat Plus, a fortified version to go head-to-head with a similar Kellogg Co. entry called Whole Grain Shredded Wheat, was introduced, and Nabisco took issue with Kellogg's claim that it was "the most nutritious" shredded wheat; the companies settled out-of-court.

Nabisco Foods defended its leadership position in the $430 million dog snacks segment with Tartar Control Milk-Bone for a pooch's periodontal problems in November 1989.

Nabisco Biscuit, which maintained its 35% share of the $6.8 billion cookie-cracker market, announced a $100 million ad blitz for seven new cookie-cracker products in September 1989. Little of that showed up in 1989 as the cookie-cracker king took a $10 million bite out of media spending for its lines, which measured $81.3 million for the year, down 10.6%.

Headquarters

RJR Nabisco
1301 Avenue of the Americas
New York, N.Y. 10019

Corporate personnel

David Kalis, sr vp-worldwide comms.

Brands

Corp adv

Ad agency: Babbit & Reiman, Atlanta. Joel Babbit, Joey Reiman, principals.

Subsidiary

R.J. Reynolds Tobacco Co.
Winston-Salem, N.C.

Marketing personnel

Peter Hoult, exec vp-mktg; David Iauco, sr vp-mktg.

Brands

Winston, Salem, Vantage, Ritz

Ad agency: FCB/Leber Katz Partners, New York. Robert Hirsch, sr exec vp; Ted Littleford, sr exec vp-exec creative dir.

Camel, More, Now

Ad agency: Young & Rubicam, New York. Jane Brite, grp genl mgr; Mike Feldman, grp dir.

Century, Magna, Doral, Sports Marketing Enterprises

Ad agency: Long, Haymes & Carr, Winston-Salem, N.C. Donald Adams, chmn-ceo; Bob Graham, vice chmn-ceo; Loren Chamberlain, vice chmn-chief mktg officer; Bob Fly, pres-coo; Logan McCabe, vp-dir, special events promo.

Subsidiary

R.J. Reynolds Tobacco International
Winston-Salem, N.C.

Corporate personnel

Dale Sisel, pres-ceo.

Marketing personnel

John Winebrenner, sr vp-mktg.

Brands

Camel-worldwide adv

Ad agency: McCann-Erickson, New York.

Regional adv: Salem, Winston

Ad agency: J. Walter Thompson USA, New York.

Subsidiary

Planters LifeSavers Co.
Winston-Salem, N.C.

Corporate personnel

Dolph von Arx, chmn-pres-ceo.

Marketing personnel

Cheryl Bachelder, vp-mktg & business devel; Roger Adams, dir-Planters; Joseph Collerd, dir-confections; Alan Cox, dir-business planning & devel; Larry Bumgart, dir-special markets; Kathi Mocniak, dir-rsch & analysis; Suzanne Buchanan, grp mgr-promo & graphics.

Brands

Planters nuts & snacks

Ad agency: Lintas:New York. Spencer Plavoukos, chmn-ceo; Bill Vitrol, acct super; Stephanie Beckner, sr vp-mgmt super; Terry Rosenquist, grp exec vp; Frank Devito, pres-dir, creative svcs; Lynn Giordano, exec vp-grp creative dir.

Care*Free Gum, LifeSavers, Fruit Juicers, Breath Savers, LifeSavers Holes

Ad agency: FCB/Leber Katz Partners, New York. Stanley Katz, chmn-ceo; Janice Lee, sr vp-grp mgmt dir; Lori Donchak, sr vp-mgmt dir; Tony Stanol, vp-accts dir; Sarah Klein, acct exec-Care*Free; Martha Darmohraj, Dan Foster, acct execs-LifeSavers & Breath Savers.

Bubble Yum, Fruit Stripe gum

Ad agency: Long, Haymes & Carr, Winston-Salem, N.C. Donald Adams, chmn-ceo; James Woods III, mgmt super; Pat Thomas, sr vp-treasurer; Robert Fellows III, exec vp; Robert Fly, pres-coo; Loren Chamberlain, vice chmn-chief mktg officer; Robert Graham, vice chmn-chief creative officer.

Subsidiary

Nabisco Brands
East Hanover, N.J.

Corporate personnel

H. John Greeniaus, pres-ceo; John Manfredi, sr vp-corp & government affairs; Ellen Marram, pres-ceo, Nabisco Biscuit Co.; William McKnight, pres-ceo, Nabisco Foods Co.

Marketing personnel

John McV. Robinson, vp-business planning & devel; Robert Springer, sr dir-adv svcs; Louis Rubinacci, dir-media svcs; Beth McMorrow, dir-commercial prodn, Nabisco Biscuit Co: Bruce Wood, sr vp-mktg; Sharon Fordham, sr dir-new business; Jeff Myers, sr dir-integrated mktg progs; Fran Rose, sr dir-strategic planning & mkt research; Allan Falvey, dir-proms; Michael Perry, dir-media svcs; Jim Chambers, category business dir-Nilla, Newtons & Teddy Grahams; Sandy Putnam, category business dir-Oreo, Chips Ahoy! & Kids cookies; Eric Shullman, category business dir-crackers. Nabisco Foods Co: Daniel Clark, sr vp-mktg, R&D-planning; Roger Wagner, vp-trade mktg; Alice Limina, sr dir-planning; John Mitchell, sr vp-sales, distribution & trade mktg; Marc Schoenholz, sr dir-mktg; Richard Fischetti, dir-mkt rsch & admin.

Brands

Nabisco Biscuit Co: crackers

Ad agency: McCann-Erickson, New York. Rob McKinley, sr vp-grp dir.

Nabisco Biscuit Co: cookies. Nabisco Foods Co: margarines, cereals, desserts, dog biscuits

Ad agency: FCB/Leber Katz Partners, New York. Colleen Gowl, exec vp-grp mgmt dir; Cynthia Perry, sr vp-mgmt dir.

Nabisco Foods Co: A.1 Steak Sauce, Grey Poupon mustard, Ortega Mexican foods, College Inn

Ad agency: Lowe & Partners, New York. Scott Smith, sr vp-mgmt service dir.

RANK: 29

Sara Lee Corp.

Chicago

Ad spending: **$357.9** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	36,177	34,745	4.1
Sunday magazine	4,412	5,142	(14.2)
Newspaper	1,719	2,272	(24.4)
Outdoor	62	73	(14.9)
Network TV	89,795	77,788	15.4
Spot TV	27,240	26,420	3.1
Syndicated TV	4,765	3,385	40.8
Cable TV networks	3,550	2,521	40.8
Network radio	462	583	(20.8)
Spot radio	1,621	1,003	61.6
Measured media	169,802	153,934	10.3
Unmeasured	188,100	170,500	10.3
Total	357,902	324,434	10.3
By top brands	**1989**	**1988**	**% chg**
Hanes underclothing	31,681	20,652	53.4
L'eggs hosiery	28,314	34,065	(16.9)
Hanes hosiery	21,227	15,667	35.5
Aris Isotoner slippers	11,286	13,158	(14.2)
Hillshire Farms meats	10,932	7,872	38.9
Aris gloves	7,576	9,277	(18.3)
Hanes sportswear	7,358	2,223	231.0
Bryan meats	5,972	4,901	21.9
Jimmy Dean prepared dinners	4,788	3,065	56.2
Mr. Turkey meats	4,756	2,785	70.8

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	11,600	11,700	(0.9)
Earnings	470	411	14.6
Division sales	**1989**	**1988**	**% chg**
Packaged meats	4,959	5,922	(16.3)
Coffee & grocery	1,834	1,816	1.0
Personal products	3,757	2,873	30.7
Household, prsnl care	1,060	1,127	(5.9)

Notes: Fiscal year ended June 30, 1990.

Annual review

With the tones of its jingle "Nobody doesn't like Sara Lee" still echoing, Sara Lee has found consumers developing new calorie and cholesterol scruples that are forcing it to reassess its product lines and streamline operations.

The company, which offers a broad range of foods, personal care and consumer product lines, continued its megabrand strategy of leveraging one brand name with another. And to facilitate better cross-promotion efforts, the company consolidated its U.S. retail food advertising this May at Lintas:USA.

The company's latest megabrand leveraging came with the introduction of Hanes Her Way women's underwear, which drew more than $13 million in measured media. The brand leverages the Hanes name and Sara Lee's women's underwear brands Bali and Canadelle.

Hanes underwear and socks are being pushed in a $20 million megabrand ad campaign, "Nothing else feels so right," featuring sports personalities Michael Jordan, Boomer Esiason, Steve Largent, Howie Long and Joe Montana.

Sara Lee's bakery lines are rapidly becoming portion-controlled, single-serve desserts with lower fat and sugar, and there is a shift into breads with a fuller line of bagel and muffin products. Sara Lee remains the market leader in baked goods with a 27% share.

The company is closing the Deerfield, Ill. headquarters plant.

Originally designed for 13 products when opened in 1984, the plant is now handling more than a thousand. This produced inefficiencies and influenced a downturn in the bakery division's performance.

In fiscal 1990, ended midyear, operating

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income dropped to $30 million from $60 million in the prior-year period. Bakery sales volume declined 3% in fiscal 1990.

A Sara Lee spokesperson also attributed the slowing bakery sales to a shift in consumer tastes, some ineffective product promotions and an upswing in restaurant dining. The bakery line dropped 49% in measured ad spending in 1989 to $7.7 million.

Sara Lee's meat companies are launching new lighter formulations. Hygrade recently introduced a Ballpark Lite hot dog with one-third less fat, now about 85% national in distribution. Bil Mar is first in the industry with a 98% fat-free skinless quarter turkey breast, sold under the Mr. Turkey brand. Under the Rudy's Farm brand, the Sara Lee Sausage division introduced its "Morning Light" line of breakfast sausage links and patties, formed in smaller portions with lower calories and less sodium and cholesterol.

The company's meat lines made the biggest percentage jump in ad spending in 1989, climbing 43.3% to $41.5 million, according to LNA/Arbitron. Sara Lee's meat brands (Hillshire Farm, Jimmy Dean, Hygrade, Bryan and Kahn's) give it a 21% share of market. Sara Lee ranks No. 1 in smoked sausage at 38% of market, No. 1 in breakfast sausage at 25% and No. 2 in lunch meats at 11%.

The highest ad dollar total in 1989, as in the preceding year, was for hosiery—$50 million, including $28.1 million for L'eggs, down 8.8%, and $18.9 million for Hanes, up 19.8%. The two big hosiery lines give the company market leadership with a 43% share.

Gloves, marketed under both Aris and L'eggs labels, drew $8 million in media, down 19.5%. Bras and panties got $15.7 million in media, up from $6.3 million, to support Bali, Hanes Her Way and L'eggs Just My Size brands. Sales generated by the women's pantyhose line tie Sara Lee with Playtex for market leadership. Hanes men's underwear got $17.3 million, up 8.2%. The line, which claims a 27% share of market, is second to Fruit of the Loom.

Sara Lee operations were consolidated from five to two main segments, each with two business lines: Packaged Foods, including packaged meats and bakery (plus coffee and grocery lines); and Packaged Consumer Goods, including personal products and household and personal-care lines. The company also coalesced its disparate regional and national meat producers into two broad groups, Sara Lee Packaged Meats and Sara Lee Sausage Division.

C. Steven McMillan, Sara Lee strategy chief, will head up Sara Lee's packaged meats, bakery and foodservice business. He was named temporarily Sara Lee Bakery CEO, a post vacated by Thomas D. McLeod Jr., who left to become president-CEO of Iams Co.

Lintas:USA took Bryan Foods from Ally & Gargano, Bakery (retail) from Chiat/Day/Mojo, New York, and Sara Lee Sausage Division (retail) from four regional agencies.

■ Headquarters

Sara Lee Corp.
Three First National Plaza
Chicago, Ill. 60602-4260
(312) 726-2600

■ Marketing personnel

George Sokolowski, vp-mktg & adv, Aris Isotoner. Adams Millis: George Burfeind, pres-ceo; Don Fought, dir-mktg. Hanes Bill Blass Collection, Hanes Her Way & Natural Moves; Ann Thomason, Julianne Golden, Bruce Peoples, mktg mgrs. Bali Co.: Mary Kay Edwards, vp-mktg & merch; Karyl Chongas, dir-mktg. Bil Mar Foods: E. James Weber, vp-sales & mktg, food service; Dan Lennon, dir-mktg; Warren Waters, vp-deli div; Jan Gullet, vp-retail div. Bryan Foods: Irv Bronska, pres; Bob Hughes, vp-mktg; Norman Bessac, dir-mktg; Rich Lowry, dir-new business devel. Buring Food Grp: Billy D. Brown, vp-sales & mktg; Robert Whitsitt, dir-mktg. Canadelle: Ken Steward, pres; Ray Nadeau, vp-mktg; David Authier, dir-mktg; Robert Paluzzi, mktg mgr-WonderBra & Just My Size; Sheldon Deitcher, mktg mgr-Daisy Fresh; George Cook, dir-creative svcs. Champion Prods: Terry Owen, pres; Paul Wold, vp-mktg; Ward Wilson, vp-merch; Cliff Bull, vp-dir, graphics & comms. Coach Leatherware Co.: Michael Colemen, vp-mktg; Catherine Sadler, dir-comms. Design Foods: Hal Carper, vp-mktg & special segment sales. Hanes Hosiery: Carol Mabe, vp-mktg; Charlotte Farrior, dir-Hanes; Randy Royer, dir-retail mktg. Hanes Her Way: Barry Boyd, pres; Ted Cooper, dir-mktg, bras & panties; Fran Braun, dir-mktg, activewear. Hanes Menswear: Kirk Beaudin, pres; John Ceneviva, vp-mktg, retail; Jim Ostrowski, vp-mktg. Hanes Printables: Steve Lineberger, dir-mktg, underwear; Paul Snyder, dir-mktg, retail activewear; Bob Vaughan, dir-mktg, Hanes Printables. Hillshire Farm & Kahn's: Greg Sykes, vp-retail sales & mktg; Dick Dedden, vp-retail mktg; Jay Leigever, dir-mktg, smoked & semi-dry sausages. Hygrade Food Prods: Thomas Bailey, sr vp-mktg & sales; Margaret Riley, vp-dir mktg. Kiwi Brands: S.F.P. Stanbrook, exec vp-sales & mktg. L'eggs: Michael Flatow, vp-mktg & sales; Jon Letzler, vp-mktg mgmt; Steve Lineberger, Gerald Evans, mktg dirs; David Hauber, dir-sales & mktg svcs. PYA/Monarch: Joe B. Pearce, pres-ceo; John Millard, business devel & natl chain sales. Sara Lee Bakery: Thane Pressman, exec vp; Richard Seban, dir-mktg; Joe Holman, mktg comms mgr; Cindy Kerr, dir-new prods. Sara Lee Meat Grp: Edward Jenkins, vp-retail mktg. Sara Lee Sausage Div: Gina Domm, vp-retail mktg; Bob Holiday, vp-foodservice; Tom McDonald, mgr-foodservice mktg; Dough Schoenrock, mgr-new prod mktg, foodservice. Seitz Foods: Rick Benward, dir-sales. State Fair Foods: Mike Kenter, vp-sales & mktg. Superior Coffee & Foods: John Hughes, vp-mktg; Mary Kay Buettgen, dir-mktg; Ralph Russo, vp-gourmet div; Bruce Flowers, mgr-adv & promo; Eileen Podkulski, super-mktg svcs; Wendie Looshi, mktg coord.

■ Brands

Hanes Her Way, Hanes underwear, Pannill Knitting Co.-fleecewear, Adams Millis-socks, Fitting Pretty

Ad agency: Long, Haymes & Carr, Winston-Salem, N.C. Bill Lavasseur, mgmt super-Hanes Her Way; Myra Falkenberry, acct super-women's wear; Bill Britt, mgmt super-men's wear; Jim Mitchell, acct super-men's wear; Wendy Barclay, acct exec; Lynn Salzburg, mgmt dir-Hanes hosiery; Lauren Menella, acct exec-Hanes hosiery; Ed Appert, acct super-Fitting Pretty; Maureen Dunkley, acct exec-Fitting Pretty.

Hanes Donna Karan hosiery

Ad agency: Arnell Bickford, New York. Peter Arnell, Ted Bickford, owners; Trey Laird, sr vp; Barbara Lederberg, vp.

Hanes Liz Claiborne hosiery

Ad agency: Altschiller Reitzfeld Davis/-Tracy-Locke, New York. Deborah Stymest, vp-mgmt super; Suzanne Ricciardi, acct exec.

L'eggs, Just My Size, Bali, Aris Isotoner-media buying, Hanes

Ad agency: Saatchi & Saatchi Advertising, New York. Michael Donahue, exec vp-mgmt dir, Hanes, Bali, L'eggs, Aris Isotoner; Marty Gertler, sr vp-mgmt super, Hanes, Bali, L'eggs, Just My Size, Aris Isotoner; Lyn Salzberg, acct super-Hanes; Carol Sessions, acct exec-Aris Isotoner; Evangeline Ames, acct super-Bali; Rich O'Gorman, media super-Aris Isotoner.

Sheer Energy L'eggs medical programs

Ad agency: Kallir, Philips, Ross, New York. Norman Cooper, pres-coo; Virginia Foley, sr vp-mgmt super.

Hygrade

Ad agency: Lintas:Campbell-Ewald, Detroit. William Case, sr vp-acct super; Thomas Sager, acct exec.

Bil-Mar, retail self-serve

Ad agency: Lintas:Campbell-Ewald, Detroit. Bill Case, sr vp-mgmt super; Tom Sagers, acct exec.

Canadelle, WonderBra

Ad agency: The Academy, Ogilvy Communications, Montreal. Jean Deschenes, grp super-dir, client svcs; Stephanie Kouri, acct mgr.

Canadelle, Daisy Fresh

Ad agency: Prisme, Montreal. Jennifer Damiani, acct dir; Lynn Roberge, acct exec.

Bryan Foods, Flavor of the South, Hot Dogs, Smokey Hollow, lunch meats

Ad agency: Lintas:USA, New York. George Bauerschmidt, sr vp; Lois Lucker, acct exec.

Sara Lee Bakery, retail

Ad agency: Lintas:USA, New York. Peter Barnet, exec acct dir; Lance Smith, mgmt super; Leah Carr, acct super.

Champion athletic apparel & footwear

Ad agency: Rumrill-Hoyt, Rochester, N.Y. Helen Hutchings, acct super; Malcolm Gray, acct exec.

Coach leatherware

Ad agency: Lord Einstein O'Neill & Partners, New York. Arthur Einstein, pres; Lynn Stiles, copywriter; Seyman Ostilly, vp-art dir.

Design Foods

Ad agency: Leon Banowitz Design, Dallas. Leon Banowitz, owner.

Hillshire Farm & Kahn's meats, State Fair Foods

Ad agency: Lintas:USA, New York. Peter Barnet, exec vp; Lance Smith, mgmt super; Mark Solomon, acct super.

Hillshire Farm & Kahn's-natl mktg, media svcs

Ad agency: Sive Associates, Cincinnati. Phil Mandel, vp-mktg planning; Tom Allen, acct exec.

Kiwi brands, Bloo, Miracle White, Jonny Blue/-Jonny Green, Ty-D-bol, Sting Kill, Wood Preen, Tintex

Ad agency: Lewis, Gilman & Kynett, Philadelphia. Robert W. Schell, vp-grp mgmt; John H. Krick, acct super; Les Altenberg, acct exec.

Kiwi brands, Ambi

Ad agency: UniWorld Group, New York. Herb Kemp, pres; Mariam Muley, acct super.

nGallo Salame

Ad agency: Lewis, Broward & Associates, Oakland, Calif. C. Roger Lewis, pres; Fred Whelan, acct exec.

Sara Lee Sausage div-retail

Ad agency: Lintas:USA, New York. Peter Barnet, grp mgmt super; Slenn Morrichi, mgmt acct super-sausage div.

RANK: 72

Schering-Plough Corp.

Madison, N.J.
Ad spending: $150.2 million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	18,529	19,074	(2.9)
Sunday magazine	0	720	NA
Newspaper	1,611	442	264.6
Outdoor	77	148	(48.2)
Network TV	31,919	43,362	(26.4)
Spot TV	4,348	7,086	(38.6)
Syndicated TV	3,380	2,278	48.4
Cable TV networks	3,140	2,812	11.7
Network radio	7,809	9,170	(14.8)
Spot radio	1,794	1,202	49.2
Measured media	72,607	86,293	(15.9)
Unmeasured	77,600	92,300	(15.9)
Total	150,207	178,593	(15.9)
By top brands	**1989**	**1988**	**% chg**
Drixoral 12 hour cold tablets	12,591	11,815	6.6
Tinactin medication	7,693	6,216	23.8
Dr. Scholl's products	7,465	6,764	10.4
Correctol laxative	7,028	6,754	4.1
DuraSoft contact lenses	6,276	8,134	(22.8)
Coppertone products	5,556	3,924	41.6
Stay Trim reducing aids	3,694	7,480	(50.6)
Duration cold products	2,899	2,401	20.8
Dr. Scholl's med. equip.	2,866	3,421	(16.2)
Drixoral Plus cold tablets	2,535	1,182	114.5

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	3,158	2,969	6.3
Earnings	471	390	20.9
U.S.	**1989**	**1988**	**% chg**
Sales	1,987	1,797	10.6
Operating profit	538	447	20.3
Division sales	**1989**	**1988**	**% chg**
Pharmaceuticals	2,432	2,144	13.4
Consumer prods	664	685	(3.0)
Divested businesses	62	141	(56.3)

■ Annual review

Following the divestiture of cosmetics marketer Maybelline Co., Schering-Plough combined its OTC suncare, footcare and consumer products under the newly created Schering-Plough HealthCare Products unit.

The company, which discounted conjecture that it might bail out of consumer products altogether, continued to stress its growing focal point of transforming prescription drugs into OTC products.

S-P is stepping up its OTC introductions, citing an OTC market that is growing at a 9% clip compared to 7% for prescription drugs, and consumer interest in self-medication to combat rising prescription drug prices.

The latest Rx-to-OTC product, the topical antifungal Lotrimin AF, recently got FDA approval to be marketed under the same name and formula as its prescription counterpart.

In the reorganization, S-P also established Schering-Plough HealthCare Advertising Corp. to take over in-house media planning and placement for the new division, whose products in 1989 spent $60 million in media.

Company sales now may be weighted toward its pharmaceutical business, but consumer products still have critical mass. The new consumer division ranks

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(Football): Vince Lombardi, Jim Thorpe, Paul Hornung, Ernie Stautner, Bobby Layne
(Olympics): Jesse Owens
(Boxing): Joe Louis, Rocky Marciano

fifth in sales volume among the top 10 OTC brands into the new consumer division, Schering-Plough cut off consumer media spending for Afrin, Coricidin and Chlor-Trimeton. On the other hand, media outlays for the Drixoral line increased 13.5% to $15.1 million.

Medications, part of S-P's old consumer unit, got increased ad support, although advertising for most is minor. Spending on Feen-A-Mint laxative, Di-Gel and Duration nasal spray and decongestants was up substantially, but none of the products received more than $1.2 million. Correctol laxative advertising grew by 1% to $7 million.

The emphasis of suncare products and their marketing can't stress skin protection enough. Coppertone, Schering's largest suncare brand, introduced sun protection factor 44 lotion and Tan Magnifier Lotion. Ad spending weighed heavily on the new products, which, at $5.6 million, accounted for over 60% of S-P's measured spending in the category. Coppertone's spending shifted from TV to magazines, and its overall media growth of 41.6% was slightly less than the 48.8% industry category average. Schering maintained the lead in suncare with a 34% market share from Coppertone, Shade, Tropical Blend and Solarcaine brands.

Dr. Scholl's kept control of the foot-care products business with a 61% unit share of the U.S. market. Measured ad spending rose 11.4% to $12.9 million and shifted to magazines and radio from TV and newspaper. Emphasis was on shoe inserts, including Back Guard and Air Pillo inserts, which accounted for over 50% of spending. Dr. Scholl's got one new entry—Clear Away Wart Remover.

S-P signed a licensing agreement in June 1989 with Japan's Lion Corp. to manufacture and market Zact smokers' toothpaste and Check-Up anti-plaque toothpaste and gum in North America. After finalizing the agreement S-P moved the estimated $2 million account to Masterson & Rothberg, New York, from Bozell, Minneapolis.

The Schering-Plough Pharmaceuticals division is expecting FDA approval soon for Claritin, a once-a-day, non-sedating antihistamine for asthma and allergy treatment. The product broadens S-P's category anchored by Proventil, which grew in sales by 56% last year but lost its patent protection in December. S-P developed an improved inhalation device and special sustained-release tablets to help safeguard Proventil's growth.

Wesley-Jessen vision-care unit added two new shades—misty gray and chestnut brown—to its DuraSoft 3 Colors contact lens line. In 1990 the company launched DuraSoft 3 OptiFit lenses, a flexible wear toric lens. Media backing for DuraSoft, the second largest advertiser of contact lenses, was cut 21% to $6.3 million compared with a 12% decrease from category leader Johnson & Johnson's Acuvue lenses.

Maybelline Co., sold to Wasserstein Perella Partners, the company that also picked up Yardley/Lentheric from SmithKline Beecham, maintained its No. 2 rank in unit volume in the mass color cosmetic market in 1989 despite a measured ad spending decrease of 17.3% to $31.7 million.

S-P's sale of Maybelline parallels a trend by drug companies to leave the cosmetics market. Aside from the sizable infrastructure required in dollars and manpower to sustain such a market, cosmetics have been a slow-growth business.

■ Headquarters

Schering-Plough Corp.
One Giralda Farms
Madison, N.J. 07940-1000
(201) 822-7000

■ Marketing personnel

S-P HealthCare Prods div: David E. Collins, pres; Lewis Nolan, vp-comms. Pharmaceutical Operations div: Rodolfo Bryce, sr vp-mktg & sales, Rx-Schering Labs; Robert Baldini, sr vp-sales & mktg, Key Pharmaceuticals-Schering Labs.; Glenn Horrocks, vp-US mktg & sales, S-P Animal Health; Thomas F. Battaglini, sr dir-mktg, S-P Animal Health; John F. Kopf, dir-mktg svcs, S-P Animal Health; Charles Stroupe, pres, Wesley-Jessen; Robert Cullen, vp-sales & mktg, Wesley-Jessen; Thomas Steiner, sr dir-intl & professional mktg, Wesley-Jessen.

■ Brands

Corp media buying

Ad agency: Schering-Plough HealthCare Prods. Adv. Corp. (in-house), Liberty Corner, N.J. Russell Elliott, pres; Ron Menick, vp-media planning; Steve Romines, vp-media purchasing.

HealthCare Prods.: Correctol, Dr. Scholl's insoles, Lotrimin AF, Solarcaine, Tropical Blend, Water Babies

Ad agency: Cadwell Davis Partners, New York. Franchellie Cadwell, pres; Herman Davis, chmn-creative dir; Steven Brophy, sr vp-writer; Barbara Livenstein, sr vp-art dir; Chris Amato, sr art dir; Toby Finneman, sr writer; Elliot Glazer, exec vp-dir acct svcs; Andy Schaer, vp-mgmt super; Brenda Klumpp, acct super.

HealthCare Prods: Afrin, Coppertone, Coricidin, Dr. Scholl's Back Guard, Dr. Scholl's Clear Away, Dr. Scholl's Hidden Comfort, Dr. Scholl's Smooth Touch, Dr. Scholl's corn & callus products

Ad agency: Della Femina, McNamee, New York. Ueli Morant, exec vp-grp acct dir; Larry Smith, vp-mgmt super, Afrin; Robert Peterson, vp-mgmt super, Coppertone; Mark Jones, acct exec-Coppertone, Joanne Tilove, vp-mgmt super, Dr. Scholl's; Patty Ciambra, acct exec-Dr. Scholl's.

HealthCare Prods.: Chlor-Trimeton, Drixoral, Duration, Feen-A-Mint, Shade, Tinactin

Ad agency: Warwick Baker & Fiore, New York. Wilder Baker, pres-ceo; Andy Mockler, sr vp-grp acct dir; Rebecca Randall, vp-acct super; Anita May, acct super.

Wesley-Jessen: DuraSoft contact lenses, Aqua-flex contact lenses, Complements contact lenses, lens solutions

Ad agency: Young & Rubicam, Chicago. Dana Anderson, sr vp-grp dir; Tim Pretzsch, vp-acct super; Mary Hasten, acct exec.

RANK: 77

Seagram Co.

Montreal
Ad spending: **$136.8** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	29,362	32,016	(8.3)
Sunday magazine	1,379	1,159	18.9
Newspaper	2,920	2,993	(2.4)
Outdoor	9,021	9,276	(2.7)
Network TV	34,707	44,360	(21.8)
Spot TV	10,238	9,683	5.7
Syndicated TV	9,418	3,440	173.8
Cable TV networks	702	111	534.3
Spot radio	4,054	1,745	132.3
Measured media	101,801	104,783	(2.8)
Unmeasured	35,000	36,000	(2.8)
Total	136,801	140,783	(2.8)
By top brands	**1989**	**1988**	**% chg**
Tropicana juices	46,795	32,505	44.0
Seagram's Canadian	13,595	15,790	(13.9)
Seagram wines	8,782	25,817	(66.0)
Chivas	5,581	7,194	(22.4)
Seagram's gin	4,311	4,825	(10.7)
Seagram's 7 Crown whiskey	3,748	4,236	(11.5)
Martell	2,796	283	889.1
Glenlivet	2,222	2,533	(12.3)
Captain Morgan liquor	1,536	1,449	6.0
Seagram's liquors	1,431	1,324	8.1

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	5,582	5,056	10.4
Earnings	711	589	20.5
U.S.	**1989**	**1988**	**% chg**
Sales	2,742	2,469	11.1
Operating income	50	(7)	NA
Division sales	**1989**	**1988**	**% chg**
Spirits & wine	4,531	4,282	5.8
Fruit juices	1,051	774	35.8

■ Notes: Fiscal year ended Jan. 31, 1990

■ Annual review

Seagram Co. is expanding aggressively into juice and soft drinks to offset sluggish sales, particularly in North America, in distilled spirits and wines.

Although Seagram's sales increased 5.8% in spirits and wines for the year, the fiscal 1990 returns are masked by price increases and the first full-year's returns for Martell S.A., the world's second largest cognac producer bought in April 1988. Seagram's U.S. volumes actually declined as wine and spirits cooler case sales dropped and Seagram's sold 24 lower-priced spirits brands.

The company introduced Tropicana Twister juice blends and purchased the American Natural Beverage Corp., makers of Soho Natural Sodas, to help push the fruit juices/soft drinks segment to 19% of total company sales from 15% a year ago.

Sales of Soho, however, may not be as strong as Seagram originally anticipated. While the company does not release sales figures on any of its products, it has not been supporting the product with advertising for several months. While this inactivity has led Soho to split with agency Chiat/Day/Mojo after Chiat won the account only a year ago, Seagram insists the account is up for review and that advertising will resume with a new agency.

There is some speculation that Seagram is having distribution problems with Soho.

The company introduces the carbonated Tropicana Juice Sparklers this fall with an estimated $10 million campaign. Seagram expects the four-flavor product to compete with New Era Beverages' Sundance. The campaign, from DDB Needham Worldwide, New York, is themed "The world isn't flat anymor ," and emphasizes the product's carbonated quality.

Tropicana's flagship orange juice is locked in a market battle with Coca-Cola Co.'s Minute Maid brand, which has made substantial gains. At midyear 1990, Minute Maid posted a 23.6% share of the U.S. retail orange-juice business, compared with Tropicana's 21% share.

While Seagram's is making strides in the soft drink market, 80% of the company's sales still come from alcoholic beverages. In 1989, the company ranked No. 2 with 14% of the U.S. market, slightly trailing Grand Metropolitan's International Distillers & Vintners. IDV is comprised of Heublein Inc., Paddington Corp. and Carillon Importers.

Seagram remains the leading manufacturer of wine coolers despite a considerable drop in consumer interest. Its cooler sales of $400 million represent 40% of the $1 billion cooler market. Seagram's closest competitor is E&J Gallo's Bartles & Jaymes.

This April, Seagram moved its $15 million wine cooler account to Wells, Rich, Greene, from Ogilvy & Mather, both New York. New print and broadcast campaign broke later in the spring. WRG also handles Takara Sochu, a 70-proof Japanese liquor testing on the West Coast.

Then in June, Wyborowa, a choice vodka, was launched nationally under the Seagram banner.

Last month Seagram's eliminated 177 jobs, including the 20-person, in-house media buying unit, largely for print, headed by Alan Gold, director of media. The move was made to economize. The agencies handling creative were given responsibility for buying. As a result, Seagram agencies absorbed the $55 million in buying previously handled in-house.

DDB Needham received $26 million in buying for the Seagram's premium brands including Crown Royal and Chivas Regal. O&M received $17 million in buying for Seagram's name liquors and WRG for Seagram's Coolers, about $10 million.

■ Headquarters

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Jos. E. Seagram & Sons
375 Park Avenue
New York, N.Y. 10152
(212) 572-7000

■ Corporate personnel

Edgar M. Bronfman, chmn-ceo; Charles R. Bronfman, co-chmn; David G. Sacks, vice chmn; Edgar Bronfman Jr., pres-coo; Richard K. Goeltz, exec vp-finance; John Preston, treasurer; Michael C.L. Hallows, secretary; Stephen E. Herbits, exec vp-corp policy & external affairs; M. Jacqueline McCurdy, vp-state & industry relations; Stephen Koplan, vp-government affairs; Daniel R. Paladino, vp-corp planning & analysis; Arthur S. Margolin, vp-special asst to office of chmn & pres; Edward Falkenberg, vp-controller; William K. Friedman, vp-corp affairs. Seagram USA: William G. Peiterson, pres; Dr. Leslie Bluhm, vp-research; Dr. William E. Riha, vp-research & devel. Seagram USA-The House of Seagram: Jerome S. Mann, pres; Martin Bart, exec vp-sales; Stephen J. Kalagher, exec vp-finance & admin; Edward P. Cohen, vp-operations; Andrew Harmon, vp-sales svcs; Gilbert Schneider, vp-finance. Seagram USA-The Seagram Beverage Co: C. Richard Coffey, pres; Bruce Hack, exec vp-finance & admin; Vincent R. Partridge, vp-merch; Robert O'Dowd, vp-dir, sales svcs. Seagram Classic Wine Co: Samuel Bronfman II, pres; Chester Hutchinson, vp-human resources; Thomas Cary Gott, pres-The Monterey Vineyard; Thomas Ferrell, sr vp-Napa Valley Properties; Guy Devaux, pres-Domaine Mumm Winery; William Boykin, Ray Chadwick, Wallace Holtsinger, vp-div mgrs; Lewis Miller, div mgr; Franklin Catlin, vp-Vineyard operations, Napa Properties. Seagram Chateau & Estate Wines Co: Abdallah H. Simon, chmn; Maurice Lartigau, sr vp-Metro N.Y.; John Laird, exec vp-sales; J. David Schnell, vp-finance & admin; Brigitte Plummer, vp-Western div.

■ Marketing personnel

Mark Taxel, exec vp-mktg; Henry Hawley, vp-dir mktg, beverage-alcohol prods & new prod devel; Robert Berger, vp-dir, mktg non-alcoholic beverages. Seagram Classic Wine Co: Michael Harbison, exec vp-sales & mktg; Louis Keyes, vp-mktg.

■ Brands

Captain Morgan Rum, Chivas Regal, Royal Crown, Leroux cordials, Lord Calvert, Canadian, Martell Cognacs, Mumm VSOP Cognac, Myers' Rum, Royal Salute, Seagram International, Wyborowa Vodka, Tropicana new products, Tropicana Sparkler

Ad agency: DDB Needham Worldwide, New York. Ardean Fishman, vp-mgmt super; Thom Dean, acct super; Cheryl Roberts, Maggie Bergin, Jenny Von Feldt, Mary Callopy, acct execs.

Bandiera, Barton & Guestier (B&G) wines, Charles Krug wines, C.K. Mondavi, Kayser, Mirassou Vineyards, The Monterey Vineyard, Domaine Mumm sparkling wine, Sterling Vineyards

Ad agency: Grey Advertising, San Francisco. Jack Brotherton, sr vp-mgmt super.

Ethnic adv

Ad agency: Mingo Group, New York. Samuel Chisholm, pres; Bill McGugins, vp-mgmt super; Robert Hinton, Rogers Campbell, Lorraine Melton, mgmt supers; Dee Santana, acct super; Lorraine Sharp, acct exec.

Boodles gin, Canadian Hunter, Seagram's gin, 7 Crown, Glenlivet, Seagram's VO

Ad agency: Ogilvy & Mather, New York. Neve Savage, sr vp-grp dir; Don Blashford, sr vp-acct dir; Greg Deligdisch, Mark Grieco, Joanne Mustapich, acct mgrs.

Herradura tequila, Jameson Premium whiskey, new products, Seagram wine cooler

Ad agency: Wells, Rich, Greene, New York. Joe Picciotti, acct super; Nance Andjelic, asst acct exec.

Tropicana Galop, Tropicana Homestyle, Tropicana Pure Premium, Tropicana Twister

Ad agency: Leo Burnett USA, Chicago. Mike Hall, sr vp, acct dir; Bill Boris, exec vp; Jan Anderson, Ray DeThorne, acct supers; Richard Stoddart, Jim Dzwierzynski, acct execs.

RANK: 3

Sears, Roebuck & Co.

Chicago
Ad spending: **$1,432.1** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	20,557	33,347	(38.4)
Sunday magazine	15,986	3,417	367.9
Newspaper	153,560	157,279	(2.4)
Outdoor	533	496	7.4
Network TV	187,511	85,901	118.3
Spot TV	58,404	24,421	139.2
Syndicated TV	4,454	1,741	155.8
Cable TV networks	13,344	4,651	186.9
Network radio	70,988	67,612	5.0
Spot radio	36,053	25,431	41.8
Measured media	561,389	404,295	38.9
Unmeasured	870,700	627,100	38.8
Total	1,432,089	1,031,395	38.8
By top brands	**1989**	**1988**	**% chg**
Sears, Roebuck & Co. misc.	193,818	110,770	75.0
Sears, Roebuck & Co. household	107,542	68,437	57.1
Discover credit card	40,853	31,006	31.8
Sears, Roebuck & Co. apparel	31,887	36,755	(13.2)
Sears, Roebuck & Co. automotive	30,468	15,231	100.0
Allstate auto insurance	20,596	9,261	122.4
Allstate homeowners insurance	18,358	21,986	(16.5)
Allstate insurance	13,507	19,008	(28.9)
Dean Witter Reynolds	12,932	4,533	185.3
Sears batteries	10,246	8,208	24.8

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	53,794	50,251	7.1
Earnings	1,509	1,454	3.8
Division sales	**1989**	**1988**	**% chg**
Sears Merchandise Group	31,599	30,256	4.4
Allstate Insurance Group	16,803	14,924	12.6
Dean Witter Financial Services	4,065	3,758	8.2
Coldwell Banker Real Estate	1,448	1,444	0.3
Corporate, other	146	198	(26.3)

■ Annual review

Sears, Roebuck & Co. is up against a wall in trying to invigorate its ailing Merchandise Group. Despite restructuring, the attempt to create a new pricing strategy and major store overhauls in 1990, Sears has not improved sales.

Throughout these efforts, Sears averred it was simply a matter of time before the improvements would reach the bottom line. But by late 1990 it was clear that time may not be on Sears' side.

The strongest indication that the net effect of its efforts was nil came when Sears' Chairman Edward Brennan took the unprecedented move in August 1990 to assume day-to-day control over retail operation, replacing previous retail group Chairman-CEO Michael Bozic, who was moved to group president-COO.

Mr. Brennan quickly left his mark. In mid-September some 600 headquarters employees were offered severance packages, jobs of 1,400 others were placed under review, and eight staffs responsible for planning, personnel, public affairs and legal affairs were condensed to four. Thomas E. Morris Sr., VP-marketing, resigned and was replaced by Matthew A. Howard. Vern Page, VP-catalogue merchandising, retired. Next likely move is to sell or close some of Sears' sprawling network of 850 stores nationwide.

Only a day before the housecleaning, Mr. Brennan announced Sears' newest promotion, the Sears Charge Bonus Club, a frequent-buyer program aimed at increasing retail sales by giving certificates valued at 1% of their purchases to shoppers who charge at least $200 in merchandise on their monthly Sears cards. The certificates can be applied toward future purchases at Sears.

While slashing costs and personnel within the bloated Merchandise Group has become a top priority, this task has been complicated by the need to nurture new strategies put into place between 1988 and 1990.

Sears concedes that its heavily advertised switch in March 1989 to an "everyday low price" strategy from its traditional approach of holding regular sales on selected merchandise failed to produce satisfactory results.

That strategy attempted to substitute Sears' traditional short-term sales on selected merchandise for lower overall prices. However, by late 1989 Sears resumed holding short-term sales on a limited amount of merchandise.

Simultaneously, Sears stepped up its TV advertising significantly, directing a major portion of its ad budget into electronic media.

In 1989 Sears became a major cable TV advertiser for the first time, using the medium to target specific demographic audiences with creative tailored to those audiences. The company increased its cable TV ad budget even further in 1990.

Ogilvy & Mather, Chicago, Sears' agency of record, was the force behind a separate major effort by Sears to communicate value and style in its network and national spot TV commercials, de-emphasizing prices.

In February Sears named Bloom Agency to handle its $5 million-$10 million, fine-jewelry and accessories advertising, which has evolved from general image to more specific, timely advertising.

In March 1990 Sears launched its first ad campaign for its in-store Craftsman Home & Yard Centers and Craftsman tools, featuring new spokesman Bob Vila. The syndicated TV program "Home Again With Bob Vila" will air this October with Sears as lead advertiser and co-sponsor in a joint venture with O&M.

While stepping up its network and cable TV spending, Sears warned newspaper executives in late 1989 that it expects to curtail its ROP spending. This happened in the first quarter 1990 as newspaper spending dropped 17.8% to $25.8 million. Network TV expenditures soared 45.4% to $57.3 million as overall spending increased 11.2% to $116.6 million for the quarter, according to LNA/Arbitron.

Sears has broadened its use of new ad vehicles, including an in-store video program launched in September 1990 carrying paid ads from outside marketers.

The company continues to expand and test specialty store concepts, including its freestanding McKids outlets and in-store departments. It is testing Hartmarx Corp.'s Kuppenheimer-brand men's suits among potentially new apparel offerings.

This year Sears opened its first free-standing Homelife Furniture stores.

■ Headquarters

Sears, Roebuck & Co.
Sears Tower
Chicago, Ill. 60684
(312) 875-2500

■ Corporate personnel

Charles Hughes, mktg mgr, Sears Financial Network.

■ Subsidiary

Sears Merchandise Group
Chicago

■ Marketing personnel

Michael Bozic, pres-coo; Laurence E. Cudmore, pres-retail stores; Matthew A. Howard Sr., vp-mktg; Eric D. Saunders, sr exec vp-wearing apparel & home fashions; Allan B. Stewart, sr exec vp-retail store operations; Alfred G. Goldstein, pres-Sears Specialty Merchandising; Ralph Hoch, natl retail mktg mgr; S. Scott Harding, natl retail adv mgr; Everett L. Buckardt, pres-catalogue merchandising; Tom Royal, natl mgr-catalogue mktg.

■ Brands

Black consumer adv

Ad agency: Vince Cullers Advertising, Chicago. Jeffrey Cullers, mgmt super.

Hispanic adv

Ad agency: Mendoza, Dillon & Asociados, Newport Beach, Calif. Eduardo Del Rivero, exec vp-client svcs; Marta Perez Gerdes, sr vp-client svcs; Ines Tudela, acct exec.

Sears Merchandise Grp

Ad agency: Ogilvy & Mather, Chicago. Bruce Beach, mg dir; Tom Hall, pres-exec creative dir; Austin McGhie, sr vp-client svcs dir; Will Howard, Bruce Jasurda, sr vps-grp dirs; Ann Rother, Brian Kelly,

Stephen Ban, Chuck Otto, vps-mgmt supers; Jeff Totaro, Gary Gilleran, vps-acct supers; Tom Carey, Jim Yardley, Tom Yorton, acct supers; Jamie Lipson, Athena Golianis, Michele Kolcon, Jim Lecinski, Bill Barsanti, acct execs.

Fine & fashion jewelry, fragrances, accessories
Ad agency: Bloom Agency, Dallas. Bob Bloom, mgmt rep; Sherri Babcock, mgmt super; Susan Simkins, acct exec.

Sales promo
Ad agency: Ogilvy & Mather Promotions, Chicago. Bill McBride, vp-deputy dir; Al Segreti, creative dir; Lenora Dutczak, acct dir.

Sears Business Centers
Ad agency: Barkley & Evergreen, Shawnee Mission, Kan. Mark Pfefferkorn, vp-mgmt super; Brian Burch, acct super.

■ **Subsidiary**
Western Auto Supply Co.
Kansas City, Mo.

■ **Corporate personnel**
John F. Barlow, pres-ceo.

■ **Marketing personnel**
Greg Trees, vp-retail mktg; Steve Steffens, dir-retail adv.

■ **Brands**
Broadcast: Western Auto Supply, Tire America stores, NTW tire stores
Ad agency: Barkley & Evergreen, Shawnee Mission, Kan. Bill Fromm, pres; Vicki Stephens, acct super.

■ **Subsidiary**
Allstate Insurance Group
Northbrook, Ill.

■ **Corporate personnel**
Wayne E. Hedien, chmn-ceo; John K. O'Loughlin, sr exec vp-corp mktg devel planning; Lawrence H. Williford, sr vp-corp relations; David B. Winn, sr vp-prod admin; John J. Flieder, vp-personal property & casualty, prod adv & agent support.

■ **Marketing personnel**
Terre Tuzzolino, asst vp-corp relations; Ken Zarzynski, adv dir; Cynthia Farrow-Miller, Ginny Clark, adv mgrs; Darryl Reynolds, sr mktg project mgr.

■ **Brands**
Allstate Insurance
Ad agency: Leo Burnett USA, Chicago. Ron Sims, sr vp-acct dir; Jim McNitt, vp-acct super; Collette Heaphy, acct super; Catherine David, David Barnes, acct execs; Maggie McQuown, acct super. Allstate/-Direct.

■ **Subsidiary**
Coldwell Banker Real Estate Group
Chicago

Marketing personnel
Kristine Sandrick, vp-corp comms. Coldwell Banker Residential Grp: G. Lane Barnett, first vp-dir, prod devel & mktg; Alex Perriello, vp-mktg comms & prod devl; Sherry Sprecher, dir-adv. Sears Mortgage Corp: David L. Smith, sr vp-primary mktg.

■ **Brands**
Coldwell Banker
Ad agency: Grey Advertising, Los Angeles. Larry Varnes, exec vp-mgmt rep; Steve Blamer, sr vp-mgmt super; John Van de Brooke, acct super; Tamara Woldorf, sr acct exec; Shelly Northrop, acct exec.

■ **Subsidiary**
Dean Witter Financial Services Group
New York

■ **Marketing personnel**
Richard F. Powers, exec vp-dir, mktg; William Walsh, vp-dir, adv; Ernest Campo, dir-adv, Discover Card Svcs.; William Hodges, sr vp-chief mktg officer, Discover Card.

■ **Brands**
Dean Witter brokerage-dealer
Ad agency: Leo Burnett USA, Chicago. Bill Boris, exec vp-client svcs dir; Bill Whitman, vp-acct dir; Belinda Leonard, acct super.
Discover Card Services
Ad agency: DDB Needham Worldwide, Chicago. Joel Hochberg, pres; Ray Gillett, grp acct dir; Charlie Austin mgmt rep; Diane Jones, Marta Petter, Mary Yanke, acct execs.

RANK: 54

SmithKline Beecham PLC

London
Ad spending: **$203.2** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	4,698	10,546	(55.4)
Sunday magazine	383	346	10.8
Newspaper	190	134	41.4
Outdoor	3	232	(98.9)
Network TV	71,857	93,651	(23.3)
Spot TV	5,497	8,414	(34.7)
Syndicated TV	20,009	17,851	12.1
Cable TV networks	3,698	2,839	30.3
Network radio	1,719	3,574	(51.9)
Spot radio	680	886	(25.5)
Measured media	108,715	138,474	(21.5)
Unmeasured	94,500	120,300	(21.4)
Total	203,215	258,774	(21.5)
By top brands	**1989**	**1988**	**% chg**
Aqua-Fresh toothpaste	20,919	20,692	1.1
Contac cold products	16,773	14,929	12.3
Tums antacid	10,336	15,296	(32.4)
Massengill douche	10,305	9,494	8.5
Ecotrin aspirin	6,442	9,695	(33.6)
Sucrets throat lozenges	6,013	9,795	(38.6)
Vivarin stimulant tablets	5,550	4,646	19.4
Oxy medicated products	5,348	6,378	(16.2)
Sominex sleeping aid	4,465	4,977	(10.3)
Geritol	4,283	4,597	(6.8)

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	5,904	5,945	(0.7)
Earnings	210	593	(64.6)
U.S.	**1989**	**1988**	**% chg**
Sales	3,101	2,587	19.9
Operating profits	1,192	1,040	14.5
Division sales	**1989**	**1988**	**% chg**
Pharmaceuticals	3,613	3,085	17.1
Consumer brands	1,994	1,796	9.2
Clinical labs	783	608	28.8
Animal health	545	453	20.3

■ **Annual review**
SmithKline Beecham, which cut its media expenditures 21.5% in 1989 as part of a cost-saving program following the merger of SmithKline/Beckman and Beecham Group, is funneling those lost ad dollars back into its consumer operation in 1990.

In the second quarter 1990, consumer brand sales and operating profits have risen 14% and 59%, respectively—growth the company attributes to greater spending behind such lines as Aqua-Fresh toothpaste, which grew 48% in quarterly sales.

Aqua-Fresh, the company's largest selling consumer brand, got a line extension, Extra Fresh, and a new ad campaign backing Aqua-Fresh for Kids. TV spots in the campaign feature a comic book hero stressing "Super Protection. Super Taste." Aqua-Fresh has a 12% share of the $1.2 billion dentifrice category behind Crest's 36%.

Oxy anti-acne products was the OTC medicine leading the second quarter growth with a 31% increase in sales resulting from a new ad campaign and the introduction of Oxy Night Watch and Oxy Pads for Sensitive Skin. Oxy owns a 24% share of the $180 million acne medicines market, ahead of Clearasil's 18%.

During 1989, Contac was about the only major SB consumer brand to show an increase in media expenditures, up 8.4% to $16.8 million. The account also was reassigned to Grey Advertising from BBDO. The product is No. 4 with a 9% share of the $815 million cold remedies category. Nyquil is category leader at 12%. Contac's comparative ad campaign themed, "Until there's a cure, there's Contac," continued into 1990.

Tums, whose media expenditures dropped 34.4% in 1989 to $10.3 million, has received greater backing in the first and second quarters of 1990, according to the company. It also got cherry-flavored and extra-strength peppermint line extensions to support its current 33% share of the $890 million antacid market.

N'ICE throat lozenges, which this year debuted a Vitamin C extension, and Sucrets, which has added a wild cherry flavor, also are drawing greater media support this year. The two hold almost 50% of the throat lozenge market. In 1989, spending for Sucrets plunged 33% to $6.2 million as spending trickled to a stop for Sucrets Maximum Strength Spray. The spray had received $6.2 million in 1988 when rival Procter & Gamble's Chloraseptic spending was boosted, but more recently SmithKline has decided to concentrate on core product advertising. N'ICE drew $4 million in media, down 3% in 1989.

Massengill, the No. 1 feminine douche with a 52% share of the disposable douche market, was backed by $10.9 million in media in 1989, down 23%. Spending virtually was discontinued for Massengill soft cloth towelette, which got $4.1 million in 1988, and Massengill medicated douche. The company added baking soda and unscented douche line extensions and is expected to continue target marketing to blacks and Hispanics, for instance.

With the merger, which produced the third largest pharmaceutical company in the world and fifth largest OTC company outside the U.S., consumer products have become much less a factor in the overall growth of the company. SmithKline's consumer product operations also have been scaled down.

To reduce its debt load, SmithKline disposed of 32 U.S. specialty products for $52 million to Menley & James, sold the U.K.-based Yardley-Lentheric cosmetics business to Wasserstein Perella Partners and reached an agreement to sell Margaret Astor and Lancaster cosmetics for $358 million. SmithKline also sold to Benckiser Consumer Products its Cling Free fabric softener, Calgon bath products, No Salt and Fruit Fresh.

While analysts view the company as pharmaceutical driven, it is one desperately in need of new products. Growth in new products, in fact, is the directive issued by Jan Leschly shortly after he was appointed chairman of the pharmaceuticals division last June.

■ **Headquarters**
SmithKline Beecham
SB House
Brentford, Middlesex, TW8 9BD
England

SmithKline Beecham
One Franklin Plaza
Philadelphia, Pa. 19101
(215) 751-4000

■ **Corporate personnel**
Henry Wendt, chmn; Robert Bauman, ceo.

■ **Division**
SmithKline Beecham Pharmaceuticals

■ **Corporate personnel**
Fred W. Kyle, pres-worldwide; Jean-Pierre Garnier, pres-US.

■ **Marketing personnel**
Angeris N. Karabelas, Ph.D., vp-mktg.

■ **Brands**
Tagamet, Compazine, Engerix-B
Ad agency: Salthouse Torre Norton, Rutherford, N.J. Barbara Falco, Howard Laskau, vps-acct supers.
Eminase, Bactroban, Augmentin, Timentin
Ad agency: Frank J. Corbett Inc., Chicago. Patrick McTeague, vp.
Amoxil
Ad agency: Trunk, McCaffrey, Montclair, N.J. Paul Trunk, pres.
Ascet, Tazicef
Ad agency: Ted Thomas Associates, Philadelphia. Don Phillips, sr vp.

■ **Division**
SmithKline Beecham Consumer Brands U.S.
Pittsburgh, Pa.

■ **Marketing personnel**
Gordon J. McLaren, sr vp-dir, mktg; Douglas B. Cox, vp-dir, personal care; Paul J. Fraioli, vp-dir, health care; Maurice L. Kelley, vp-dir, mktg svcs; Warren C. Siddall, dir-media.

■ **Brands**
Aqua-Fresh, Aqua Velva, Contac, Geritol, Massengill, Sucrets, Vivarin
Ad agency: Grey Advertising, New York. Robert Burruss, exec vp; Richard Krain, vp-grp mgmt super; Matt DeSimone, vp-mgmt super, Aqua-Fresh; Ken Brown, vp-mgmt super, Contac & Massengill; Allison Bailey, vp-mgmt super, Geritol, Vivarin & Sucrets.
Lectric Shave, N'ICE, Sominex
Ad agency: Ogilvy & Mather, New York. Neve Savage, sr vp-grp dir; Nancy Boyd, sr vp-acct dir.
Ecotrin, Orafix, Oxy, Tums
Ad agency: Jordan, McGrath, Case & Taylor, New York. Stephen Badenhop, exec vp; Ellen Fields, vp-mgmt super, Tums; Kathryn Ryan, vp-mgmt super, Oxy & Orafix.
A-200, Esoterica, Nature's Remedy
Ad agency: Carrafiello Diehl & Associates, Irvington, N.Y. Theodore N. Williams, exec vp-coo; Robert Brandt, exec vp-mgmt super; Jerry Carrafiello, acct exec.
Feosol
Ad agency: Lavey/Wolff/Swift, New York. Eric Malter, acct exec.

RANK: 31

Sony Corp.

Tokyo
Ad spending: **$356.5** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	51,670	42,126	22.7
Sunday magazine	20,952	18,436	13.3
Newspaper	30,150	27,781	8.5

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By media	1989	1988	% chg
Outdoor	140	46	204.8
Network TV	51.901	42.448	22.3
Spot TV	39.445	25.149	56.8
Syndicated TV	4.487	1.373	226.9
Cable TV networks	5.757	3.549	62.2
Network radio	615	1.384	(55.6)
Spot radio	8.498	2.704	214.3
Measured media	213.615	165.046	29.4
Unmeasured	142.900	110.400	29.4
Total	356.515	275.446	29.4
By top brands	**1989**	**1988**	**% chg**
Columbia Pictures motion pictures	77.745	70.681	10.0
Tri Star Pictures	34.161	9.430	262.3
Columbia record & tape clubs	23.810	21.033	13.2
CBS video supplies & equipment	21.449	16.875	27.1
Sony video equipment & accessories	19.694	12.782	54.1
CBS video clubs	15.637	12.495	25.1
Sony audio equipment	2.854	5.980	(52.3)
Columbia Pictures home videos	1.484	2.001	(25.8)
Sony video cassette tapes	1.387	409	239.4
Sony cameras & accessories	1.135	0	NA

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	18.343	16.262	12.8
Earnings	655	549	19.2
U.S.	**1990**	**1989**	**% chg**
Sales	5.466	4.439	23.1
Division sales	**1990**	**1989**	**% chg**
Video equipment	4.732	4.345	8.9
Audio equipment	4.604	4.248	8.4
Televisions	2.843	2.589	9.8
Other products	2.678	2.493	7.4
Records	2.898	2.577	12.5
Movies	587	NA	NA

Notes: Fiscal year ended March 30. 1990 Sales and earnings figures are converted at the rate of 0.00637 and 0.00758 dollars to the yen in 1990 and 1989, respectively

Annual review

Sony Corp.'s foray into movie making turned into the blockbuster purchase of Columbia Pictures Entertainment last November. The move could challenge the VHS dominance and speed the acceptance of Sony's new 8mm video format.

Sony through Columbia now has access to a movie video source—something it lacked when its Beta videocassette format failed to catch on years ago. Sony had even begun to produce its own films.

The purchase and concessions to Warner Bros. stemming from Sony's hiring of Jon Peters and Peter Guber to head the movie company will eventually mean that the Columbia House record club division of CBS Records—one of the old Sony's biggest U.S. advertising arms—will be spun off with Sony and Time Warner each owning half. Sony advertising totals for 1989 include spending for Columbia House and Columbia Pictures.

Sony's move to buy Guber-Peters Entertainment Co. and install its principals as co-chairmen of Columbia led to other top management changes that, almost a year after the acquisition, still have the movie company regrouping to fill the pipeline with marketable movies.

Former Columbia Pictures President Dawn Steel left soon after Sony bought the studio. Her successor, Frank Price (who holds the title of chairman), and Mr. Peters quickly dumped most of the projects in development.

Columbia Pictures, which early in 1989 moved to streamline its operations by creating a single Motion Picture Group from the merger of its Columbia and Tri-Star units, finished last year as the No. 3 studio in box-office market share. Media-buying also was consolidated in December for the two film banners at McCann-Erickson, Los Angeles, Columbia's agency. AC&R, Los Angeles, the Tri-Star agency, was dropped.

Columbia/Tri-Star boosted its 1989 combined market share to 16.0% (down from 17.3%) of the record $5 billion taken in at U.S. and Canadian box offices, largely on the strength of six films: Columbia's "Ghostbusters II," "When Harry Met Sally," and "The Karate Kid Part III," and Tri-Star's "Steel Magnolias," "Look Who's Talking" and "See No Evil, Hear No Evil."

Columbia/Tri-Star released 42 films in 1989, 11 less than in 1988. For the first seven months of 1990, Columbia/Tri-Star dropped to No. 5 in box office market share, with a combined 12.2%, though Tri-Star's "Total Recall" was one of the summer's biggest hits.

The studio increased ad support of its films in 1989, boosting its measured spending 32.6% to $113.4 million.

Buoyed in part by sales of New Kids on the Block, CBS Records saw its chart share for popular albums rise to 18.2% for the first half of this year, up from 16.4% for all of 1989, according to *Billboard* magazine. Its chart share of black albums rose to 14.9% from 13.8% for all of 1989, and its share of country rose to 24.1% from 20.9% posted for 1989.

Virtually all of CBS Records' nearly $63 million in media spending came from Columbia House, which runs ads for various record, tape, compact disc and video clubs in magazines and Sunday magazines. Early this month, CBS Records CEO Walter Yetnikoff suddenly stepped down. Sony has not named a successor.

The Sony brand of Sony Corp. of America, Sony's consumer electronics arm, was No. 1 in camcorder unit sales with a 15% market share, up from 12.2%, according to *Television Digest*, though other companies with several brands actually sold more. The Sony brand was No. 4 in TV sales with 6.5% of the market, up from 6.4%. Only in VCRs where Sony ranked 15th with a 2.3% share (up from 2.0%) did Sony have less success.

This year also has been a transitional one for Sony's advertising. Within its ad department, it created separate divisions for corporate and product advertising. The company is expected to launch its first corporate ad campaign shortly.

Longtime agency McCann-Erickson, New York, finally threw in the towel after experiencing continued cutbacks in its billings. The main beneficiary was Slater Hanft Martin, New York.

Added to the pool of advertised products was the introduction this June of Digital Audio Tape recorders. Advertising started immediately, though at modest levels.

Advertising for the My First Sony line was scaled back, while advertising for Sony Magnetic Products, the company's audio and videotapes, will rise to $14 million from $1 million. Sony also boosted spending 15% for its Trinitron TVs, camcorders and VCRs.

Headquarters

Sony Corp.
7-35 Kitashinagawa 6-chrome
Shinagawa-ku, Tokyo, 141,
Japan
Sony USA Corp.
9 W. 57th St.
New York, N.Y. 10019
(212) 371-5800

Division

Columbia Pictures Entertainment

Marketing personnel

Buffy Shutt, pres-mktg; Kathy Jones, exec vp-mktg; Eddie Egan, sr vp-mktg; John Butkovich, Mark Kristol, sr vps-media; Ed Russell, sr vp-publicity, promo & field operations; Bill Loper, sr vp-adv; Joe Foley, sr vp-creative adv.

Brands

Columbia Pictures, Tri-Star Pictures

Ad agency: McCann-Erickson, Los Angeles. Jim Surmanek, sr vp-exec media dir.

Division

CBS Records

Marketing personnel

Paul Smith, pres-CBS Records distribution; Tom McGuinness, sr vp-mktg, CBS Records distribution; Danny Yarbrough, sr vp-sales; Craig Applequist, vp-sales; Rich Kudolla, vp-sales, Columbia; Peter Anderson, vp-sales, Epic.

Brands

Epic, Columbia, CBS Masterworks

Ad agency: (In-house). Yvonne Erickson, dir-media adv; Arnold Levine, sr vp-creative svcs; Carol Lee Shepard, vp-adv.

Division

Columbia House

Marketing personnel

Richard Walter, pres-Columbia record, tapes & compact disc clubs; Sharon Kuroki, vp-mktg, music club; Richard Capassela, vp-adv, video club; Brian Wood, vp-video club; Harry Elias, vp-CBS video library; Linda Andersen, vp-music club adv.

Brands

CBS Compact Disc Club, CBS Video Club, Columbia Music Club, Columbia Music Collection, Columbia Record & Tapes

Ad agency: Wunderman Worldwide, New York. Peter Rabar, mg super-grp dir; Marie Claire Hepp, acct super; Adrienne Wax, CBS video libraries; Grace Fallon, acct super-video libraries.

Division

Sony Corp. of America
Park Ridge, N.J.

Marketing personnel

Jeff Brooks, sr vp-corp adv & promo; Carolyn Stables, mgr-corp adv & promo; Larry Barruch, vp-mktg comms, consumer prods; Lisa Diliberto, adv mgr-display prods; Ron Greitzer, adv mgr-video prods; Charles Grable, natl adv mgr-audio prods; Mario Giampaglia, adv mgr-audio prods; Janice Breithaupt, adv mgr-personal audio prods; Louise Nardone, adv specialist-business & professional prods; Scott Westover, adv dir-professional prods; Bob Basso, dir adv-magnetic prods.

Broadcast professional products

Ad agency: Geer, DuBois, New York. Steve Farricker, sr vp-mgmt super; Steve Myhre, acct exec.

Display products, video products, general audio, Hi-Fi products, business & professional products, business to business

Ad agency: Slater Hanft Martin, New York. Allan Cohen, sr vp-mgmt super, audio & display; Seymour Miles, sr vp-mgmt super, video prods; Gina Forte, sr vp-mgmt super, corp; Linda Christian, sr vp-mgmt super, business to business; Michael Cohen, acct super-display prods; Bill Agre, acct super-video prods; Kevin Scully, acct super-audio.

Sony magnetic products, CodeyCam, Movies, My First Sony

Ad agency: Burkhardt & Christy, New York. Ron Burkhardt, creative dir; Judy Christy, creative partner; Joel Fineman, sr vp-acct dir; David Kessler, vp-mgmt super.

RANK: 69

Subaru of America

Cherry Hill, N.J.
Ad spending: **$159.5** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	15.420	13.787	11.8
Sunday magazine	0	12	NA
Newspaper	1.468	1.501	(2.2)
Outdoor	1.079	1	NA
Network TV	73.698	39.545	86.4
Spot TV	13.530	17.438	(22.4)
Syndicated TV	1.307	684	91.1
Cable TV networks	1.644	1.222	34.5
Network radio	2.616	0	NA
Spot radio	2.102	2.267	(7.3)
Measured media	112.863	76.456	47.6
Unmeasured	46.600	31.600	47.5
Total	159.463	108.056	47.6
By top brands	**1989**	**1988**	**% chg**
Subaru cars	110.488	74.189	48.9

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	1.718	1.695	1.4
Earnings	(42)	(58)	NA

Notes: Fiscal year ended Oct. 31, 1989

Annual review

With its buyout of Subaru of America, Fuji Heavy Industries, the Japanese maker of Subaru vehicles, becomes a fully committed player in the U.S. market.

Fuji agreed in May to buy the half of Subaru it didn't already own. The buyout, effective Sept. 30, follows two years of heavy losses by Subaru, which had cut back on advertising during the 1990 acquisition proceedings. Under the terms of the agreement, Fuji (which had shared responsibility for new product development) gets full control over the marketing and distribution as well as manufacturing.

In the past, Fuji had forced Subaru to accept too many cars, according to Subaru officials, which required the U.S. marketer to offer deep discounts. Subaru said it spent $100 million a year in cash rebates to customers in 1987 and 1988. That compares with a $60 million budget for rebates and advertising combined in its peak sales year of 1986.

The former darling of Wall Street, however, suffered other problems. Fortunes turned with the weakening of the U.S. dollar against the Japanese yen, from an aging product line and from intensified competition in the four-wheel-drive segment, a niche Subaru had carved for itself.

Subaru sales in 1989 totaled 136,111 units, compared with 155,944 in 1988, which meant a drop in market share from 1.47% in 1988 to 1.38% in 1989. In peak year 1986, Subaru sales were 179,100.

The company is even farther off the pace in 1990, with first half sales totaling 31,352. It insists sales will reach 100,000 to 105,000 for the full year.

Subaru's biggest-selling model was the Legacy, introduced in 1989. The cars are built at a Fuji-Isuzu assembly plant in Lafayette, Ind. Subaru launched a major ad campaign, "Subaru Summer Blockbusters," to support the car with TV spots feature movie critic Gene Shalit in a theater where the Legacy is showing. Legacy was backed with $57.8 million, some 70% of it in network TV with spot TV and magazines sharing the rest. Legacy sales in 1989 were 32,762, more than any other make in the Subaru lineup.

Headquarters

Subaru of America
Subaru Plaza, P.O. Box 6000
Cherry Hill, N.J. 08034-6000
(609) 488-8500

Corporate personnel

Harvey Lamm, chmn-ceo; Tom Gibson, pres-coo; Masaharu Masumitsu, vice chmn; Marvin Riesenbach, exec vp-cfo.

Marketing personnel:

Chris Wackman, vp-mktg; Ron Shangle, adv-merch dir; Fred Heiler, pr dir.

Brands

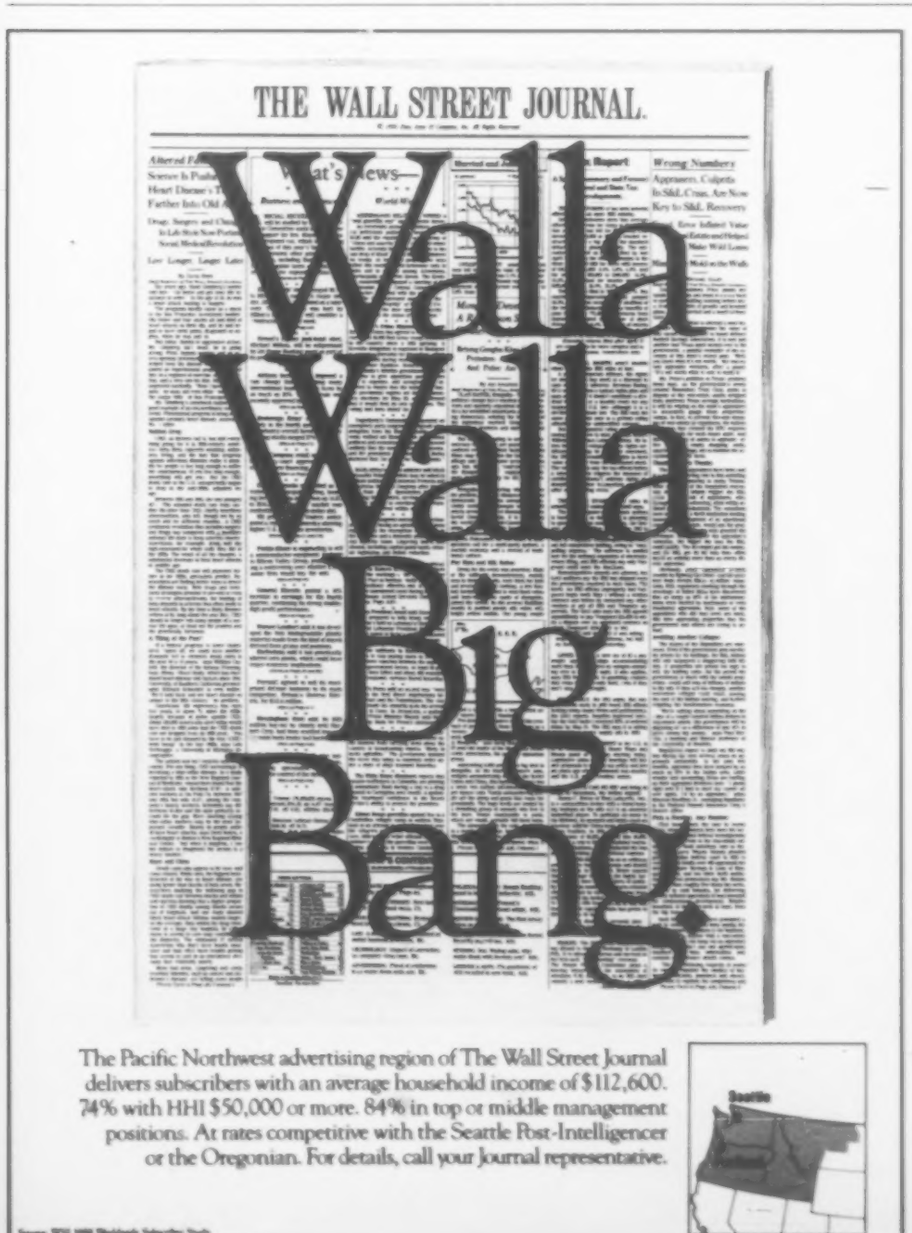
Subaru cars

Ad agency: Levine, Huntley, Schmidt, & Beaver, New York. Terry Bonaccolta, exec vp-mgmt dir; Michael Elkisch, sr vp-mgmt super; Jerry Noonan, Aaron Belson, vps-acct supers; Cheri Deutch, acct exec; Jeffrey Petrie, acct super; Terrence Rooney, asst acct exec.

RANK: 46

Tandy Corp.

Fort Worth, Texas
Ad spending: **$232.7** million



The Pacific Northwest advertising region of The Wall Street Journal delivers subscribers with an average household income of $112,600. 74% with HHI $50,000 or more. 84% in top or middle management positions. At rates competitive with the Seattle Post-Intelligencer or the Oregonian. For details, call your Journal representative.

Source: '90 Spring Subscriber Study.
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U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	11,180	9,113	22.7
Sunday magazine	141	163	(13.4)
Newspaper	37,472	34,353	9.1
Outdoor	18	138	(86.8)
Network TV	25,065	32,432	(22.7)
Spot TV	3,341	2,509	33.1
Syndicated TV	1,563	118	NA
Cable TV networks	1,265	1,426	(11.3)
Network radio	5,632	4,738	18.9
Spot radio	480	1,484	(67.6)
Measured media	86,159	86,473	(0.4)
Unmeasured	146,500	147,000	(0.3)
Total	232,659	233,473	(0.3)
By top brands	**1989**	**1988**	**% chg**
Radio Shack electronics store	51,524	44,557	15.6
Tandy computers	16,701	27,913	(40.2)
McDuff appliance stores	7,037	6,047	16.4
Tandy software	4,559	59	NA
Memorex recording tapes	3,290	1,474	123.2

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	4,500	4,181	7.6
Earnings	290	324	(10.2)

Notes: Fiscal year ended June 30, 1990

Annual review

Tandy Corp. is combating sluggishness in consumer electronics especially in low-end personal computers, with new products and with advertising that emphasizes quality, value and the diversity of its product lines.

Tandy Corp.'s Radio Shack division, which is responsible for 70% of the company's sales, also is out to zap its image as a retailer of cheap electronics.

In March, the nation's largest consumer electronics retailer introduced new advertising positioning itself as "America's Technology Store." Tandy continues to spiff up its 7,000 Radio Shack stores, giving them a high-tech look. The remodeling should be complete by 1992.

Radio Shack is Tandy's spending leader at $53.3 million in measured media in 1989, up 13.6%, with about half the spending in newspapers and the remainder weighted toward network TV and network radio.

Radio Shack wants to be known as the place to get the latest in technology—from stereos, VCRs and camcorders to cellular telephones, fax machines and personal computers. Advertising also highlights the fact that Tandy/Radio Shack is not only the retailer, but the manufacturer. Tandy also sells computers through alternate distribution channels, such as American Express direct mail and Wal-Mart stores.

Tandy/Radio Shack has teamed up with Britannica Software to market a computerized encyclopaedia to the education and library markets. A notepad computer that recognizes handwriting has been introduced by Tandy's GRiD Systems Corp. subsidiary. Also, the company is working on developing an erasable compact disc.

Tandy in late July introduced the Tandy 1000 RL, a low-priced, easy-to-use personal computer designed for novices to use in the home—a market of high growth potential. Tandy spent $13.6 million on the 1000 system in 1989, down 20%.

However, the company will face tough competition. IBM Corp. and Apple Computer, among others, are introducing similar low-cost products. IBM leads the personal computer market with a 16.4% share, followed by Apple, 10.4%, and then Tandy, 5.3%, according to International Data Corp.

Tandy's share does not include its computers marketed under the Digital Equipment Corp. and Matsushita Electric's Panasonic division labels.

Tandy's Memtek Product division, known for its Memorex audio and video tapes, plans to aggressively expand its Memorex brand to include portable stereo/cassette players, personal stereos, stereo systems and CD players under the Memorex name—all to be introduced June 1991. Its new agency, Richards Group, Dallas, plans to retain the tag line: "Is it live, or is it Memorex?" Memorex spent $3.6 million in media advertising in 1989, down 25%.

Headquarters

Tandy Corp./Radio Shack
1800 One Tandy Center
Fort Worth, Texas
(817) 390-3700

Corporate personnel

John Roach, chmn-ceo, Tandy Corp.; Bernard Appel, pres-Radio Shack; Robert McClure, pres-Tandy Electronics; Alan Lefkof, ceo-GRiD Systems Corp.; David Christopher, pres-A&A Trading Co.; Victor Sholis, pres-Tandy Name Brand Retail Grp.; Daniel O'Sullivan, pres-O'Sullivan Industries Inc.

Marketing personnel

David Beckerman, sr vp-mktg svcs; Mike Wood, vp-adv; James Nichols, sr vp-consumer retail operations, Radio Shack; John Patterson, sr vp-Tandy Computers; Robert Miller, vp-consumer merch; Howard Elias, vp-computer merch; Bruce Walter, sr vp-sales & mktg, GRiD.

Brands

Tandy Corp./Radio Shack
Ad agency: Radio Shack Advertising Department (in-house), Fort Worth, Texas. Mike Wood, vp-adv; Linda Yarborough, media dir.

GRiD Systems Corp.
Ad agency: Uhlan-Wright, Mountain View, Calif. Joe Uhlan, pres.

Tandy Name Brand Retail Grp
Ad agency: Tandy Name Brand Retail Group Advertising Department (in-house), Fort Worth, Tex. Ed Luedtke, adv. media & business mgr.

Memtek Products
Ad agency: Richards Group, Dallas. Rod Underhill, principal.

RANK: 17

Time Warner

New York

Ad spending: **$567.5** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	59,468	65,574	(9.3)
Sunday magazine	3,469	2,040	70.1
Newspaper	42,393	45,053	(5.9)
Outdoor	958	850	12.7
Network TV	47,025	34,900	34.7
Spot TV	86,665	80,335	7.9
Syndicated TV	13,179	4,207	213.2
Cable TV networks	35,477	24,404	45.4
Network radio	2,523	2,178	15.8
Spot radio	9,585	8,398	14.1
Measured media	300,740	267,939	12.2
Unmeasured	266,800	237,700	12.2
Total	567,540	505,639	12.2
By top brands	**1989**	**1988**	**% chg**
Warner Bros. pictures	94,436	76,978	22.7
Home Box Office	36,108	24,051	50.1
Time-Life books	32,068	41,437	(22.6)
Sports Illustrated magazine	21,500	18,610	15.5
Spiffits cleansing towels	19,272	0	NA
Time-Life records & tapes	18,383	16,420	12.0
Time-Life videocassettes	13,634	7,458	82.6
People magazine	12,540	13,624	(8.0)
Warner home video	8,148	5,492	48.4
Book-of-the-Month Club	7,092	5,014	41.5

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	10,779	9,103	18.4
Earnings	(967)	(1,137)	NA
U.S.	**1989**	**1988**	**% chg**
Sales	8,260	7,222	14.4
Operating income	577	295	129.5
Division sales	**1989**	**1988**	**% chg**
Magazines	1,855	1,752	5.9
Filmed entertainment	2,760	2,096	31.7
Recorded music, music publishing	2,545	2,040	24.8
Cable TV	1,543	1,268	21.7
Programming-HBO	1,177	1,122	4.9
Books	1,148	1,030	11.5

Notes: Sales, earnings and ad figures are pro forma for 1989 and 1988.

Annual review

Despite the $10.8 billion in long-term debt taken on with the merger of Time Inc. and Warner Communications, and an extraordinarily soft magazine advertising marketplace, the communications giant continued to expand through launches, acquisitions and leveraging its related operations.

Time Warner Enterprises, a strategic-development division headed by MTV co-creator Robert Pittman, was formed in March to focus on "opportunities that may have been overlooked" company-wide. For starters, Mr. Pittman is developing a "legal" cable channel and looking for ways to merchandise Warner's "Loony Tunes" characters in such areas as the Six Flags theme parks, in which Time Warner owns a 19.5% stake.

Time Warner Sports was formed this July to increase the company's presence in sports and bring its sports-related businesses—including *Sports Illustrated*, HBO Sports, HBO Video and Licensing Corporation of America—under one umbrella.

Time Warner also created Time Publishing Ventures, including the Time Inc. Magazine Co.'s special interest businesses and worldwide development activity. The new division this November will test a magazine with home entertaining aficionado Martha Stewart. If successful, the venture could spawn a line of books, videos and even a TV series.

Ad revenues of Time Warner's weeklies combined led all magazine publishers in 1989. But the magazines were among the hardest hit by an ad drought which left consumer titles tracked by Publisher's Information Bureau down 3.3% in ad pages in the first half of 1990. *Time*, *People* and *Sports Illustrated* posted ad page declines of 7.5%, 9.7% and 16.5%, respectively, in the first half.

Time Warner's much-ballyhooed *Entertainment Weekly*—its most significant launch since the ill-fated *TV-Cable Week* in 1983—got off to a rocky start in February. One redesign and one managing editor later, the fledgling title appears to be gaining acceptance.

The magazine operation acquired *Sunset* parent Lane Publishing and the remaining interest in *Parenting*. *Southpoint*, part of its Southern Progress Corp., suspended publication in June, citing a "difficult magazine environment." Time Warner's magazine group launched TargetSelect in late 1989, a selective binding and ink-jet printing program for advertisers.

Last August the company backed out of a joint venture with the Hachette/Filipacchi Group to publish a French version of *Fortune*. A Spanish edition also was put on hold.

On the strength of the success of "Batman," "Lethal Weapon 2" and "Driving Miss Daisy," Warner Bros. had a blockbuster 1989, leading all studios with a 17.4% share of the domestic film market. Warner Bros. was also No. 1 in film rentals in 1989 with a 19% market share. Summer 1990 looked bright as well thanks to such films as "Presumed Innocent," based on Scott Turow's best-selling novel.

Warner Bros. spent $94 million on movies in 1989, mostly in newspaper, network and spot TV. The studio backed six films with more than $5 million each, led by "Batman" with $10 million, according to LNA/Arbitron.

The Home Box Office division took control of the basic cable channel Movietime in August 1989, relaunching it earlier this year as E! Entertainment Television. In November 1989, HBO launched the Comedy Channel, an ad-supported basic cable network which competes with MTV Networks' Ha! Both received lukewarm receptions from cable system operators and advertisers.

HBO unveiled a 15-month $49 million consumer ad campaign—the largest undertaken by a cable network—in October 1989 themed "Nobody brings it home like HBO." The effort was created by BBDO Worldwide, New York. HBO spent $37 million in media in calendar 1989, up 66%.

Time Warner's book publishing unit turned its attention to the youth market, announcing it would launch a Children's Book of the Month Club and a line of *Sports Illustrated for Kids* books in 1990. Media spending by Time-Life Books rose 7.9% to $28.6 million, while spending on Book of the Month Clubs in general rose 52% to $7.6 million.

Headquarters

Time Warner
75 Rockefeller Plaza
New York, N.Y. 10019
(212) 484-8000

Corporate personnel

Steven J. Ross, co-ceo, chmn; Nicholas J. Nicholas, co-ceo, pres.

Division

Time Inc. Magazine Co.
New York

Corporate personnel

Reginald K. Brack Jr., chmn-pres-ceo; Michael J. Klingensmith, *Entertainment Weekly* publisher; James B. Hayes, *Fortune* publisher; Katherine M. Bonniwell, *Life* publisher; William S. Myers, *Money* publisher; Elizabeth P. Valk, *People* publisher; Donald J. Barr, *Sports Illustrated* publisher; Ann S. Moore, *Sports Illustrated for Kids* publisher; Robert L. Miller, *Time* worldwide publisher; Louis A. Weil III, *Time* US publisher.

Marketing personnel

Entertainment Weekly: Jack Haire, adv sales dir; Scott Kauffman, mktg-promo dir; Michael R. Loeb, consumer mktg dir. *Fortune*: John E. Jay, U.S. adv sales dir; David L. Nimz, promo dir; Kenneth H. Godshall, consumer mktg dir. *Life*: William P. Kupper Jr., adv sales dir; Ripley S. Odell, promo dir; Linda D. Warren, consumer mktg dir. *Money*: Betsy Martin, adv sales dir; Michael Rich, promo dir; Linda McCutcheron, mktg dir; Michel Jaworski, consumer mktg dir. *People*: David L. Long, adv sales dir; Michael Pep, gm; Jeremy B. Koch, consumer mktg dir. *Sports Illustrated*: Thomas J. Hickey Jr., adv sales dir; Alvaro J. Saralegui, mktg & sales devel dir; Michael Owen, consumer mktg dir. *Sports Illustrated for Kids*: Jeffrey Crennan, natl adv mgr; Susan Alexander, mktg dir; Lee Wilcox, sales devel dir; Katherine P. Salovaara Brower, consumer mktg dir. *Time*: Richard Heinemann, assoc publisher-adv sales dir; Ellen J. Fairbanks, consumer mktg dir; Cleary S. Simpson, mktg svcs dir.

Brands

Entertainment Weekly adv promo
Ad agency: Deutsch, New York. David Deutsch, chmn.

Fortune adv promo, Sports Illustrated adv promo, Sports Illustrated for Kids adv promo
Ad agency: Ogilvy & Mather, New York. Betsy Lembeck, vp-acct dir, *Fortune*; Jim Echikson, acct super-*Sports Illustrated & Sports Illustrated for Kids*.

Life adv promo
Ad agency: Messner Vetere Berger Carey Schmetterer, New York. Ron Berger, acct super.

Money adv promo
Ad agency: Mullen Advertising, Wenham, Mass. James X. Mullen, pres.

People adv promo
Ad agency: Young & Rubicam, New York.

People circulation promo
Ad agency: Holland & Callaway Advertising, New York. Ron Holland, chmn.

Sports Illustrated circulation promo
Ad agency: Wunderman Worldwide, New York. Bob O'Keefe, acct super.
Ad agency: A. Eicoff & Co., Chicago. Francie Barson, exec dir-media.

Time adv & circulation promo
Ad agency: Lois/GGK, New York. George

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*SOURCE: 1988 BELDEN CONTINUING MARKET STUDY

Lois, chmn-ceo.
Circulation promo: Fortune, Sports Illustrated for Kids
Ad agency: (In-house) Catherine Heim, creative dir-magazine circulation dept, *Fortune*; Anil Singh, creative dir-magazine circulation dept, *SI for Kids*.
■ **Division**
Sunset Publishing Corp.
Menlo Park, Calif.
■ **Corporate personnel**
S. Christopher Meigher III, chmn-ceo; John F. Henning Jr., pres.
■ **Marketing personnel**
Ronald C. Walker, vp-gm; James W. Baker, vp-adv sales dir, *Sunset*.
■ **Brands**
Sunset adv promo
Ad agency: Saatchi & Saatchi Advertising, San Francisco. David Hill, sr vp.
■ **Division**
Filmed entertainment
Warner Bros.
Burbank, Calif.
■ **Corporate personnel**
Robert A. Daly, chmn-ceo.
■ **Marketing personnel**
Robert G. Friedman, pres-worldwide theatrical adv & publicity.
■ **Brands**
Warner Bros. films
Ad agency: Grey Advertising, New York. Alec Gerster, exec vp-media & programming svcs.
■ **Division**
Programming & Cable
Time Warner Cable Group
Stamford, Conn.
■ **Corporate personnel**
Joseph J. Collins, chmn-ceo; Joseph J. Collins, chmn-ceo, American Television and Comms. Corp.; James L. Gray, pres-ceo, Warner Cable Comms.
■ **Marketing personnel**
Tim Evard, vp-mktg, American Television and Comms. Corp.; Kevin Leddy, sr vp-mktg, Warner Cable Comms.
■ **Brands**
ATC Corp.
Ad agency: (In-house) James Duffy, dir-pr.
■ **Division**
Home Box Office
New York
■ **Corporate personnel**
Michael J. Fuchs, chmn-ceo.
■ **Marketing personnel**
John K. Billock, exec vp-mktg; Dan Levinson, vp-adv & promo; Steve Janas, vp-dir, adv.
■ **Brands**
HBO
Ad agency: BBDO, New York. Ken Angel, sr vp-mgmt rep.
Cinemax
Ad agency: Kobs & Draft Advertising, New York. Howard Draft, pres.

RANK: 25

Toyota Motor Corp.

Toyota City, Japan
Ad spending: **$417.6** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	53,207	36,476	45.9
Sunday magazine	712	857	(16.9)
Newspaper	6,460	4,909	31.6
Outdoor	572	822	(30.4)
Network TV	110,847	64,193	72.7
Spot TV	91,032	68,582	32.7
Syndicated TV	8,616	5,945	44.9
Cable TV networks	3,505	2,750	27.5
Network radio	2,196	1	NA
Spot radio	15,200	6,554	131.9
Measured media	292,346	191,088	53.0
Unmeasured	125,300	81,900	53.0
Total	417,646	272,988	53.0
By top brands	**1989**	**1988**	**% chg**
Toyota cars	163,239	129,713	25.8
Toyota trucks & vans	62,969	49,673	26.8
Lexus cars	46,025	0	NA
Toyota auto parts	3,873	3,988	(2.9)

■ **Sales & earnings** ($ in millions)

Worldwide	1990	1989	% chg
Sales	60,084	54,254	10.7
Earnings	2,884	2,338	23.4

■ **Notes:** Fiscal year ended June 30, 1990.
■ **Annual review**
Toyota Motor Sales USA, a subsidiary of Toyota Motor Corp., Japan, maintained its position as the leading car-truck importer in the U.S. in 1989 as it blanketed the market with 53% more ad dollars, much of that in the Lexus launch.
Further ad budget growth of 25% is expected for 1990 to back the redesigned Celica and midyear introductions for the Land Cruiser, MR2 and van, among others. Toyota got back into the minivan market with the February 1990 debut of the Previa, which held potential for sales of 40,000 units this year.
The company registered car-truck sales of 945,353 units in calendar 1989, up 1% over a year earlier, for a 6.5% share of the total U.S. car-truck market. The total included 212,388 U.S.-built Camrys (257,466 in all) and 221,694 light trucks. Toyota led importers with a 4.7% share, down from 5.1%.
The luxury model Lexus had sales of 16,302 for the year in only four months on the market. By July 1990, Lexus (including the LS 400 V-8 priced at $36,000 and the ES 250 V-6 at $21,050) had sold 5,049 units against 1,789 for Nissan's Infiniti, which also hit the U.S. market last fall. Lexus broke its ad campaign in August 1989. Intro ads for Infiniti came three months later. Rival Acura from American Honda, which had several years' head start, had sold 13,617 units, down 3.2% at the mid-year mark.
But falling short of original projections, Toyota reduced its U.S. sales target for Lexus in 1990 by 20% to 60,000.
The $60 million national ad launch last year for Lexus got a $20 million-plus infusion in spot TV and print support this spring in 60 markets. All the ads are tagged "Pursuing perfection," a derivative of the national slogan, "The relentless pursuit of perfection."
While the national campaign for Lexus built awareness for the flagship LS 400 model, the large part of regional effort focused on the lower-cost ES 250, its sporty sister, that "for $21,050, you not only get all these items, but this handsome carrying case as well," says the voiceover in TV spots.
With the exception of outdoor and Sunday supplements, media expenditures rose across the board, according to LNA/-Arbitron. The top-selling Camry ($11,588 for the Camry 4) pulled $53.5 million in measured spending, up 42.9%.
Celica, priced at $12,268 for the ST4 model, drew $25 million in media, up 57.2%. Corolla, Toyota's second best seller, got $21 million, the same as the prior year. Most of the spending for all brands went to spot and network TV, supported by heavy dosages of national magazines and enthusiast publications.
Media spending for Toyota's redesigned line of light trucks was $47 million, down 17.5%. The SR5 V-6 pickup accounted for $20 million of that.
Toyota opened the 1990 marketing year prepared to boost ad spending by 25% to more than $300 million. About 75% of the ad budget was slated for network and spot TV, with print getting much of the rest.
Toyota will design a new, larger version of the popular Camry for production at its plant in Georgetown, Ky., aiming to export 40,000 annually to Japan in 1992. Within the year the flagship Cressida will be replaced in the U.S. with the Crown, which ranks above Cressida in Japan. Toyota is banking on Crown selling more than Cressida's annual 20,000.
■ **Headquarters**
Toyota Motor Sales USA
19001 S. Western Ave.
Torrance, Calif. 90509
(213) 618-4000
■ **Corporate personnel**
Yukiyasu Togo, pres; Robert McCurry, exec vp-sales & operations; J. Davis Illingworth, vp-gm, Lexus div.
■ **Marketing personnel**
Albert W. Wagner, vp-sales; George Borst, vp-mktg; Jim Olson, vp-external affairs; David Danzer, corp mktg mgr; David Pelliccioni, natl adv mgr; Don Cecconi, natl truck adv mgr; Leo Parente, dealer assn adv mgr; Joseph Tetherow, natl pr mgr. Lexus: Donald V. Esmond, corp sales mgr; Robert Neuman, natl mktg mgr; Richard Anderman, natl adv mgr; Laura Fox, pr mgr.
■ **Brands**
Toyota
Ad agency: Saatchi & Saatchi DFS/Pacific, Torrance, Calif. Stuart Upson, chmn-ceo, N.Y.; Jim Lindsey, vice chmn, Southern California; Joe Cronin, pres-ceo, mgmt dir.
Lexus
Ad agency: Team One (Saatchi & Saatchi), El Segundo, Calif. Stuart Upson, chmn-ceo, N.Y.; John Hirschboeck, pres; Tora Cordner, exec vp-creative dir; Scott Gilbert, exec vp-mgmt dir.
Hispanic adv
Ad agency: Conill Advertising, Los Angeles. Carlos Rossi, ceo; Warren Benjamin, exec vp-mgmt dir; Leila Winich, vp-mgmt super; Karl Meyer, sr acct exec; Mario Beguiristain, creative dir.

RANK: 85

UAL Corp.

Elk Grove Village, Ill.
Ad spending: **$127.3** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Newspaper	11,604	9,261	25.3
Outdoor	830	101	719.2
Network TV	40,566	39,843	1.8
Spot TV	9,859	10,829	(9.0)
Syndicated TV	68	0	NA
Cable TV networks	2,468	1,918	28.6
Network radio	1,631	4,060	(59.8)
Spot radio	8,105	7,421	9.2
Measured media	86,441	81,453	6.1
Unmeasured	40,900	38,500	6.2
Total	127,341	119,953	6.2
By top brands	**1989**	**1988**	**% chg**
United Airlines	78,253	73,933	5.8

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	9,794	8,982	9.0
Earnings	324	600	(46.0)
Division sales	**1989**	**1988**	**% chg**
Passenger	8,536	7,723	10.5
Cargo	521	510	2.3
Other	736	749	(1.7)

■ **Annual review**
UAL Corp. seems to ricochet from crisis to crisis. The holding company for one of the world's largest airlines, United Airlines, has bounced around for three years emerging from one serious management or stockholders brouhaha only long enough to quickly enter another.
The one constant at United Airlines has been its TV advertising campaign that features exotic spots and the music of George Gershwin's "Rhapsody in Blue." That only means marketing has been put in a holding pattern until ownership can be resolved.
As of this month, the future of UAL's president Stephen M. Wolf, its exec VP-marketing and planning John C. Pope, and orders for additional new planes hinged on whether employees can find someone to lend them enough cash to buy United Airlines.
The employees, whose United Employee Acquisition Corp. hired former Chrysler Vice Chairman Gerald Greenwald, have until Oct. 9 to find financing for their proposed $4.54 billion buyout. If they can, Messrs. Wolf and Pope are out and Mr. Greenwald is in the pilot's seat. The employees have missed one deadline already.
Employees are trying to use loans from aircraft makers as one source of buyout money and have asked the UAL board to temporarily put off any new plane purchases, a move that could have some long-term implications for the line.
In the face of all the boardroom turmoil, it sometimes seems amazing that United could do anything beyond fly its existing routes.
In this year's major strategic thrust, United began flying for the first time to Europe with flights to Frankfurt and Paris. United expects to step up transatlantic flights next year if it gets government approval.
United has been able to add seating to its Pacific routes as new longer range planes arrived, passing Northwest Airlines as the No. 1 carrier in the region.
Receiving one new plane a week has allowed United to expand service while still retiring some older jets. United expects to have 460 planes in service at yearend, up from 429 at the end of 1989.
United had a 16.6% market share of revenue passenger miles through July 1990, unchanged from the same period last year and just behind American Airlines' 17.6%.
■ **Headquarters**
UAL Corp.
1200 Algonquin Road
Elk Grove Village, Ill. 60007
(708) 952-4000
■ **Marketing personnel**
John C. Pope, exec vp-mktg & planning; John E. Ruhaak, vp-adv & promo; William Alenson, mgr-adv, domestic; William Groundwater, mgr-adv, intl; Patricia Engels, vp-mkt devel (including frequent flyers program); Tom Lagow, sr vp-planning; Kay Hoffman, pres-Mileage Plus Inc; Chris Bowers, vp-genl sales mgr.
■ **Brands**
United Airlines
Ad agency: Leo Burnett USA, Chicago. James Thompson, sr vp-acct dir; Steve Crawford, vp-acct dir; John Goad, vp-acct super; Wendy Peters, vp-acct super; Adele Dijulio, acct super.

RANK: 12

Unilever NV

London/Rotterdam
Ad spending: **$604.1** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Newspaper	1,989	1,621	22.7
Outdoor	37	724	(94.9)
Network TV	190,394	198,401	(4.0)
Spot TV	60,004	70,273	(14.6)
Syndicated TV	38,942	27,321	42.5
Cable TV networks	7,445	9,054	(17.8)
Network radio	3,611	11,816	(69.4)
Spot radio	1,479	1,521	(2.7)
Measured media	377,941	406,102	(6.9)
Unmeasured	226,200	243,000	(6.9)
Total	604,141	649,102	(6.9)
By top brands	**1989**	**1988**	**% chg**
Vaseline lotions	25,259	23,904	5.7
Surf detergents	20,556	22,284	(7.8)
Wisk laundry detergents	20,115	13,018	54.5
I Can't Believe It's Not Butter spread	18,840	4,778	294.3
Dove soap	18,293	12,598	45.2
Snuggle fabric softeners	17,823	15,983	11.5
Sunlight dishwashing detergents	16,824	16,108	4.4
Close-up toothpaste	15,887	14,143	12.3
Ragu sauces	15,154	19,968	(24.1)
Promise margarine	13,549	11,231	20.6

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	34,434	30,980	11.1
Earnings	1,667	1,510	11.7
U.S.	**1989**	**1988**	**% chg**
Sales	7,426	6,189	20.0
Operating profit	741	509	45.6
Division sales	**1989**	**1988**	**% chg**
Food products	17,220	15,420	11.7
Detergents	7,434	6,762	9.9
Personal products	3,696	2,947	25.4
Specialty chemicals	2,876	2,630	9.4
Other operations	3,299	3,221	2.4

■ **Notes:** Sales and earnings figures are converted at the rate of 0.62500 and 0.55249 dollars to the guilder in 1989 and 1988, respectively.
■ **Annual review**
For Unilever, it was a year of watching on the sidelines, as new-product rollouts stalled and competitors continued to innovate.
One of its few major product rollouts, Chesebrough-Pond's Ragu Fresh Italian pasta sauces, has been under regulatory review by the FDA for possible mislabeling. At issue is the use of the word "fresh" for a product that uses heat-processing.
Ragu has been a big success for Unilever, grabbing an estimated 8% of the $1 billion-plus spaghetti sauce market in 1989. Lever ended a 20-year relationship between Waring & LaRosa and Ragu, moving its $25 million sauce account to J. Walter Thompson USA, New York.
Rival Procter & Gamble scored gains in the shampoo market with Head & Shoulders Dry Scalp and Pert Plus and ripped apart the detergent market with Tide with Bleach, while Lever's Timotei shampoo remained in a holding pattern. Similarly, a new Triple Action All, created to fight Tide with Bleach, has not left test market.
Lever also has been slow but effective in instituting environmentally safe products, but has watched as competitors rolled out new concentrated-granule detergents in test markets, which have fared significantly better than analysts predicted.
Lever passed on major acquisitions, declining a bid on Schering-Plough's Maybelline. After P&G's acquisition of Noxell Corp. last year, Maybelline suddenly seemed a target for acquisition, possibly by Unilever.
Lever's strength remains in household products. In the $3.8 billion laundry detergent industry, P&G's Tide with Bleach has gained a 10% share of the laundry detergent market since its introduction last year. Before the introduction of Tide with Bleach, Lever's Surf had a 10% share of the category; Surf now has 8% and continues to lose ground. Lever recently began heavy promotional support for the brand, breaking an estimated $50 million ad and promotion campaign. Surf was No. 2, but now has fallen to No. 3 behind Lever's Wisk, which has an 8.6% share of the market. J. Walter Thompson USA broke a new $13 million campaign for Wisk in late 1989, replacing the 22-year-old "ring around the collar" campaign.
Lever's new Triple Action All is being tested in San Francisco with $30 million in ad support at a national rate. All liquid and powder now holds 6% of the market.
This month Lever introduced Wisk Power Scoop in West Coast markets with full national distribution expected in 1991. The product, its first superconcentrated detergent in the U.S., is expected to draw more than $50 million in advertising during the launch, sampling and couponing. J. Walter Thompson USA handles. This is the first powder marketed under the Wisk name. P&G is testing its own superconcentrates under Tide, Cheer, Gain and Oxydol names.
Lever has had little impact on the $1 billion shampoo industry. Its Faberge Organics has dropped from a 2.3% share in mid-1988 to a 1% share. Lever acquired Faberge in July 1989. Its Aqua Net has been flat at 0.5%, according to Jay Freedman, household products analyst for Kidder, Peabody & Co.
Timotei, sold by Lever in 29 countries, was expected to roll from West Coast test markets as early as the summer of 1989, but has not yet appeared nationally.
No. 2 in the bar soap market, Lever may be seeking to chip away at No. 1 P&G by launching Lever 2000 deodorant soap, with J. Walter Thompson USA handling the account. Lever's Dove continues to rise, now at 16% of the market, with Shield dropping 1 share point since 1989. For all brands Lever took 25.5% of the market, about the same as 1988, against P&G's nearly 33%, down slightly.
Lever has kept its toothpaste, dishwasher detergent, fabric softener and light-duty detergent market share at about last year's levels.
Lever, new to the U.S. deodorant industry, is trying to increase its share in the $1.1 billion market, with last year's introduction of Powerstick, a direct competitor of Mennen Speed Stick. Lever also obtained Brut 33 after acquiring Faberge in July 1989. Lever only holds 4.5% of the market with its two brands, while Mennen holds 15.5% with Speed Stick and Real. Unilever ranks No. 1 in the world deodorant market.
■ **Headquarters**
Unilever NV
Burger Meester
Vacob Plein 1
300 DK Rotterdam

Unilever US
390 Park Ave.
New York, N.Y. 10022
(212) 888-1260
■ **Corporate media buying**
L&L Media (in-house): Joseph E. Campion, pres; Dan Riordan, mgr-network bdcast; Alberta Drumm, Jean Marie Fish, asst mgrs-network; Jeannine Heller, spot super.
Lever Bros.
New York
■ **Marketing personnel**
David F. Webb, pres; David B. Sharp, sr vp-mktg; William D. Ecker, category mgr-bar soap; William J. Genter, category mgr-laundry detergents; Gregory Creed, category mgr-laundry additives, hard surface cleaners & environmental; George T. Mayer Jr., dir-mktg devel; Keith D. DeVault, sr vp-sales; Gloria B. Deragon, mktg research dir; Elizabeth C. Crehan, dir-promo svcs; Frank E. Gonda, Jr., dir-creative svcs. Industrial Division: Harold W. Jackson, genl mgr; Riley N. Stone Jr., mgr-mktg & government sales; Robert D. Kneissl, mgr-detergent prods; Carl R. Canter, technical mgr-detergents & toiletries.
■ **Brands**
Sunlight dishwashing liquid, Sunlight automatic powder & liquid dishwashing detergents, Caress bar
Ad agency: BBDO, New York. Janet Pressley, mgmt rep; Elizabeth Pava, acct super; Sussie Schwartz, acct exec.
Dove soap bar, Surf powder & liquid detergents, Final Touch fabric softener
Ad agency: Ogilvy & Mather, New York. Neve Savage, sr vp-grp dir; Sally Luce, vp-acct dir; Julie Newton, sr vp-creative dir; Chris Quillen, vp-sr art dir; Ray Simko, sr vp-assoc media dir; Beth LeMasurier, vp-asst media dir.
Concentrated All, liquid All detergents, Snuggle fabric softeners, Shield soap
Ad agency: Lintas:New York. Irene Little, acct super-Snuggle; Bill Vitriol, acct super-Shield; Jerry Olson, acct exec-Snuggle; Kyle Andrew, asst acct exec-All.
Wisk detergent, Lever 2000
Ad agency: J. Walter Thompson USA, New York. Laura Kurzio, acct super; Steve Dworin, mgmt dir; Bill Gross, acct dir.
Professional programs, medical profession adv
Ad agency: Sudler & Hennessey, New York. Wayne Traub, sr vp; Lisa Salaba, acct exec-Lever 2000; JoEllen Morro, acct exec-Dove.
Industrial & institutional products
Ad agency: Richard Lewis Corp., Scaradale, New York. Richard I. Byer, pres.
■ **Subsidiary**
Thomas J. Lipton Inc.
Englewood Cliffs, N.J.
■ **Corporate personnel**
Blaine R. Hess, pres-ceo; Thomas N. Fuelling, pres-ceo, Lawry's Foods.
■ **Marketing personnel**
James Reid, sr vp-operations & genl mgmt; Richard P. Kundrat, vp-gm, food svc, bottler & dairy; Angelo S. LaMantia, vp-foods divs; Robert E. Livingston, vp-sales div; Anthony G. Montuori, vp-mktg support; E. Russell Sherwood, vp-beverage div; Max J. Ballard, sr vp-mktg & sales, gold bond; John M. Heil, vp-grocery mktg, Lawry's foods; Robert K. Norfleet, genl mgr-continental foods; David P. Bell, dir-media & consumer svcs, new prods coord; Bruce Belowich, dir-prod mgmt, soups & side dishes; Michael Cullen, dir-prod mgmt, infusions; J. Peter Deeb, dir-merch & promo planning; Linea Johnson, dir-prod mgmt,

convenience beverages; Stewart Krentzman, dir-prod mgmt, condiments & snacks; Theodore Labiner, dir-creative svcs; Joseph Russo, dir-mkt research.

Brands

Teas, convenience teas, soup mix, Cup-A-Soup

Ad agency: Lintas:New York. Steven W. Norcia, grp exec vp; Doug Harting, sr vp-mgmt super.

Side dishes

Ad agency: Young & Rubicam, New York. Robert Gleckler, sr vp-mgmt super.

Sunkist Fruit Snacks, Nintendo Fruit Snacks, Wyler's Fruit Mixes

Ad agency: FCB/Leber Katz Partners, New York. David Roethgen, sr vp-mgmt dir.

Wish-Bone Salad Dressings

Ad agency: Sudler & Hennessey, New York. Lisa Blumenstein, sr vp-acct super.

Lawry's Foods

Ad agency: Dailey & Associates, Los Angeles. Brian Morris, exec vp.

Popsicle Brand Frozen Treats, Mickey's Parade Ice Pops, Mickey Mouse Bars, Gold Bond Brand Frozen Treats

Ad agency: Grant/Jacoby, Chicago. John H. Willie, sr vp-acct grp mgr.

Foodservice

Ad agency: Warner, Bicking, & Fenwick, New York. J.A. Morris, pres.

Division

Van den Bergh Foods
New York

Corporate personnel

John E. Mueller, pres-ceo; John O'C. Nugent, sr vp-Consumer Prods. Grp.

Marketing personnel

Consumer Prods. Grp: Michael E. Bauer, vp-mktg; Linda Jackson-Smith, Thomas A. Murano, Rajan W. Nagarkar, mktg mgrs; Lynn Johnson, dir-mktg research; Myrna F. Schreibman, sr prom devel mgr. Professional Mkts. Grp: N. Ron Bowen, sr vp; H. Dennis Smith, dir-comms; John Shepard, dir-mktg, foodservice; Lawrence E. Werner, dir-mktg, bakery.

Brands

Mrs. Butterworth's syrups, Mrs. Butterworth's pancake & waffle mixes

Ad agency: BBDO, New York. Janet Presley, mgmt rep; Patricia Smith, acct exec; Kathleen Lynch, asst acct exec.

Promise spread, I Can't Believe It's Not Butter

Ad agency: McCann-Erickson, New York. Wendy Kein, acct super.

Shedd's Country Crock spreads, Country Crock cheese products, Mrs. Filbert's margarine & salad products, Imperial, Ala Mode

Ad agency: Stone & Simons, Southfield, Mich. Christopher Gaffield, exec vp; Howard Dembs, vp-acct super.

Imperial margarine

Ad agency: Lintas:New York. Stephanie Becker, sr vp-mgmt super; Ned Russell, vp-acct super; Lisa Pachnos, acct exec; Al Colello, Betty Fitterman, creative dirs; Donna Campanella, sr vp-grp media dir; Sue Chisholm, vp-assoc media dir.

Division

Ragu Foods
Trumbull, Conn.

Marketing personnel

Arthur P. Gonis, pres-ceo; John W. Rice, vp-mktg; Natalie Danysh, grp prod mgr-spaghetti sauce; Frances Bainor-Ebner, grp prod mgr-marinades, tenderizers & pizza sauce; Sheryl Roth-Rogers, grp prod mgr-new prods; Robert Spessard, vp-sales.

Brands

Ragu spaghetti sauces, Pizza Quick sauces, Adolph's tenderizers & marinades, new products

Ad agency: J. Walter Thompson USA, New York.

Division

Calvin Klein Cosmetics Co.
New York

Corporate personnel

Kimberly Delsing, pres-ceo; Paulanne Mancuso, sr vp-sales; Joseph Sardella Jr, sr vp-cfo, finance, operations, human resources & mgmt info systems; Sam Ghusson, vp-operations; Edwin T. Halsch, vp-finance & admin.

Marketing personnel

Carmen Dubroc, sr vp-mktg; Lisa Greenblatt, vp-mktg; Linda Doherty, mktg dir-Obsession, Obsession for Men & Calvin; Diana Waldron, mktg dir-new fragrances; Terry Burstein, intl mktg mgr-Eternity & Eternity for Men; Annmarie Ieraci, mktg mgr-Eternity & Eternity for Men; Sarah Williams, intl mktg mgr-Obsession, Obsession for Men & Calvin; Robert Green, sr dir-adv; Jeannie Means, adv dir.

Brands

Obsession, Obsession for Men

Ad agency: Chiat/Day/Mojo, New York. Michael Smith, creative dir; Mary Maroun, mgmt super.

Division

Elizabeth Arden Inc.
New York

Corporate & in-house adv personnel

Joseph F. Ronchetti, pres; Joseph X. Spellman, exec vp-mktg devel & creative svcs; Michael Brillhart, exec vp-intl; N. Paul Masturzo, exec vp-gm, US; Bryan H. Janney, vp-gm, BethCo Parfums; Debra C. McDonough, dir-pr & sales promo.

Marketing personnel

Paulette Dufault, vp-adv & creative svcs; James B. Miner, vp-mktg, Elizabeth Arden; Thomas Moloney, vp-mktg, BethCo Parfums Intl.; Clare A. Cain, dir-mktg devel, fragrance; Victoria Connell, dir-mktg devel, makeup.

Division

Chesebrough-Pond's Inc.
Greenwich, Conn.

Marketing personnel

Robert Sheasby, vp-mktg; Mike Conner, grp prod mgr-color cosmetics; Gary Fraser, grp prod mgr-oral hygiene; Linda Nash, grp prod mgr-hair care; Steve Walton, grp prod mgr-deodorant & toiletries; Keith Weed, grp prod mgr-skin care; Michael Goldenberg, grp prod mgr-fragrances; Laura Klauberg, grp prod mgr-special projects; Victor Gaudet, sr vp-sales.

Brands

Brut deodorant & fragrance, Power Stick deodorant, Aim toothpaste, Pepsodent Professional toothbrush, Impulse body spray, Luna Mystique, Aziza cosmetics, Cutex cosmetics

Ad agency: Lintas:Worldwide, New York. Terry Rosenquist, grp exec vp; Garth Anderson, sr vp-mgmt super; Lynn Giordano, exec vp-creative dir.

Vaseline Intensive Care lotion, Vaseline Lip Therapy, Vaseline Intensive Care suncare, Vaseline Intensive Care Hand & Nail Formula lotion, Vaseline petroleum jelly, Vaseline Intensive Care bath products

Ad agency: McCann-Erickson, New York. Jeanie Davidson, acct super; Kathy Manning, acct exec.

Rave hair care products, Pond's Cold Cream, Q-tips Cotton Swabs, fragrances: Hero, Windsong, Aviance, Verve, Cachet

Ad agency: Ogilvy & Mather, New York. Julian Clopet, pres-N. America; Serina Williams, acct dir-Pond's & Hero.

Close-Up Toothpaste, Timotei hair care

Ad agency: J. Walter Thompson USA, New York. Lee Polychran, acct rep; Dana Philip, acct super.

RANK: 92

United Telecommunications

Westwood, Kan.
Ad spending: **$121.3** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	4,310	1,279	237.0
Newspaper	830	908	(8.6)
Outdoor	245	173	41.3
Network TV	41,445	41,885	(1.1)
Spot TV	8,114	6,614	22.7
Syndicated TV	8,060	1,513	432.8
Cable TV networks	490	317	54.5
Spot radio	0	6	NA
Measured media	63,494	52,696	20.5
Unmeasured	57,800	48,000	20.4
Total	121,294	100,696	20.5
By top brands	**1989**	**1988**	**% chg**
US Sprint Communications Co	41,366	36,117	14.5
US Sprint telephone card	16,122	13,990	15.2
GTE Sprint telephone service	4,370	492	787.9

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	7,549	6,493	16.3
Earnings	363	142	155.9
Division sales	**1989**	**1988**	**% chg**
Long distance	4,324	3,405	27.0
Local communications	2,637	2,510	5.1
Complimentary, other	762	699	9.1

Annual review

Has AT&T undone US Sprint and its parent, United Telecommunications Inc.?

Stepped up marketing by AT&T early this year and increased marketing by MCI Communications have been credited with slowing Sprint's growth in new residential and small-business customers. AT&T spent $103.8 million (up 25.8%) in national media the first quarter 1990, leading all U.S. brands in advertising, according to LNA/Arbitron.

The slowdown at US Sprint was so dramatic that its parent United Telecom reported a loss of $42 million in the second quarter 1990, precipitating layoffs at US Sprint, reassignment of workers to the sales and marketing divisions and a major ad push by US Sprint this August. US Sprint accounts for more than 95% of United Telecom's spending in national media.

The August ad effort, bearing the Sprint theme, "It's a New World," challenged AT&T's "Get it in Writing" spots, which imply that services rendered by non-AT&T carriers promise a lot but don't deliver. Ads from Sprint say it does put it in writing, offers all the services AT&T offers and does a better job. It encourages AT&T to lighten up. The campaign will run for the next several months, said Jorge Rodriguez, VP-marketing and advertising.

A companion print effort focuses on "the small business advantage," a series of products packaged together to make businesses run more smoothly. The products include 800 services, audio conferencing and Sprint Fax. J. Walter Thompson USA, San Francisco, handles. An aggressive direct mail campaign from Devon Direct, Philadelphia, also is under way.

In 1989, Sprint captured about 8.3% of the long-distance market, up from 7.5% in 1988, following MCI with 12.5% (up from 10.3%) and AT&T with 66.4% (down from 68%), according to Northern Business Information, New York. The total long-distance market, valued at about $55 billion, is expected to grow 8.5% this year over 1989. Sprint was on schedule to up its share to about 9.1% by year-end 1990, but revision may be in order.

During 1989, US Sprint general promotion ad spending dropped significantly to $1.6 million from $12.5 million in 1988 as the company focused on long-lines business and long-distance lines. Spending for long-lines business rose from $5 million to $15 million, mostly in network TV. Long-distance lines were backed with $24 million in media, up 36%, three-quarters of it in network TV.

Sprint still runs its "Pin Drop" ad which stresses the clarity of its fiber optic network.

Sprint's Visa Card debuted in November 1989 offering all the benefits of its FONcard and making Sprint the first national long-distance carrier to market a combination calling card, credit card and cash card. But AT&T early this year launched its Universal Card, promoting it more heavily and starting with a larger customer base. Sprint Telephone Card spending totaled $16.1 million in 1989, up 15%.

The poor second quarter made United Telecom delay its plan to buy the rest of Sprint (19.9%) from GTE. It may now look for investors to share the risk.

Headquarters

United Telecommunications
2330 Shawnee Mission Parkway
Westwood, Kan. 66205

Corporate personnel

William T. Esrey, chmn-ceo; Kathleen Hughes, vp-corp comms.

Division

US Sprint
Kansas City, Mo.

Corporate personnel

Ronald T. LeMay, pres-coo; Richard C. Smith, pres-natl mkts; Steven P. Akin, pres-FON mkt grp.

Marketing personnel

Jorge L. Rodriguez, vp-mktg & adv; Ann Marshall, dir-direct mktg.

Brands

US Sprint

Ad agency: J. Walter Thompson USA, San Francisco. Stephen A. Darland, exec vp-gm; Jon Hyde, exec vp-exec creative dir; Sherry Carniglia, sr vp-deputy gm.

US Sprint direct mktg

Ad agency: Devon Direct Marketing & Advertising, Malvern, Pa. Ronald Greene, Jim Perry, mg dirs; Marianne Croze, vp-mgmt super.

RANK: 52

U.S. Dairy Farmers

Arlington, Va.
Ad spending: **$205.9** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	15,599	14,491	7.6
Sunday magazine	379	298	27.4
Newspaper	141	225	(37.2)
Outdoor	894	759	17.7
Network TV	38,251	49,738	(23.1)
Spot TV	36,158	25,472	42.0
Syndicated TV	4,083	3,650	11.9
Cable TV networks	6,528	6,301	3.6
Network radio	5,175	5,088	1.7
Spot radio	4,038	5,005	(19.3)
Measured media	111,245	111,027	0.2
Unmeasured	94,700	94,500	0.2
Total	205,945	205,527	0.2
By top brands	**1989**	**1988**	**% chg**
American Dairy association	47,509	47,952	(0.9)
American Dairy association cheese	22,335	25,005	(10.7)
American Dairy association ice cream	5,064	6,353	(20.3)
Wisconsin cheese	1,122	1,541	(27.2)

Annual review

Ad spending by the various dairy marketing agencies was flat to down for 1989 because of the widespread droughts of the late 1980s, but ad and promotional budgets for milk marketers will become $110 million richer this fall when the House gives its expected approval to a farm bill passed this summer by the Senate.

By federal law, raw milk volume determines the total dollars available for dairy product advertising and promotion. Congress first mandated the allotment when it passed the 1983 Dairy & Tobacco Adjustment Act authorizing an assessment to be paid by farmers and co-ops of 15¢ per hundredweight of raw milk produced.

The new farm bill would be funded by a 20¢ fee per hundredweight paid by processors like Borden, Dairymen and Kraft General Foods who buy milk from dairy farmers and then package it for retailers. Funds will be managed by the new National Processor Advertising & Promotion Board (NPAPB) and will focus solely on milk advertising.

The National Dairy Production and Research Board was created by the 1983 act. It is the largest single force in national dairy marketing. It gets at least one-third of the per hundredweight contribution.

Sister state and national dairy-promotion bodies get the remainder, biggest of which is the United Dairy Industry Assn.'s marketing arm, the American Dairy Assn., based in Rosemont, Ill. UDIA is an association of dairy industry sponsors, both farm and processing groups.

The flat landscape for dairy revenues in 1989 resulted in less than a half-cent boost for promotion and research, to $211 million in 1989 from $210 million. Milk funds coming to Arlington, Va.-based NDPRB totaled $75.3 million in 1989, off 2.1%. ADA parent, UDIA, dropped 23.6% in total revenue (including for milk) to $39.6 million.

National Dairy Board led in spending among dairy marketers with $58.9 million in measured advertising. Of the total, network TV dominated at $30 million. Magazines took $12.6 million, and cable and syndicated TV each at $9 million-plus.

By product, NDPRB's biggest expenditure of $20.5 million backed cheese advertising, about half on network TV. Second highest allotment of $14.1 million backed youth milk, with network TV again claiming half.

The ADA's outlays stayed even with 1988 at $48 million, including $31.7 million for milk promotion directed at adults, virtually split between network TV and spot TV. ADA also spends heavily in unmeasured forms, examples of which are its two current-running POP campaigns for cheese: "Cheese Snack Shops," targeted to women, and football-themed "Kick Off the Season With Cheese," featuring TV weatherman Willard Scott.

Other major dairy marketers are California Milk Advisory Board at $18.5 million, down 1%; Wisconsin Milk Marketing Board, $11 million, down 13.7%; Washington Dairy Products Commission, $3.7 million, even with 1988; and the Oregon Dairy Products Commission, $900,000, same as in 1988.

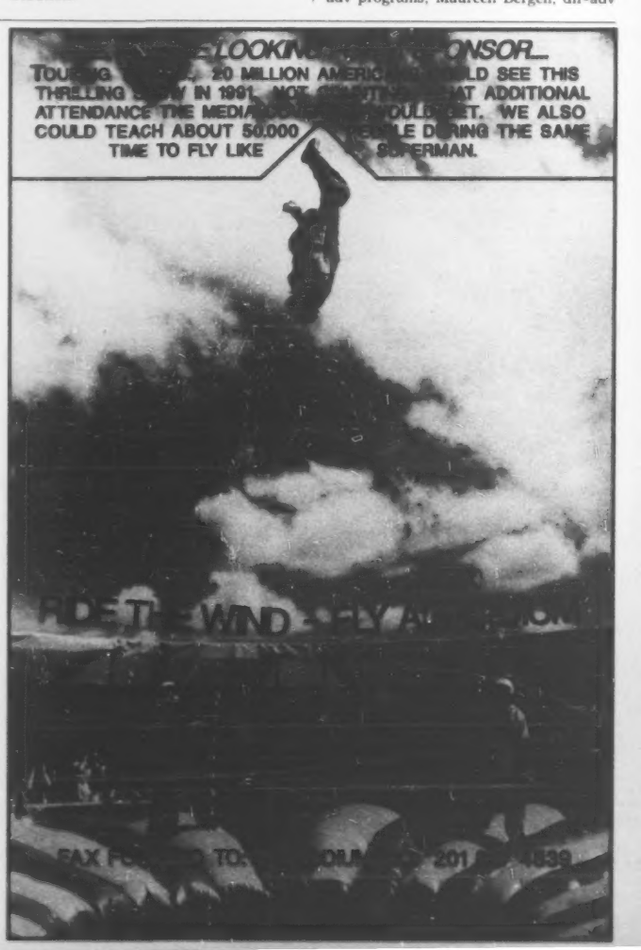
California, which spent $11 million on fluid milk advertising in 1989, hit the market this year with a new milk called Extra Light 1%, containing only 1% butterfat but a high percentage, 11%, of protein and calcium.

Headquarters

U.S. Dairy Farmers
National Dairy Promotion
and Research Board
2111 Wilson Blvd, Ste. 600
Arlington, Va. 22201
(703) 528-4000

Marketing personnel

Cynthia Carson, ceo; George De Jager, sr vp-mktg & adv; Kathryn M. Klaus, dir-adv programs; Maureen Bergen, dir-adv



EXECUTIVE RECRUITMENT

MARKETING
PRODUCT MANAGEMENT
SALES PROMOTION

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& research programs; Bill Diggins, sr vp-mkt & economic research; Cathy Perpetua, dir-mkt research; Charles Timpko, Paige Patterson, mgrs-consumer research.

■ **Brands**

Adv to health professionals

Ad agency: Bozell Health Care, New York. Anne Petz, acct exec.

Cheese-consumer adv

Ad agency: DDB Needham Worldwide, Chicago. Alan Alexander, sr vp.

Nonfat dry milk, trade adv

Ad agency: Gorman Publishing Co., Chicago. Harry Stagnito, vp.

Butter-consumer & foodservice adv, ice cream-consumer & foodservice adv, cheese-foodservice adv

Ad agency: Grey Advertising, New York. Jordan Rosuck, exec vp.

Calcium, youth milk

Ad agency: McCann-Erickson, San Francisco. Tom Drese, sr vp.

Butter-consumer adv, cheese-consumer adv, non-fat dry milk-ingredient-use

Ad agency: Stricevic & O'Connell, Chicago. Daniel O'Connell, Daniel Stricevic, principals.

American Dairy Association
6300 N. River Road
Rosemont, Ill. 60018
(312) 696-1880

■ **Marketing personnel**

M.F. Brink, ceo; Gerald McCann, sr vp-adv & mktg svcs; Grover B. Simpson, vp-mktg svcs, United Dairy Industry Assn.; Stephen A. Dohrmann, vp-mktg planning; Donna A. Arcus, dir-adv svcs.

■ **Brands**

Fluid milk, REAL seal, cheese, butter, other dairy foods

Ad agency: D'Arcy Masius Benton & Bowles, Chicago. Ben Bishop, sr vp-grp acct dir; Jim Moser, vp-acct super; Andrea Dichter, acct super.

Foodservice

Ad agency: Noble-Tennant, Chicago. Tim Dorgan, pres-coo; Susan Saltwell, acct super.

California Milk Advisory Board
400 Oyster Point Blvd, Ste. 214
South San Francisco, Calif. 94080
(209) 521-1060

■ **Marketing personnel**

Ralph Watts, ceo; Adri Boudewyn, dir-comm svcs.

■ **Brands**

Manufactured dairy products

Ad agency: Foote, Cone & Belding, Los Angeles. Harry Lamdseidel, mgmt dir; Dick Taylor, acct exec.

Fluid milk

Ad agency: McCann-Erickson, San Francisco. Jerry Scott, acct super; Michael Freeman, acct exec.

Oregon Dairy Products Commission
10505 S.W. Barbur Blvd.
Portland, Ore. 97219
(503) 229-5033

■ **Marketing personnel**

Sheldon Pratt, ceo; Peggy Kern, mktg dir; Lorinda Moholt, dir-comms.

■ **Brands**

Cheese, fluid milk

Ad agency: In-house. Peggy Kern, mktg dir.

Washington Dairy Products Commission
1107 NE 45th St.
Seattle, Wash. 98105
(206) 545-6763

■ **Marketing personnel**

Jim Cummins, chmn; Walt Mackin, dir-mktg; Doug Simpson, mgr.

■ **Brands**

Dairy products

Ad agency: Ehrig & Associates, Seattle. Dick Ehrig, acct super; Steve Matzen, acct exec.

Wisconsin Milk Marketing Board
4337 W. Beltway Hwy.
Madison, Wis. 53711
(608) 271-1021

■ **Marketing personnel**

Ric Johnson, dir-mktg; Bill Drew, mgr-cheese mktg & sales; Dave Bavlinka, mgr-fluid milk mktg; Vicky Jones, mgr-adv.

■ **Brands**

Cheese

Ad agency: Foote, Cone & Belding Communications, Chicago. Jean MacLaren, mgmt super.

Fluid milk

Ad agency: McCann-Erickson, San Francisco. Jerry Scott, acct super.

Food processing

Ad agency: Kocs Wesson & Associates, Milwaukee. Warren Eulgin, mgmt super.

Dairy product promo

Ad agency: Stephan & Brady, Madison, Wis. Katherine Johnson-Becklin, mgmt super-consumer promo; George Whitely, mgmt super-foodservice promo.

Johnson says it can make a difference

S.C. Johnson this July launched its "We Care for America" environmental campaign, its first such promo involving all Johnson brands, after commissioning a Roper study that found most Americans felt helpless to change the environment.

RANK: 36

U.S. Government

Washington

Ad spending: **$309.5** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	43,047	33,436	28.7
Newspaper	18,861	19,885	(5.1)
Outdoor	2,989	11,140	(73.2)
Network TV	57,732	56,491	2.2
Spot TV	30,418	29,825	2.0
Cable TV networks	7,069	2,355	200.2
Network radio	17,790	11,788	50.9
Spot radio	6,473	10,352	(37.5)
Measured media	184,379	175,272	5.2
Unmeasured	125,100	119,000	5.1
Total	309,479	294,272	5.2
By top brands	**1989**	**1988**	**% chg**
U.S. Army	58,654	60,276	(2.7)
U.S. Postal Service	45,213	38,221	18.3
U.S. Armed Forces	23,296	28,356	(17.8)
U.S. Navy	10,230	9,276	10.3
U.S. Marine Corps	4,171	5,115	(18.5)
U.S. Air Force	3,784	3,584	5.6
Housing & Urban Development	2,032	143	NA
U.S. Mint coins	1,782	12,503	(85.7)
U.S. Government departments	1,257	965	30.2
Veterans Administration	1,064	3,608	(70.5)

■ **Annual review**

While U.S. Government ad spending rose last year after declining 5.2% in fiscal 1988, most of the increase came from quasi-government advertisers, the U.S. Postal Service and Amtrak, the bulk of whose funds derive from operating revenues, not federal allocations. For that reason, the two haven't been as constrained as the rest of the government from congressional cuts to balance the budget.

The Postal Service raised its spending 9.1% to $49.1 million in fiscal 1989, which began Oct. 1, 1988. The total included $11 million in media spending for philatelic programs, an easy revenue-producer for the USPS. The Postal Service increased TV spending behind popular stamp designs, like dinosaurs.

But the Postal Service has bumpier times ahead. This fiscal year its ad budget fell to $41.9 million and is expected to tumble to $35 million in fiscal 1991. That decrease comes even though the Postal Service next year begins advertising as a worldwide sponsor of the 1992 Olympic Games.

Amtrak continues its "All Aboard Amtrak" campaign via DDB Needham Worldwide, New York, and last year pumped more funding into spot TV. Ad spending rose 45.5% to $35.2 million in 1989.

Remaining the government's largest spender, the Department of Defense in fiscal 1989 increased its recruiting ad budget 1.8% to $205.4 million. That figure includes the Coast Guard. Most of the services' ad spending remained about the same or increased slightly, but the Army, with the largest single service ad budget, saw its spending fall 1.9% to $93.8 million.

The Army is now focusing on budget-stretchers in anticipation of further cutbacks. This year, the Army has a $92 million budget, but in 1991, Army recruiters expect their funding to fall 4.2% to $88.1 million, the lowest level in at least six years.

This fall, because of the impending budget cuts, the Army won't spend as much on TV. Instead, more money will go toward promotional programs, such as a 10-minute video describing the Army experience, which will be shown to school and community groups.

Advertising officials for Army and other Defense Department recruitment don't expect the budget picture to change despite the massive deployment of troops and reserve units to the Persian Gulf. While Congress may ease up slightly on proposed defense cuts, advertising still will be kept lean, they predict.

Of all the services, only the Navy's budget picture has improved dramatically. While funds for 1989 advertising remained stable at $19.4 million (not including Navy reserve spending), in fiscal 1990 the budget jumped 37.1% to $26.6 million. The Navy went back to advertising on TV, a luxury it had been forced to give up several years ago. A new theme, "You and the Navy. Full Speed Ahead," broke in the spring via BBDO, New York. For fiscal 1991, the Navy seeks a $29.7 million budget.

The Marines are currently in the midst of an agency review, to be concluded in January. J. Walter Thompson USA has handled the Marine account since 1946. The budget is sure to shrink. Last year, the Marines spent $17.8 million, a negligible increase from fiscal 1988. For 1990 the budget has fallen to $16.3 million and is expected to decline to $15.4 million next year. Nevertheless, the first new TV spot in three years may be produced this fall, continuing the "few good men" series.

In fiscal 1989, the Air Force's ad budget remained at $14.8 million, but rose 19% this year to $16.3 million. Spending may decline to $15.3 million next year.

The Air and Army National Guard have remained constant in their spending, with $14.3 million allocated to the Army Guard and $3.1 million to the Air Guard in 1989. Spending declined to $13.9 million for the Army and $2.5 million for the Air Guard this year, and will be about the same in 1991.

The Pentagon continues to move away from joint military advertising. The joint campaign's funding dropped 2.6% in 1989 to $26.3 million, and slumped 21.7% in 1990 to $20.6 million. While joint recruiters have asked for $29.7 million in 1991, they said they already know their request won't be honored.

In the past year, joint recruiters shifted more money into magazines, and cut some TV flights.

■ **Headquarters**

U.S. Government
Washington, D.C.

■ **Department**

Department of Defense

■ **Staff personnel**

Lt. Gen. Donald Jones, deputy asst secretary-defense, military manpower & personnel policy.

■ **Marketing personnel**

Lt. Col. Martha Cavaiani, USA, acting dir; Lt. Col. Dave Fredrikson, USA, asst dir-adv, contracting officer's rep; Lt. Porsche Gaston, USMC, program adv mgr; Capt. Donna Edwards, USAF, program adv mgr; Lt. Steve Hein, USCG, program adv mgr.

■ **Brands**

Joint Recruiting

Ad agency: Grey Advertising, New York. Robert Ravitz, exec vp-mgmt rep; Jim Graham, vp-grp mgmt super; Bill Sandberg, Gary Niebauer, vps-mgmt supers; Jim Battin, vp-mgmt rep, direct response; Leonard Susman, acct super; Sherman Landwehr, business mgr.

■ **Department**

Department of the Army

■ **Staff personnel**

G. Kim Wincup, asst secretary of Army-manpower & reserve affairs; Lt. Gen. William H. Reno, deputy chief of staff-personnel.

■ **Marketing personnel**

Lt. Col. Gregory T. McGuckin, chief-mktg & adv, office of deputy chief of staff-personnel; Capt. Michael I. Roddin, adv program mgr.

■ **Department**

U.S. Army Recruiting Command

■ **Staff personnel**

Maj. Gen. Jack C. Wheeler, commanding general, U.S. Army Recruiting Command.

■ **Marketing personnel**

Col. John C. Myers, dir, adv & sales promo; Thomas Evans, deputy dir, adv & sales promo.

■ **Department**

U.S. Army Reserve

■ **Staff personnel**

Maj. Gen. William F. Ward, chief-U.S. Army Reserve.

■ **Marketing personnel**

Joseph G. Hanley, dir-public affairs & adv, office of chief-Army Reserve.

■ **Department**

U.S. Army ROTC

■ **Staff personnel**

Gen. John W. Foss, commanding general, U.S. Army Training & Doctrine Command; Maj. Gen. Wallace C. Arnold, commanding general-U.S. Army ROTC Cadet Command.

■ **Brands**

U.S. Army, Army Reserve, Army ROTC

Ad agency: Young & Rubicam, New York. John Glorieux, exec vp-mg dir; Bill Green, sr vp-grp dir; Lou DiJoseph, exec vp-creative dir; Bruce Wager, sr vp-media dir; Dori Stern, vp-research dir; Dick Clark, sr vp-dir of government contracting; Ed Menninger, sr vp-sr counselor; Kathi Marks, mgmt super; Chuck Windsor, vp-dir, promo.

■ **Department**

U.S. Navy

■ **Marketing personnel**

Capt. R.F. Kelly, dir-recruiting adv; Steve Abbott, dir-adv operations div.

■ **Brands**

U.S. Navy

Ad agency: BBDO, New York. Bruce Meyers, exec vp-dir, acct svcs; David S. Seal, sr vp-acct dir; Charles MacLachan, acct super.

■ **Department**

U.S. Marine Corp.

■ **Marketing personnel**

Brig. Gen. Gary Brown, dir-personnel procurement div; Maj. Robert E. Wilson Jr., head-mtkg branch.

■ **Brands**

U.S. Marine Corp

Ad agency: J. Walter Thompson USA, Atlanta. Chris Hall, sr vp-grp acct dir; Brent Katzmann, vp-acct super.

■ **Department**

U.S. Air Force

■ **Marketing personnel**

Brig. Gen. John Salvadore, commander-USAF recruiting svcs; Col. David Kraus, dir-adv & promo; Tim Talbert, chief-adv div; Angela Goral, chief-mgmt div.

■ **Brands**

U.S. Air Force

Ad agency: Bozell, New York. Gerret Schwieger, vp-acct grp dir; Doug Laughlin, vp-mgmt rep; Fred Morris, vp-acct super; Lucy Aquinaldo, vp-business mgr.

■ **Department**

National Guard

■ **Marketing personnel**

Maj. John Runner, chief-Army National Guard recruiting & retention mgmt center; Maj. Jim Martin, Air National Guard recruiting & retention branch.

■ **Brands**

National Guard

Ad agency: Bozell, New York. Gerret Schwieger, vp-acct grp dir; Doug Laughlin, vp-mgmt rep; Ron Owens, acct super; Tom Previ, acct exec-Army National Guard; Steve Stern, acct exec-Air National Guard.

■ **Department**

Transportation Department
Coast Guard

■ **Marketing personnel**

Capt. Juan Salas, chief-recruiting & job entry div; Lt. Cmmdr Peter Ganser, dir-natl adv.

Ad agency: Grey Direct, New York. Eric Redin, acct super.

■ **Department**

U.S. Postal Service

■ **Marketing personnel**

Dick Stasser, sr asst postmaster genl-mktg & comms; John Wargo, asst postmaster-mktg; Rod DeVar, dir-adv & promo.

■ **Brands**

U.S. Postal Service

Ad agency: Young & Rubicam, New York. Richard Kahn, sr vp-grp dir; Bill McGorry, Jack Powers, Janet Bertoldi, vps-acct supers; Gail Dieck, Andrea Norrito, acct execs.

■ **Department**

Amtrak

■ **Marketing personnel**

William S. Norman, exec vp-mktg & business devel; Timothy Gardner, vp-passenger mktg; Joan E. Wheatley, dir adv & sales promo.

■ **Brands**

Amtrak

Ad agency: DDB Needham Worldwide, New York. Roy Lancaster, exec vp-business unit dir; Lauren Berger, sr vp-mgmt super; Wendy Urquhart, vp-acct super; Cheryl Callan, acct super.

■ **Department**

U.S. Mint

■ **Marketing personnel**

Dave Pickens, dir-mktg; Mrs. Michael Burke, mktg officer.

■ **Brands**

American Eagle Coin, Eisenhower Coin

Ad agency: Grey Advertising, New York. Robert Ravitz, exec vp-mgmt rep; Edith Wollin, vp-mgmt super.

RANK: 80

Volkswagen AG

Troy, Mich.

Ad spending: **$131.9** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	20,829	29,134	(28.5)
Sunday magazine	164	1,557	(89.5)
Newspaper	6,594	6,937	(4.9)
Outdoor	33	64	(48.7)
Network TV	21,727	29,741	(26.9)
Spot TV	21,915	16,337	34.1
Syndicated TV	1,117	918	21.9
Cable TV networks	4,391	1,658	164.8
Network radio	8,300	1,744	375.8
Spot radio	7,251	10,162	(28.6)
Measured media	92,322	98,250	(6.0)
Unmeasured	39,600	42,100	(5.9)
Total	131,922	140,350	(6.0)
By top brands	**1989**	**1988**	**% chg**
Volkswagen cars	52,484	57,420	(8.6)
Audi cars	22,756	29,785	(23.6)
Audi car leasing	9,427	77	NA

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	34,823	27,771	25.4
Earnings	553	446	23.9
U.S.	**1989**	**1988**	**% chg**
Sales	2,868	3,335	(14.0)

■ **Notes:** Sales and earnings figures are converted at the rate of 0.53285 and 0.57220 dollars to the mark in 1989 and 1988, respectively.

■ **Annual review**

Despite the introduction of a new sports car, the Volkswagen Corrado, sales of Volkswagen of America slipped for the fifth straight year in 1989.

The German importer sold 154,933 v
hicles in 1989, down 7.1% from 19
including 133,650 VWs and 21,283 Aud
both down 7%. The company's share
the U.S. import market fell from 5.5%
4.8%, and its share of the total U.S. ma
ket slipped from 1.6% to 1.57%.

VW's continued decline led it t
March to introduce a playful new ca
paign to reposition VW cars as havi
good value and European quality. A
played on the difficulty of pronounci
"fahrvergnugen." The German wo
loosely translates to "the joy of driving."

The company also introduced this A
gust the Passat Satisfaction Guarant
test program backed by an estimated $
million-$20 million campaign to dri
sales for its new upscale midsized seda
the Passat ($14,800 list price). VW of
cials said the car had 97% customer sat
faction, but only 7,109 units were sold
the first half of 1990. The program, sch
duled to run until Oct. 31, provides a f
refund within 30 days or 3,000 miles
the customer is not satisfied.

The satisfaction guarantee progra
blended with VW's efforts to resist t
industry's reliance on consumer rebat
VW, in place of those incentives, lower
prices on its VW and Audi lines last fa
Audi cut prices by 8.2% and adde
driver's side airbags.

The introduction last fall of the Co
rado, a 140 mph sports car, was back
by $7.9 million in measured spending
vided between magazines and spot-T
Sales of the Corrado were 1,403
yearend.

VW's largest media outlay, $8.4 m
lion, down 45% from 1988, backed t
Jetta, which had sales of 55,504, up 8.8
The Golf/GTI pulled $3.4 million, abo
the same as in 1988, to push sales
more than 100% to 22,247. The big los
was the Fox, whose media expenditu
fell from $14 million in 1988 to $1.7 m
lion in 1989, and car volume dropped
by 34% to 37,655. The Cabriolet, intr
duced at the end of 1988, sold 9,891 un
on very little advertising.

The National Highway Traffic Safe
Administration in June 1989 cleare
Audi of allegations that mechanical d
fects had caused sudden, unintended a
celeration in some of its models, attribu
ing the cause instead to driver error.

The controversy damaged Audi sale
which declined 44% in 1988 from th
prior year when the controversy too
hold, followed by last year's 7.2% drop.

Following this exoneration, Audi ran
series of ads to emphasize the safety a
tributes of its cars, some touting that
airbagged Audi 100 fared best in goverr
ment run crash tests.

Audi will continue its home comput
advertising program, in which consume
review brief reports on various models
participating automakers.

■ **Headquarters**

Volkswagen AG
Postfach
D-3180 Wolfsburg 1
West Germany

Volkswagen of America
888 W. Big Beaver Road
P.O. Box 3951
Troy, Mich. 48007-3951
(313) 362-6000

■ **Corporate personnel**

William J. Young, vp-Volkswagen US
Richard L. Mugg, vp-Audi of America.

■ **Marketing personnel**

William A. Gelgota Jr., dir-Volkswage
adv; Ben Hilverda, dir-Audi mktg; Ro
ald Dusenberry, mgr-Volkswagen ad
Robert Garity, mgr-Audi adv.

■ **Brands**

Audi, Volkswagen

Ad agency: DDB Needham Worldwid
Troy, Mich. Ernest Baker, chmn; Philipp
Defechereux, exec-vp; Peter Farago,
vp-dir, operations & business deve
Kathryn King, sr vp-acct dir, genl acct
David Hudson, vp-acct dir, Audi; Pet
Saad, vp-acct dir, VW; Ken Campbel
vp-planning mgr, VW; Charlie Zollo, v
acct super, VW-N.Y.; Frank Couzens I
vp-acct super, VW; Andy Schmittdie
vp-field operations dir, Audi; Stuart Ha
zelwood, acct super-VW; Scott Schof
ing, account super-Audi; Zeynep Lir
dem, planning mgr-Audi; Jim Corac
acct exec-VW.

RANK: 86

Wal-Mart Stores

Bentonville, Ark.

Ad spending: **$127.1** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% c
Magazine	5,226	7,558	(30
Sunday magazine	7,355	3,354	11

By media	1989	1988	% chg
Newspaper	2,943	1,498	96.5
Outdoor	98	17	473.5
Network TV	227	0	NA
Spot TV	34,706	26,960	28.7
Cable TV networks	672	153	338.9
Network radio	0	7	NA
Spot radio	125	120	3.9
Measured media	51,352	39,667	29.5
Unmeasured	75,700	58,500	29.4
Total	127,052	98,167	29.4
By top brands	**1989**	**1988**	**% chg**
Wal-Mart misc	21,819	13,304	64.0
Wal-Mart apparel	8,683	8,836	(1.7)
Wal-Mart sport toy hobby	7,361	3,524	108.9
Wal-Mart household	4,667	5,762	(19.0)
Wal-Mart drugs & toiletries	2,669	1,172	*27.7
Wal-Mart food	2,260	1,875	20.6
Wal-Mart automotive	1,783	3,637	(51.0)

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	25,811	20,649	25.0
Earnings	1,076	837	28.5

Notes: Fiscal year ended Jan. 31, 1990

Annual review

Sam Walton proved his marketing acumen once again with a challenge to manufacturers to provide "environmentally friendly" packaging for products sold in Wal-Mart discount stores.

The challenge was met a month later by a similar promotion by K mart, an indication of the intensity in the marketing battle waged between Wal-Mart, K mart and Sears, Roebuck & Co.—each of which is expected to hit just over $30 billion in retail sales in 1990.

Wal-Mart announced its environmental program last August in ROP advertising in national newspapers. The ad, addressed to vendors, bore the title: "We're looking for quality products that are guaranteed not to last." Wal-Mart supports vendors who implement such packaging with in-store merchandising.

The project is viewed in Bentonville headquarters as less a marketing strategy than a community project. Individual stores, for example, are invited to participate in the environmental project, resulting in such grass-roots programs as tree-plantings and essay contests. Wal-Mart has since tied its TV image spots to the environmental campaign.

This wasn't the first time Wal-Mart has been aped. K mart and Sears, in fact, last year adopted an "every day low prices" strategy. Wal-Mart popularized the concept in the 1960s. Rising sales at Wal-Mart are related in part to its continued expansion from its Arkansas base. This year it will open more than 160 new discount stores, 25 Sam's Wholesale Clubs and four Supercenters, which feature upwards of 190,000 sq. ft. of retail space. In 1989, Wal-Mart opened its fourth, and some suspect its last, Hypermart—a 250,000-sq.-ft. retail/grocery facility and its only venture into food marketing. Wal-Mart moved into Michigan, New Jersey and Wyoming for the first time.

Sales per gross square foot also have advanced with Wal-Mart's expansion—to $250 in 1989 from $231 in 1988.

Wal-Mart maintained a 0.49% advertising-to-sales ratio, the lowest among its retailing peers. Most of the advertising at Wal-Mart is vendor-funded through co-op deals, which holds down ad expenses.

The company concentrated most of its measured spending in 1989 on spot TV, which amounted to $34.7 million, or 68% of total media expenditures. Image and pricing are stressed in TV spots. The medium grew almost 29% in dollar volume in 1989, much of that related to new-market growth.

National Sunday magazine advertising in 1989 more than doubled to $7.4 million, according to LNA/Arbitron. The medium has become a more attractive vehicle as Wal-Mart expands nationally.

In other print advertising, Wal-Mart spent heavily on bi-weekly circulars prepared by its in-house ad department, which also handled newspaper ROP advertising, most typically for markets not covered by Sunday magazines.

Wal-Mart continued to support its 4-year-old "Buy American" campaign with TV image spots and in-store signage and merchandise flagging. Signage reports on the domestic jobs Wal-Mart helps support or restore through its program of finding domestic suppliers for it merchandise.

Headquarters

Wal-Mart Stores
702 S.W. Eighth St.
Bentonville, Ark. 72716
(501) 273-4000

Corporate personnel

Sam Walton, chmn; David Glass, pres-ceo.

Marketing personnel

Paul Highman, vp-mktg; Barbara Brown, dir-ad control; Roger McNitt, dir-mktg & sales promo; Mike Baron, dir-prodn; Parker Hunt, dir-signing; Bob McCurry, dir-interior design; Jim Scibetta, dir-package design.

Brands

Automobile, electronics, grand openings, Buy America, pharmaceuticals, photo-finishing, lawn & garden, music & video

Ad agency: Bernstein-Rein Advertising, Kansas City, Mo. Skip Rein, exec vp.

Sam's Wholesale Club, apparel, environmental packaging, shoes, sporting goods

Ad agency: GSD&M, Austin, Texas. Betsy Martin, acct exec.

RANK: 15

Warner-Lambert Co.

Morris Plains, N.J.
Ad spending: **$585.9** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	26,951	18,883	42.7
Sunday magazine	2,020	1,443	40.0
Newspaper	691	91	659.7
Outdoor	1,639	204	704.3
Network TV	100,826	111,072	(9.2)
Spot TV	24,230	34,498	(29.8)
Syndicated TV	24,743	19,565	26.5
Cable TV networks	3,896	3,340	16.6
Network radio	14,339	16,911	(15.2)
Spot radio	1,042	1,103	(5.6)
Measured media	200,376	207,110	(3.3)
Unmeasured	385,500	398,500	(3.3)
Total	585,876	605,610	(3.3)
By top brands	**1989**	**1988**	**% chg**
Benadryl allergy relief products	22,529	19,409	16.1
Listerine mouthwash	20,368	22,670	(10.2)
Certs mints	16,014	17,590	(9.0)
Trident gum & mints	15,664	18,091	(13.4)
Rolaids antacid	14,878	15,293	(2.7)
Sinutab sinus remedy	12,472	9,830	26.9
Listermint mouthwash	9,938	10,426	(4.7)
Lubriderm lotions	9,717	8,917	9.0
Dentyne gum & mints	9,420	11,576	(18.6)
Efferdent denture cleaner	9,278	9,058	2.4

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	4,196	3,908	7.4
Earnings	413	340	21.3
U.S.	**1989**	**1988**	**% chg**
Sales	2,249	2,038	10.4
Operating profit	650	589	10.4
Division sales	**1989**	**1988**	**% chg**
Health care	2,694	2,509	7.4
Gums & mints	1,003	918	9.3
Other prods	499	481	3.7

Annual review

What Warner-Lambert Co. added in media ad support for its major brands in 1988 it took away in 1989 as it extended its marketing presence in below-the-line spending—from sampling to heavy sales promotion and direct marketing programs—that pushed its worldwide advertising and promotion budget to $998 million, up 13%.

Listerine, W-L's leading franchise, grew to 30% of market from 26%, aided by a much publicized study that highlighted the brand's plaque-fighting benefits. A direct mail campaign with Listerine coupons was targeted to Viadent and Plax brand users. The brand pulled $20.4 million in media, down 11.3%.

Listermint, which has a 7% share, debuted a new ad campaign stressing the product's ability to strengthen teeth. Scope held 26% of the mouthwash market in 1989 and Plax 12%. A joint promotion for Listerine, Listermint and Efferdent offered holiday trips to Universal Studios Florida. Listermint was backed with $9.9 million in media, down 6.6%.

W-L introduced Halls with Vitamin C and Halls-Plus and Soothers, the first cough tablets with a soothing syrup center. All Halls products were backed with $7.1 million in 1989, down 2.7%, as Halls kept its 5.5% share of the $215 million cough drop market.

Benadryl Plus Nighttime liquid cold relief medication was introduced in late 1989 to extend the allergy medication across categories into the $178 million nighttime liquids segment dominated by Nyquil. New ad spending for this extension and for Benadryl cream and larger budgets for Benadryl Plus allergy tablets helped boost Benadryl media spending 28% to $26 million. The Benadryl line leads the $140 million allergy-relief medication market with a 45% share.

Sinutab also received significant new media support as it added Sinutab Allergy Formula tablets ($4.7 million in media) to the sinus medication line that claims 30% of the $140 million sinus medication market, well ahead of upstart Tylenol Sinus at 18%. Sinutab brand media spending rose to $13 million, up 25%.

W-L this January launched nationally Fresh 'n Brite toothpaste gel for denture wearers, the first major entry in the $170 million denture cleanser market to compete with Block Drug Co.'s Dentu-Creme toothpaste, which holds a 14.7% share of the overall denture cleanser market. New product samples were distributed along with cents-off coupons, many of them in packages of Efferdent, W-L's market-leading denture cleanser.

A Fresh 'n Brite campaign piggybacked the $9 million ad push for Efferdent denture cleanser. Efferdent is the leading tablet cleanser in the market with a 48% share, well ahead of Polident at 26%.

Rolaids, supported by $14.9 million in media, down 4.5%, aggressively promoted its new cherry flavor and Extra Strength products and the calcium-rich, sodium-free line extensions. It maintained its 13% share and No. 4 ranking in the $890 million antacid market led by Maalox's 38%.

Sales of gums and mints reached the billion-dollar milestone in 1989, abetted by new acquisitions from RJR Nabisco—Junior Mints, Charleston Chew!, Sugar Daddy and Sugar Babies.

Sugarfree Dentyne, launched last year in the $900 million sugarless gum segments of the $1.8 billion U.S. chewing gum market, was supported by $4 million in advertising. Overall Dentyne spending reached $9.4 million, down 19%.

Trident, a line backed in 1989 by $15.7 million in media, down 13.3%, introduced Freshmint in June 1990 with a national TV, radio and outdoor campaign that also included sampling and joint promotions with other W-L products. Trident's new 30-second TV spots steer away from cavity prevention claims. In addition, the three existing Trident flavors were reformulated to contain a new sweetener that helps deliver enhanced flavor. Cristal, a nonstick sugarless gum, went into test in July 1990.

Certs, W-L's largest selling mint, increased market share for the second year in a row as it debuted Mini-Mints, a sugarless product. Last September the company broke 15- and 30-second national TV spots for Certs bringing back the "Two mints in one" slogan and adding a new jingle, "Two is better than one."

Candies in test include Choclairs, a chocolate wafer bar; specialty candies featuring Hanna-Barbera's Flintstones and Jetsons; and Splits, a two-flavor hard-roll candy.

Schick introduced Slim Twin disposable razor in 1989 starring professional basketball players, Jim and John Paxson and their brother Mike, a Denver businessman. Cross promotions with S.C. Johnson's Edge shaving cream and a free razor offer were supported by $12 million. Schick's market share moved from 15% to 16% in the $775 million wet razor category dominated by Gillette at 64%, although Gillette's Sensor entry early this year is bound to slice into Schick's share.

Headquarters

Warner-Lambert Co.
201 Tabor Road
Morris Plains, N.J. 07950
(201) 540-2000

Corporate personnel

Joseph D. Williams, chmn-ceo; Melvin R. Goodes, pres-coo; Lodewijk J.R. De Vink pres-US operations; Robert J. Dircks, exec vp-cfo; Donald E. O'Neill, exec vp-chmn, intl operations.

Division

American Chicle Group
Morris Plains, N.J.

Corporate personnel

Robert Serenbetz, pres; Robert A.R. Clowston, vp-prod mgmt; Theodore G. Schable, vp-sales; Michael Soriano, vp-mktg svcs.

Brands

Trident, Clorets, Bubblicious, Halls, Halls Plus, Chiclets

Ad agency: J. Walter Thompson USA, New York. Jack Morrissey, sr vp-mgmt dir; Melissa Murphy, sr vp; Isabelle Albanese, Jill Jackson, acct supers.

Rolaids, Certs, Sugar-Free Certs, Sugar-Free Certs Mini-Mints, Dentyne, Sugar-Free Dentyne, Junior Mints, Sugar Daddies, Sugar Babies

Ad agency: Young & Rubicam, New York. Arlene Brickner, sr vp-grp dir; John Leonard, sr vp-mgmt super.

Division

Consumer Health Products Group
Morris Plains, N.J.

Corporate personnel

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Raymond P. LeFebvre, pres; L. Russell Moran, vp-prod mgmt; Joseph W. Masse, vp-sales.

■ Brands

Listerine, Listermint with Fluoride, Lubriderm, Lubriderm Body Bar, Sinutab, e.p.t., Anusol, Personal Touch shaving products, Schick shaving products, Medi-Flu

Ad agency: J. Walter Thompson USA, New York. Jack Morrissey, sr vp-mgmt dir; Adele Finaly, sr vp-acct dir; Matthew Asinari, vp-acct super; Fred Stuart, vp-acct super; Lisa Durels, acct super.

Efferdent

Ad agency: Young & Rubicam, New York. (see previous listing)

Consumer adv: Benylin, Benadryl oral, Benadryl topical, Tucks, Caladryl, new products

Ad agency: Sudler & Hennessey, New York. Arthur M. Rosen, exec vp-mg dir; Julie Cook, Paul Gundlach, vp-acct supers; Greg Weed, sr vp-acct super.

Professional adv: Anusol, Benadryl oral, Benadryl topical, Benylin, Caladryl, Tucks, new products

Ad agency: Sudler & Hennessey, New York. Donald Masterson, exec vp-grp dir; Angela Rossetti, sr vp-acct super; Wendy Mantel, sr vp.

RANK: 91

Wendy's International

Dublin, Ohio

Ad spending: **$122.4** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Newspaper	127	78	63.1
Outdoor	1,441	1,747	(17.5)
Network TV	47,907	49,309	(2.8)
Spot TV	36,509	31,302	16.6
Syndicated TV	3,795	2,885	31.5
Cable TV networks	2,744	902	204.1
Spot radio	585	603	(2.9)
Measured media	93,108	86,826	7.2
Unmeasured	29,300	27,300	7.3
Total	122,403	114,126	7.3
By top brands	**1989**	**1988**	**% chg**
Wendy's restaurants	92,523	86,223	7.3

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	1,070	1,063	0.7
Earnings	30	28	6.8
Division sales	**1989**	**1988**	**% chg**
Retail sales	973	977	(0.4)
Royalties	78	69	12.5
Other	19	17	11.7
Systemwide results	**1989**	**1988**	**% chg**
Company-operated restaurants	973	977	(0.4)
Franchisees	2,063	1,924	7.2
Total systemwide sales	3,036	2,901	4.7

■ Annual review

In August 1990, Wendy's International began testing a TV commercial in which Senior Chairman of the Board R. David Thomas answers the question that put the restaurant chain on the advertising map in 1984: "Where's the beef?"

Reviving that line signals Wendy's confidence that it is ending the slump it fell into after momentum died for the Clara Peller "Beef" campaign which sent Wendy's sales and profits skyrocketing in 1984 and 1985.

But the return of "Where's the beef?" also signals Wendy's need to use whatever tools it finds at its disposal to grow in a very tough restaurant market.

"We own that line and we should use it. We know where the beef is; it's at Wendy's," said Mr. Thomas, who has served since April 1989 as TV spokesman for the restaurant chain he founded in 1969.

His appearance then, using consumer preference polls to declare "Victory"—the campaign title—in the battle among fast-food chains, was to have been a short-term one. But Wendy's ad recall scores jumped when Mr. Thomas appeared, and he has been featured since.

Wendy's made progress in 1989 toward its goal of financial revitalization. Average net sales for U.S. stores was $789,000, up 4% from $759,000 in 1988 but still below the $871,000 average reported for 1985.

Wendy's ranked third in the hamburger/sandwich category in 1985; it since has slipped to fourth. In 1989, it held an 8.5% share, according to trade publication *Nation's Restaurant News*, still good enough for the No. 4 position (after McDonald's, Burger King and Hardee's). Its share was down slightly from 8.8% in 1988, largely because of the emergence of young but fast-growing competitors like Subway and Rally's.

That very competitive environment in the restaurant industry has forced Wendy's to step up ad and promotion support (up 7% in 1989, compared with a 5% rise the previous year). It followed the industry trend to promotional tie-ins with movies, running programs for its Kids Meals tied to "All Dogs Go to Heaven" in December 1989, and to "Jetsons: The Movie" in July 1990.

Most of Wendy's marketing has been focused on its menu. In October 1989, the chain introduced the Super Value Menu, a selection of items each priced at 99¢. This served two marketing goals: to allow Wendy's to decrease its couponing and to fight a lingering consumer perception that its menu is higher-priced than its competitors'.

Wendy's has cycled several different sandwich options—including hot dogs—on and off the Super Value Menu list to have new items to advertise. In May 1990 it added an item it hopes will be permanent: the higher-priced Dave's Deluxe burger, meant to compete with McDonald's McD.L.T. and Burger King's Whopper.

To meet growing consumer interest in lower cholesterol, Wendy's switched to 100% vegetable oil for cooking fries. Additionally, it planned to add in the fall of 1990 a Grilled Chicken sandwich, and is testing a lower-fat version of its Frosty dessert and low-fat frozen yogurt.

Despite the additions, Wendy's management says it plans to put more ad attention once again on its core menu of burgers.

Robert L. Barney, a top Wendy's exec since the first restaurant opened, retired as chairman-ceo in November 1989. President-COO James Near added the title of ceo.

■ Headquarters

Wendy's International
P.O. Box 256
4288 W. Dublin-Granville Road
Dublin, Ohio 43017-0256

■ Marketing personnel

Charles Rath, exec vp-mktg; Emil Brolick, vp-strategic planning & research; Don Calhoun, vp-corp mktg; Dennis Lynch, vp-corp comms; Tom Krause, Bill Long, Bob Stowe, natl mktg mgrs; Tom Hescamp, dir-sales promo.

■ Brands

Wendy's

Ad agency: Backer Spielvogel Bates Worldwide, New York. Randolph C. Lindell, exec vp.

Ad agency: Backer Spielvogel Bates Worldwide, Dublin, Ohio. Raymond S. Caruso, exec vp-gm; Bob Levitt, sr vp-mgmt rep.

Sales promo

Ad agency: Impact, Chicago. Tom Smart, acct dir.

Public relations

Ad agency: Hill & Knowlton, New York. Peter Fleischer, acct dir.

RANK: 98

Whitman Corp.

Chicago

Ad spending: **$108.4** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	1,881	1,763	6.7
Sunday magazine	157	75	110.0
Newspaper	1,055	1,060	(0.4)
Outdoor	87	79	9.7
Network TV	14,275	20,621	(30.8)
Spot TV	35,772	34,642	3.3
Syndicated TV	0	1,382	NA
Cable TV networks	123	184	(33.2)
Network radio	2,965	2,748	7.9
Spot radio	10,065	8,117	24.0
Measured media	66,380	70,669	(6.1)
Unmeasured	42,000	44,700	(6.0)
Total	108,380	115,369	(6.1)
By top brands	**1989**	**1988**	**% chg**
Midas muffler shops	44,714	41,783	7.0
Progresso soup	6,668	6,084	9.6
Van de Kamp fish products	2,848	6,310	(54.9)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	3,986	3,475	14.7
Earnings	228	174	30.9
U.S.	**1989**	**1988**	**% chg**
Sales	3,337	2,885	15.7
Operating profit	464	441	5.1
Division sales	**1989**	**1988**	**% chg**
Pet	1,802	1,452	24.1
Pepsi General	961	900	6.8
Midas	434	395	9.9
Hussmann	789	728	8.3

■ Annual review

Whitman Corp. continued to emphasize its Pet Inc., Pepsi-Cola General Bottlers and Midas International divisions by backing each with acquisitions. It also pumped up promotional spending at the expense of media advertising.

Pet Inc. bought Van de Kamp Frozen Foods, the third largest producer of frozen seafood in the U.S., from Grand Metropolitan PLC, and purchased two Canadian companies, Bittner Packers Ltd. and Coorsh Specialty Meats and Salads, the latter complementing Pet's Orval Kent salad unit bought in 1988.

Pepsi-Cola General Bottlers, the largest independent Pepsi bottler in the U.S., acquired three Pepsi and several Dr Pepper franchises that contributed shipments of 5 million cases to total shipments in 1989 of 132 million.

Midas International acquired a chain of Australian muffler shops and expanded to 2,317 shops worldwide in 1989. It has added 39 more shops overseas in 1990.

Whitman reported its worldwide advertising budget increased 5% to $127 million in 1989. U.S. media spending was declining 6.1% to $66.4 million at the same time, according to LNA/Arbitron. The difference was largely U.S. promotional and merchandising activity and some media spending abroad.

Pet introduced in test market last fall a six-item, shelf stable line called Progresso To:Go. The product remains in test.

Whitman snack candy was repackaged into Sampler-style boxes and relaunched with sights on the high-quality snack-candy category. Marketing support included a sweepstakes handled by H.S. Marketing Services, Englewood Cliffs, N.J. and a two-week TV campaign created in-house.

Progresso soups continued to draw the biggest ad expenditures for Pet foods with $6.7 million, same as in 1988. A fall Fiesta promotion for Old El Paso foods included FSIs and POP. Media expenditures for the brand were clipped to $572,000 from $2.8 million in 1988, according to LNA/Arbitron.

Progresso claimed nearly 30% of the $550 million ready-to-serve soup market last year, second only to Campbell Soup. Old El Paso held the lead in the $220 million Mexican food market wth a 31.7% share.

Following the death of Chairman-CEO Karl Bays last November, former Amoco exec James W. Cozad took the helm. Miles L. Marsh, who was elected president-COO, announced earlier this year that Whitman's ad spending for Pet products will nearly triple in 1990 to $41.4 million—most of that in merchandising programs and special promotions.

Breaking tradition, Pet in December named an agency of record for creative work—D'Arcy Masius Benton & Bowles, St. Louis and Los Angeles. Previously, the company assigned work on a project basis only.

While total media spending declined for the second straight year, Midas International increased its ad expenditures from $41.7 million to $44.7 million. The purchase of Van de Kamp added nearly $3 million to Whitman's spending total for the year. Van de Kamp held a 18.1% share in the 1989 frozen seafood market, behind General Mills' Gorton's with 22.6% and Pillsbury's Mrs. Paul's 20.3%.

■ Headquarters

Whitman Corporation
111 East Wacker Drive
Chicago, IL 60601
(312) 565-3000

■ Marketing personnel

Wendell W. Larson, sr vp-corp affairs; Charles H. Connolly, vp-corp comms.

■ Brands

Corp adv

Ad agency: Simmons, Durham, St. Louis.

Adv coordination

Ad agency: John Fox, Inc., Chicago. John Fox, pres.

■ Division

Pet Inc.
St. Louis

■ Marketing personnel

Raymond N. Felitto, vp-sales & mktg, US Grocery operations; John Ferguson, vp-mktg, Mexican foods; Syl Stevenson, vp-mktg, Italian foods; Gerald Hayes, vp-mktg, specialty foods; Ted Keller, vp-sales & mktg, health foods; Tom Ellinwood, dir mktg-frozen foods; Jerry Burchyett, vp-sales & mktg, bakery operations; Mary Ellen Roth, vp-sales & mktg, Branded Express Foods.

■ Brands

Pet Inc.-media placement

Ad agency: Haworth Group, Minnetonka, Minn. Claude Stevens, pres; Tom Siqveland, vp-planning; Dan Douville, media planning; Andrea Luhtanen, mgr-print media.

B&M Baked Beans, Van de Kamp's, Ac'cent, Pet Lite evaporated milk, Hollywood products, Hain products, Old El Paso, Underwood Meat Spreads, Underwood salad singles, Pet Ritz, Downyflake

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis. William Melzer, ceo-mg dir, St. Louis; Charlie Claggett, deputy mg dir-chief creative officer; Steve Kemp, mgmt super, Timothy Lawlor, acct super.

Progresso products

Ad agency: Waring & LaRosa, New York. Joe O'Neill, exec vp-creative dir; Cindy Wilford, vp-acct super; Clark Oliver, sr vp; Michele Monagas, acct exec; Dan McNally, asst acct exec.

■ Division

Orval Kent Food Company
Wheeling, Ill.

■ Marketing & in house adv personnel

Claudia Kerbel, vp-adv & promo; J. Vincent Kent, sr vp-sales & mktg.

■ Brands

Foodservice & deli products, Signature salads, Chilled Selections-fruit, Chilled Case Cuisine entrees

■ Division

Pepsi-Cola General Bottlers
Chicago

■ Corporate personnel

Gerald McGuire, pres-ceo; Maynard Nehring, exec vp.

■ Brands

Regional media planning & placement

Ad agency: Genadco Advertising (in-house), Rolling Meadows, Ill. P.J. McCarthy, vp-adv; Toni Raddi Walsh, gm.

■ Division

Midas International Corp.
Chicago.

■ Marketing personnel

Russell Richards, sr vp-mktg & frachise operations; Ralph Linder, vp-adv; E. Christian Schoeleb, vp-mktg.

■ Brands

Midas Muffler Shops, auto services

Ad agency: Wells, Rich, Greene, Chicago. Larry Singer, pres-acct super; Bill McCann, exec vp.

■ Division

Hussmann Corporation
Bridgeton, Mo.

■ Marketing personnel

R.E. Lesko, vp-adv & sales promo; C.L. Beach, mgr-adv & sales promo, convenience stores; S.R. Hagler, mgr-adv & sales promo, supermarket grp; C.K. Blalock, mgr-adv & sales promo.

■ Brands

Refrigeration units

Ad agency: Winfield Advertising Agency, St. Louis. Lynden Anderson, pres-acct exec.

RANK: 89

Wm. Wrigley Jr. Co.

Chicago

Ad spending: **$124.3** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	7,115	5,414	31.4
Sunday magazine	564	526	7.1
Outdoor	395	220	79.9
Network TV	54,263	68,175	(20.4)
Spot TV	27,137	26,079	4.1
Syndicated TV	12,203	10,449	16.8
Cable TV networks	8,041	7,075	13.7
Network radio	4,135	4,986	(17.1)
Measured media	113,853	122,924	(7.4)
Unmeasured	10,400	11,200	(7.1)
Total	124,253	134,124	(7.4)
By top brands	**1989**	**1988**	**% chg**
Wrigley's gums	112,998	122,712	(7.9)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	993	891	11.4
Earnings	106	87	21.7
U.S.	**1989**	**1988**	**% chg**
Sales	674	594	13.4
Operating profit	109	84	29.9

■ Annual review

Extra, Wm. Wrigley Jr.'s late-arriving entrant in the sugar-free gum category, met with strong sales in 1989 to take the lead in the sugar-free category that now constitutes 42% of the U.S. chewing gum market. Analysts said the new emphasis on sugar-free brands is essential for Wrigley to enjoy continued sales growth.

One of the few gums made with NutraSweet, Extra made its U.S. debut only six years ago. Yet in 1989, it toppled Trident, a 25-year-old Warner-Lambert gum, as the nation's best-selling sugar-free brand.

Extra's U.S. sales were boosted by the introduction of two new Extra flavors, Cinnamon and Winter Fresh, and by a 15% boost in measured ad spending—to $21.5 million—in what was already Wrigley's biggest brand media budget. Trident was supported with $15.6 million in media, down 13.8%.

The aggressive promotion paid off in 1989's third quarter when, as Group VP-Marketing Ronald Cox proclaimed, "We caught 'em (Trident)." Mr. Cox cited market-share gains of 5 points in '89 and another 5 points through mid-1990, and said Extra now holds 43% of the nation's $820 million retail market for sugar-free gum.

Extra's success, according to analyst Richard Elam of Blunt Ellis Loewi Financial, also was spurred by quality improvements such as softer texture, more lasting flavor and lack of unpleasant aftertaste.

The 7.4% drop in Wrigley's measured ad spending for '89 is insignificant, according to Mr. Cox. He said the company buys ads at a longstanding rate tied to sales. "Gum is an impulse-type product. You need constant advertising."

In the sugared gum arena where Wrigley has a 70% share, steady ad spending seems essential if sales are not to drop. Mr. Cox, who claims the company has done better than its competitors in the declining market said, "Our sales aren't down, they're only flat."

Its Amurol subsidiary, which sells novelty gum to children through convenience stores, made a foray into the adult market by purchasing Reed Candy Co.

One topical new campaign touts Wrigley Spearmint gum as a permitted alternative for cigarette smokers. The pilot ads, launched this July in four major airport cities, respond to widespread new smoking retrictions on planes and trains, in offices and public buildings.

Mr. Cox and his colleagues, who are cautiously optimistic about the new campaign, said they take comfort from record sugared-gum sales in Asia, up 25% last year and 39% this year.

Extra, meanwhile, was a hit in Europe and is likely to prove Wrigley's best overseas seller. Analyst Barbara Dirvin of William Blair said, "I expect most of Wrigley's growth over the next five years to be international."

■ Headquarters

Wm. Wrigley Jr. Co.
410 North Michigan Avenue
Chicago, Ill. 60611
(312) 644-2121

■ Corporate personnel

William Wrigley, pres-ceo.

■ Marketing personnel

Douglas S. Barrie, grp vp-intl; Ronald O. Cox, grp vp-mktg; Anthony Cipollina, vp-sales; Gary Bebee, Susan Fox, assist vps-mktg.

■ Brands

Wrigley brands

Ad agency: BBDO, Chicago. Eric Harkna, pres-ceo; Tonise Paul, sr vp-mgmt super; Jill Brown, vp-acct super; Cheryl Muzinic, acct super; Stacie Boney, acct super.

■ Division

Amurol Products Co.
Naperville, Ill.

■ Corporate personnel

A.G. Atwater, pres.

■ Brands

Amurol products

Ad agency: Leo Burnett USA, Chicago. John Kovas, acct dir; Kathy Warnan, acct super.

Index to Advertisers

Advertising Age 85,109
Ad Council 103
Aerodium Inc. 113
American Audiotech 97
Arbitron 81
Baltimore Sun 115
Barron's 11
Business Marketing 78/79
Business Tokyo 87
CBS/TV 7
Championship Group Inc. 109
Cleveland Plain Dealer 91
Country Living 67
Curtis Licensing Corp. 107
DeLalla-Fried Associates 113
Epsilon 63
Find/SVP 79
Forum Personnel Inc. 107
Gardner Personnel 109
Golden Years 111
Good Housekeeping 35
Graphic Calculator Company 105
Group W Media 55-60
Henschel-Steinau, Inc. 89
Image Bank 14
In Health 48/49
INC 77
Information Publishing Corporation 105,115
InStore 99
Ladies' Home Journal 25-30
Las Vegas Review Journal 111
Leading National Advertisers 83,COVER 2
Mademoiselle 21
Martha Ward 103
Mead Data Central, Inc. 95
Modern Maturity 53
National Cinema Network 105
National Geographic Society 18/19
NBC/TV 37
New Yorker ..... COVER 4
Parade 12/13
PC Magazine 32/33
Promotion Group 20
Ricoh Corporation 3
Scientific American 5
Shopping Center Network 14
Siebel/Mohr 75
SpanAmerica 93
Spectrum 15
Sporting News 71
Sports Afield 22/23
Turner Broadcasting System 50/51,68/69
Univision 39-46
Victoria 65
Wall Street Journal ..... COVER 2,2A/2B,16,34
36,52,62,66,74,80,86,88,92,94,98,104,106,110
Wall Street Journal Broadcasting 9
WNJU 82,84
Ziff Davis Network 72/73

NEWSPAPER

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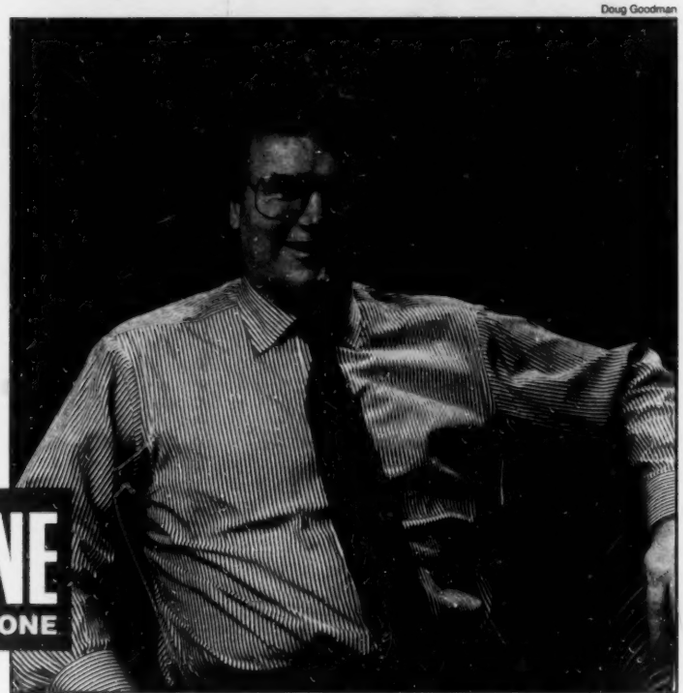
'Underdog' bites back

CBS' Stringer shepherds net to ratings win in premiere run

CBS shocked the TV industry by winning the prime-time TV ratings race for the week ended Sept. 23, the network's first premiere-week victory since 1984. It was also the first regular-season win during Howard Stringer's 25-month tenure as president of the CBS/Broadcast Group.

In the midst of a giddy week "mired in first place," Mr. Stringer, 48, a 20-year veteran of CBS News, talked to Advertising Age *Reporter Wayne Walley about the task of rebuilding the one-time "Tiffany" network's tarnished image in a more competitive marketplace.*

Doug Goodman



Broadcast chief Howard Stringer: a "staggering" victory for CBS.

Advertising Age: *What does the premiere-week ratings win do for morale at CBS?*

Mr. Stringer: There were more spontaneous champagne parties thrown in this company than for a long, long time. It's exhilarating. . . . I used to make jokes about being "mired in third place" as if it were one word. Winning the week was so staggering we almost didn't know how to handle it. We were running around with this stream of consciousness involving good news: first in 25-54; no longer first in over 65; women like us now; kids even like us a lot more, up 25%.

AA: *Were you caught by surprise?*

Mr. Stringer: We weren't sure we'd get first place, but we did see it coming—that we would be very competitive. With "Evening Shade" and "[The Trials of] Rosie O'Neill," we had quality to add to "Designing Women," "Murphy Brown," "Murder, She Wrote" and so on.

We had no way of knowing how good "The Flash" was going to be because with just a script and a few scenes, the special effects and

(Continued on Page 56)

Saturn takes to the air as debut nears

By Cleveland Horton

LOS ANGELES—General Motors Corp.'s $3 billion-plus gamble to wrest sales from the imports goes public in TV commercials this week—a teaser campaign that shuns cars to focus on the new Saturn subsidiary's philosophy.

Saturn is the biggest and most eagerly awaited new-product launch of the year, with ad spending expected to reach $100 million through the end of 1991.

The teaser spots will yield to product-oriented advertising Oct. 25, when the first cars go on sale in California, the Southeast and Tennessee, said Don Hudler, Saturn VP-sales, service and marketing.

"Our success is going to be judged . . . by our collective key work in advertising to bring in Saturn prospects that have not considered a domestic product for years."

The six commercials emphasizing the company and its new way of doing business will air regionally through next year as Saturn rolls out its cars across the country.

Saturn officials and executives from agency Hal Riney & Partners, San Francisco, screened two of the prelaunch spots before a luncheon last week sponsored by the Advertising Club of Los Angeles. Among those attending were representatives of Saturn's primary competitors—the Japanese imports—and their ad agencies.

As expected, the TV drive emulates the print campaign that broke last month and promotes the tagline, "A different kind of company. A different kind of car."

The spots feature actors portraying Saturn employees. In one commercial, an assembly line worker outlines the recent history of the domestic automobile industry.

"It was the '60s, and of all the things we could be think-

(Continued on Page 54)

Diamandis out . . . for now

Publisher exits Hachette; may start own company

By Scott Donaton

Peter Diamandis is likely to return to the magazine industry after an abrupt exit last week from what's now Hachette Magazines. And Hachette, publisher of 17 magazines, may be headed for a downsizing.

The 58-year-old executive, who has a passion for fixing, building and launching magazines, will probably be shopping for titles and could return as the head of a new publishing company in several months, a source close to him said.

Mr. Diamandis stepped down as chairman-ceo of Diamandis Communications Inc. because of differences with its French parent, Hachette S.A., over the direction of the publishing company.

DCI was quickly renamed Hachette Magazines and, sources close to the company say, could be headed for a restructuring that will include layoffs. The company denies there's any restructuring planned and that layoffs are imminent.

P. Diamandis

Two other DCI executives would likely join Mr. Diamandis if he returns to publishing. They are Mr. Diamandis' close friends Robert F. Spillane and Arthur Sukel, who also left the company last week. Mr. Spillane was exec VP and Mr. Sukel senior VP-chief financial officer.

"I think Peter will shortly resurface doing something in publishing, something entrepreneurial," said a Hachette Magazines executive who asked not to be identified.

One sign that the 25-year magazine veteran isn't ready to cut his ties to the publishing industry is his decision to stay active in the Magazine Publishers of America.

Mr. Diamandis' two-year term as MPA chairman ends next week, but the MPA said he will keep the title until then and will address the group's annual meeting in Scottsdale, Ariz., Oct. 7 to 10.

"If [Hachette] thinks the timing of this, where he has to go stand before the entire magazine community, is going to hurt him, they're sadly mis-

(Continued on Page 56)

LAST MINUTE NEWS

Lesser, Roffe set up company

SADDLE BROOK, N.J.—Michael Lesser, the former president of Ogilvy & Mather's New York office, is joining forces with Kenneth Roffe, the former president of Lowe Marschalk, Cleveland. They've formed Lesser & Roffe Co., which will recommend trading brands between companies rather than selling them.

Coors changes water campaign

GOLDEN, Colo.—Adolph Coors Co. agreed to revise its controversial "Where was this beer born?"

(Continued on Page 8)

INSIDE

E. Germans find it's tough to be competitive—Page 16

New campaigns coming from Honda (P. 3), Duracell (P. 4), beer marketers and Xerox (P. 10)

NEWS SUMMARY

■ **Saturn's** introductory TV advertising starts this week with a teaser campaign for the new General Motors car. 1

■ **Peter Diamandis** left Diamandis Communications Inc. because of differences with French parent Hachette. 1

■ **Philip Morris** has begun national distribution of Bucks value-price cigarettes. 3

■ **Bozell** and the Soviet news agency Tass signed an agreement to represent each other in the U.S. and U.S.S.R. 3

■ **Bristol-Myers Squibb** is testing Medacid, an antacid in caplet form, on the West Coast. 3

■ **Honda's** campaign for its 1991 models humorously acknowledges competitive shots at its top-selling Accord. 3

■ **Dr Pepper** is testing Dr Pepper's Nautilus sports drink as a competitor to category leader Gatorade. 4

■ **Duracell** has begun a new campaign for its Copper Top Tester in-pack battery tester. 4

■ **Halloween beer promotions** are on tap for Miller Lite, Coors Lite and Budweiser brands. 10

■ **Xerox** calls itself "The document company" in a major ad campaign breaking this week. 10

■ **East German marketers** face formidable problems as German reunification brings an influx of Western brands. 16

■ **Coffee consumption** declines have bottomed out, and the U.S. market will grow in the years ahead due to gourmet and premium coffee sales, a study predicts. 19

■ **Grey Advertising** will invest in European healthcare shops to establish a global medical agency network. 45

■ **General Motors** and Chrysler are starting to use a few fuel economy messages in their advertising. 50

■ **Rodale Press** will remain in the hands of its founding family following the death of Chairman Robert Rodale in a Moscow car accident. 53

■ **Superconcentrated detergents** from Procter & Gamble and Lever Bros. are expanding distribution. 55

■ **Ad-Vantage,** a multititle ad package, was unveiled by *Newsweek* and Times Mirror Magazines. 57

■ **"Creativity":** BBDO copywriter Michael Patti's Pepsi challenge, plus Southern advertising: print perception vs. TV reality. ("Creativity" is an *Ad Age* supplement available on request. Contact *Ad Age* Circulation, 965 E. Jefferson St., Detroit 48207. 1-800-992-9970.)

..... Starts after Page 30

DEPARTMENTS

Ad Review	58	Letters	28
James Brady	30	MediaWorks	36
Brady's Bunch	42	NewsWatch	12
Classifieds	48	People Moving	43
Con-Sid-erations	22	PeopleWorks	42
Editorials	22	Photo Review	40
For the Record	53	Sales Promotion News	32
Forum	26	The Next Trend	30
Index to Advertisers	58	Joe Winski	30
International News	31		

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McElligott sets up shop, leaving Chiat

By Jon Lafayette and Bob Geiger

Creative superstar Tom McElligott resigned from Chiat/Day/-Mojo last week to form a new Minneapolis agency.

In concert with two executives from Chiat and two from another shop, McElligott Wright Morrison White will open its doors Nov. 1.

Mr. McElligott, 47, will be chairman and creative director of the new shop. His partners are President Tony Wright, 30, formerly VP-director of account management at Chiat's Toronto office; Associate Creative Director John Morrison, 38, formerly VP-group creative director at Carmichael Lynch, Minneapolis; Director of Account Planning Rob White, 34, formerly VP-director of account planning at Chiat's home base in Venice, Calif.; and Director of Finance & Administration Claire Canavan, 40, formerly chief financial officer at Carmichael Lynch.

Mr. McElligott couldn't be reached late last week, but a release describing the new agency was sent out. In part, Mr. McElligott said in the release: "Ironically, we believe that the looming recession is the perfect environment for this agency's birth. . . . the maintenance of a brand remains vital."

Although the new agency hasn't chosen office space yet, Ms. Canavan said the building currently housing Chiat's Minneapolis office, created as a base for Mr. McElligott, is a possibility.

The agency had girded for the opening and already had retained an answering service in Minneapolis to handle calls from the media.

"We don't have any clients at the moment," Mr. Wright said last week. "We have a couple of interesting leads. The clients we're talking to are national brands."

He added: "We see ourselves as a national agency that happens to be starting in Minneapolis. Our plan is to go where business takes us."

Mr. Wright said neither he nor his partners had contacted any of their Chiat or Carmichael clients.

Mr. McElligott's exit as Chiat's exec VP-executive creative director, after only nine months, leaves the agency without the big new-business gun it needed to reverse a string of account losses that led to a restructuring of its New York office. Chiat was counting on Mr. McElligott to pilot the attempt to keep the $35 million Royal Caribbean Cruise Line account, now under review.

"Ironically, we believe that the looming recession is the perfect environment. . . ."
Tom McElligott

"We're pretty upset he left just before Royal Caribbean," said one high-level Chiat executive. "He had an active part in that presentation."

"We're really disappointed, and if it were any other reason we'd be hurt," said Chiat founder and Chairman Jay Chiat. "He's taken a few of our people, so we're not thrilled about that."

Mr. Chiat said Mr. McElligott decided to leave Chiat because he wanted to run his own agency. Mr. Wright also insisted the departures weren't a slap at Chiat but a result of an entrepreneurial spirit among the executives, which had been brewing for some time.

Mr. McElligott's reputation bloomed in Minneapolis, where he co-founded Fallon McElligott Rice in 1981. Fallon was named *Advertising Age's* Agency of the Year in 1984 and attracted such national advertisers as Federal Express Corp. and Lee Apparel Co.

Mr. McElligott left Fallon in 1987, after "creative differences" with agency Chairman Pat Fallon, though the agency said "personal reasons" were behind Mr. McElligott's departure. At the time, Mr. McElligott acknowledged he's an alcoholic and had spent time at a treatment facility.

Mr. Chiat said there were no plans to replace Mr. McElligott.

"The reason Tom was here is that he was available," he said. "We created a spot for his talent."

Chiat Vice Chairman Lee Clow will now oversee the creative operation in the New York, Toronto and London offices, which had reported to Mr. McElligott.

Mr. Chiat has also taken a much more active role in the agency's New York office, which has lost about 40% of its billings this year as the Reebok International, Sara Lee Corp., Bissell, Arrow Shirts and Soho Natural Soda accounts all left.

"The real issue is that it's really not an individual's situation here," he said. "We've had a ton of people through here. The real issue is that the work has remained pretty good." □

Gary Levin contributed to this story.

NutraSweet starts review

By Julie Liesse

NutraSweet Co. is reviewing an estimated $60 million to $70 million in business at Ogilvy & Mather offices worldwide.

NutraSweet last month alerted O&M that it plans to ask "a group of selected agencies" to pitch various accounts now handled by the agency, said Richard Nelson, NutraSweet VP-public relations.

"This is part of our continuing process to examine the changing needs of our businesses," Mr. Nelson said.

O&M will be included in the review, but NutraSweet declined to identify other agencies and said it hasn't set a timetable for the process.

But sources close to the review say another NutraSweet agency, FCB/Leber Katz Partners, New York, has been approached about the O&M business.

This summer, NutraSweet named a new chairman-ceo, Robert Flynn, to replace longtime leader Robert Shapiro.

After taking office, Mr. Flynn put a hold on employee hires, saying he planned to thoroughly review the company's businesses, say sources close to NutraSweet.

Of the O&M offices that handle NutraSweet accounts in 30 countries, the Chicago office has the most at stake. It handles more than half the spending under review, including the $25 million NutraSweet ingredient account; the $3.5 million Sugar Delight tabletop sweetener account; and the Simplesse fat substitute account.

NutraSweet is the second-largest account for O&M's Chicago's office, behind the Sears, Roebuck & Co. Merchandise Group's $150 million account. The Chicago office has worked with NutraSweet for more than 10 years.

O&M executives declined comment on the review.

O&M's New York office has handled Equal tabletop sweetener since 1987, when it won the account from Tatham-Laird & Kudner, Chicago. Equal's measured media spending totaled $9.1 million last year, according to LNA/Arbitron Multi-Media Service.

In August, Ian Miller, VP-management supervisor on the NutraSweet business at O&M, Chicago, left to become a managing partner at Tatham-Laird & Kudner, leading to speculation Mr. Miller might attract NutraSweet back to that agency. Mr. Miller, who headed the NutraSweet business for more than five years, was unavailable for comment at press time.

NutraSweet broke its exclusive relationship with O&M in 1988 when it started working with FCB/Leber Katz to develop an introductory strategy for Simplesse fat substitute and Simple Pleasures frozen dessert.

Last year, the company began parceling out projects to other agencies, awarding undisclosed projects to Chiat/Day/Mojo, Venice, Calif., and J. Walter Thompson USA, Chicago. None of those products is included in the current review.

Steve Bowen, JWT USA president, said his agency's NutraSweet work is "inactive." He wouldn't comment on whether NutraSweet had approached JWT about the current review, but said he'd "be interested if they're interested in us." □

Scott Hume and Gary Levin contributed to this story.

PM seeks bang with Bucks

By Judann Dagnoli

Philip Morris USA is putting out 20 million "bucks" behind e rollout of its newest smoke. Bucks, a value-price cigarette eviously tested in Birmingham, a., and Phoenix, Ariz., hits na-onal retail shelves this week, d a Philip Morris executive said e brand will get about $18 mil-n to $19 million in the fourth arter for print and outdoor ad-rtising.

That much spending in a single arter is unusual in the value-ice segment, where support rely extends beyond point-of-rchase ads.

Leo Burnett USA, Chicago, is e agency.

Although the company said cks isn't targeted to any partic-ular group of smokers, the new product has a decidedly male appeal. The brand's symbol, appearing prominently in ads and on packaging, is a drawing of a big-antlered buck.

"Bucks is primarily meant to be a man's cigarette—it's cork-tipped, and it's a good, strong smoke," said the Philip Morris executive, who asked not to be identified. "But Marlboro also uses macho imagery, and it's the biggest-selling women's cigarette."

Ads play on the word "bucks" as a synonym for "dollars."

"Beat inflation—buy a Buck," says one headline, while another cro.s, "Buck the system." Other taglines used in the market test included "Save a Buck, buy a Buck" and "The Buck stops here."

Trade (l.) and consumer (above) print ads are part of the $18 million to $19 million fourth-quarter effort backing the rollout of Bucks, Philip Morris' new value-price cigarette.

Bucks is priced similarly to Philip Morris' Cambridge, which places it among the higher end of value-price cigarettes. Below Bucks in pricing are entries such as Liggett Group's subgeneric Pyramid and Philip Morris' own subgeneric Bristol, a regional

(Continued on Page 57)

One new Honda spot shows a volley of arrows aimed at the Accord, but missing the marque.

Honda's pointed response

New ads target competitors, return to basics

By Cleveland Horton

American Honda Motor Co. drove past a milestone this year when the Accord sedan became the best-selling car in the U.S. It thus became the car to beat.

In new advertising for the 1991 model year, Honda is answering the many comparative campaigns that have matched competing models to the Accord.

A TV commercial called "Arrows" from Rubin Postaer & Associates, Los Angeles, opens with an Accord against a neutral backdrop. Soon an arrow whistles by the car and sinks into the wall behind it. Then several more arrows zip by the car, follo[illegible]y a continuous volley.

The voice-over, spoken by actor Jack Lemmon, tells how other carmakers try to copy the Accord but can't. As the last arrow shoots across the screen, Mr. Lemmon says, "Nice shot."

Mr. Lemmon replaces actor Daniel J. Travanti, who became the voice of Honda in 1987. He followed Burgess Meredith, who performed Honda voice-overs for 10 years.

"Arrows" carries a "good lick of humor," said Eric

(Continued on Page 53)

Bozell inks accord with Soviets' Tass

By Gary Levin

NEW YORK—Bozell last week signed an exclusive agreement with Tass, the Soviet government news agency, to represent each other in the U.S. and Soviet Union.

Under the deal, Bozell and Tass will provide numerous services for each other, including arranging introductions for officials, placing advertising, doing market research and investigating corporate sponsorship opportunities.

Recently, Tass helped secure outdoor board space on Pushkin Square in Moscow for Bozell client Samsung Corp., though only a few Samsung products are available in the Soviet Union.

The news agency has also promised to assist Bozell in such seemingly mundane tasks as getting building permits or hotel space.

In the U.S., Bozell supplied Tass with cars from Bozell client Chrysler Corp. for the news agency's coverage of the Bush-Gorbachev summit, and will help Tass find sponsors for the Soviet entry in the America's Cup yachting race.

"The real idea was to find a group that could help us in the Soviet Union with information, research, whatever," said Murray Smith, president-international at Bozell. "We think it's potentially good for our clients. It's not a traditional ad agency-to-ad agency deal, but Russia's not an advertising country at this stage."

"Finding the right door to open becomes really the name

(Continued on Page 58)

Bristol pops up in surging antacid market

By Patricia Winters

Bristol-Myers Squibb Co. is ving into the $1 billion antacid rket with Medacid, claimed to superior to other brands be-se it's in caplet form.

The product, now testing on the st Coast, could roll out nation-y in a year if successful, an in-stry source said.

A Bristol-Myers spokeswoman d Medacid bills itself as "easy swallow" and providing "fast, ective relief without the chalki-ss, grittiness or unpleasant af-taste of some chewable tablets liquids."

Medacid "contains an ingred-t that helps it dissolve faster" an other brands, the spokeswo-n said.

In one TV spot from DDB Needham Worldwide, New York, live action is mixed with special effects to show a man crumbling into chalk after chewing an antacid tablet, then melting after trying a liquid. He's finally relieved when he takes Medacid with water, said Richard Taylor, a director at Image Point Productions, which did the spot.

Medacid is testing in Seattle and Spokane. Wash.; Portland, Ore.; San Francisco; Los Angeles; and Salt Lake City. The TV spot broke last month in some of those markets.

Competing brands aren't named in the spot, but leading liquid and tablet antacids include Procter & Gamble Co.'s Pepto-Bismol, which leads the overall $970 million market with a 15.6% dollar share; Rorer Pharmaceuticals Corp.'s Maalox, with 15.5%; SmithKline Beecham's Tums, with 13.7%; Warner-Lambert Co.'s Rolaids, with 13.1%; and Johnson & Johnson/Merck Consumer Pharmaceuticals' Mylanta, with 11.7%. The share numbers are for the year ended in April, from scanner tracking data.

The antacid market is hot, not only because it's huge but because it's expected to see new growth as marketers of prescription ulcer drugs introduce over-the-counter antacids within the next few years.

SmithKline Beecham, which markets the prescription drug Tagamet; Glaxo, which markets Zantac; and Marion Merrell Dow, marketer of Carafate, are all developing OTC formulations.

"For Bristol not to be in the [antacid] category is crazy," said a pharmaceutical industry executive.

Bristol-Myers already competes

(Continued on Page 55)

Top antacid marketers

Share figures for the $970 million market are at the retail level.

	Marketer		
Pepto-Bismol	Procter & Gamble	15.6%	12.9%
[illegible]	Rorer	[illegible]	[illegible]
Tums	SmithKline Beecham	13.7	17.2
[illegible]	Warner-Lambert	[illegible]	[illegible]
Mylanta	Johnson & Johnson/ Merck	11.7	Not available

Source: Industry sources

HOLLY SEGUINE

Gourmet coffee stirs market

NEW YORK—Gourmet and premium coffee sales buoyed the $6.5 billion retail coffee market last year with its first growth in five years, according to a new study by Find/SVP. Retail coffee sales rose 1.6%.

The research company's study, titled "The Market for Gourmet Coffees & Teas," concludes that "the decline [in coffee consumption] has bottomed out" and coffee volume will grow 3% to 5% annually over the next several years.

According to the study, 52.5% of the U.S. population over the age of 10 drank an average of 1.75 cups of coffee a day in 1989, up from 1988's average of 50% of consumers drinking 1.67 cups a day.

Find/SVP attributes most of the increase to gourmet coffee brands marketed by specialty companies and premium coffees, which Find/SVP defines as upscale versions of mass-marketed brands.

The study estimates sales of gourmet coffee at $676 million for 1989, premium coffee sales at $277 million and decaffeinated gourmet/premium coffees at $283 million.

Premium and gourmet coffees accounted for 19% of all coffee sales in 1989, up from 10% five years earlier, the study said.

Find/SVP expects gourmet and premium coffee sales to reach 30% of the U.S. retail coffee market by 1994.

Retail tea sales have been declining since 1986 and are expected to continue downward despite the popularity of iced tea, the study says.

Almost 80% of all tea consumed in the U.S. is iced tea, Find/SVP says.

The study also finds that tea drinkers will continue to shift from regular to herbal and specialty teas, rather than increasing consumption of tea in general. By 1994, herbal and gourmet products will account for 21% of the total market, up from 15% in 1989. □

Crush's double duty

Single ad campaign to cover U.S., Canada

By Patricia Winters

Agencies for Crush soft drink in the U.S. and Canada are competing for the brand's creative assignment by developing a single TV campaign that can be used in both countries.

But Ammirati & Puris, New York, which won the U.S. Crush account six months ago, already has a head start: Its new TV campaign for Crush is currently testing in both countries.

Saatchi & Saatchi Advertising, Toronto, handles Crush in Canada.

"We were intrigued by what Ammirati & Puris put together," said Randy Papadellis, VP-marketing in the U.S. for Cadbury Beverages' Canada Dry, Crush and Hires brands. "If it does well, then theoretically it will run in both Canada and the U.S."

Cadbury will break a new Crush campaign next spring in both countries, marking the first time the brand has been advertised in the U.S. since Cadbury acquired it from Procter & Gamble Co. last year.

Mr. Papadellis said Cadbury Beverages in Canada has agreed to examine the results of the Ammirati test ads, but regardless of whether it runs the spots, Saatchi will continue as the Crush agency of record for the Canadian company.

Saatchi also still has the opportunity to develop a new Crush TV campaign, but Mr. Papadellis said that "it just so happened that Ammirati had a campaign ready."

"We're hoping that between Saatchi and Ammirati we will come up with one campaign to run in both countries," he said.

And whoever wins next year's creative won't have it forever.

Instead, Ammirati and Saatchi will compete for the Crush creative business each year.

"It's a situation where we know we need agencies in both Toronto and New York [for media buying, radio, point of purchase and other localized efforts], but we also know we'd like to have a common look" in the two countries for the TV campaign, Mr. Papadellis said. "Our interest isn't to have one agency in North America. . . ."

Cadbury is looking for a single North American image to save money on production costs and to avoid confusing Canadian consumers with different TV images. Mr. Papadellis said some studies show that up to half of all media seen in Canada comes from the U.S.

The unified look will extend to North American promotions and packaging, he said.

Mr. Papadellis called the unified approach an "evolving" process and said ideally the company would like to provide a single image for Crush worldwide.

In North America, Crush is grappling with conflicting images as a teen soft drink in Canada but as a wholesome, all-family drink in the U.S., an image Mr. Papadellis said Crush wants to maintain.

Cadbury also plans a unified look and image for Hires root beer in North America, but since the brand isn't getting TV support next year, it doesn't affect ad assignments.

Crush is the leading orange soft drink in Canada and Hires is the No. 2 root beer, behind A&W Brands' A&W. In the U.S., Crush is the nation's fourth best-selling orange soda behind Pepsi-Cola Co.'s Mandarin Orange Slice, Coca-Cola Co.'s Minute Maid orange soda and Cadbury Beverages' Sunkist orange. Hires root beer ranks behind leader A&W, Barq Inc.'s Barq's and Pepsi-Cola Co.'s Mug.

The Crush and Hires account in the U.S. is estimated to be worth $6 million to $8 million. □

Varietals put some punch in wine sales

By John C. Maxwell Jr.

There's a silver lining for the wine industry in the overall trend of consumers drinking less: They're drinking better.

Wine volume continues to drop, hitting about 512 million gallons last year, down 8% to 9% from 1988 levels. There are several reasons for the decline, but foremost among them is society's changing attitude toward consuming alcoholic beverages in general.

But the varietal segment has been a big success, with domestics up an estimated 15% to 20% last year. In contrast, generic wines were down 5% to 8%.

Varietals, characterized by mid- to high-price brands, now comprise 25% to 30% of the wine industry's volume, up from an estimated 12% five years ago.

Industry experts, however, do expect varietals' growth rate to slow to 7% to 9% over the next few years as importers continue to price aggressively and as the overall industry keeps heading downward.

A second factor in the industry's decline is that wine coolers are turning out to be more of a fad than a trend.

Wine cooler volume fell 15% to approximately 82 million gallons in 1989, about the same rate of decline as in 1988. The cooler decline came primarily at the expense of secondary brands, with Jos. E. Seagram & Sons and E&J Gallo Winery strengthening their positions.

Seagram appears to have taken the lead in this segment with a 36.5% share, up 6.5 points from 1988. Gallo has about 35.2% of the cooler segment, up 5.2 points.

For 1990, volume declines in wine coolers should stabilize, and varietal growth will moderate. The wine industry can anticipate another 8% to 9% decline.

The breakdown of domestic wine by types indicates white is the growing preference, achieving a 71.3% share of the market.

Ten years ago, red wine accounted for 22.5% of the market, substantially larger than the 13.3% it has today. Rose accounted for 24.5% of the market 10 years ago and has declined to 15.4%.

In company market share, Gallo increased 1.8% in volume last year from 1988, moving its commanding lead up 3.3 points to 31.9%.

Heublein rose a notch to second place in 1989, past Vintners International Co. Heublein, helped by its acquisition of Christian Brothers, increased 7.9% in volume last year and now holds about 7.7% of the market. Vintners International was up 0.4 of a share point last year to 7% market share despite being down 2.7% in volume.

Imported wine volume dropped almost 6.25% to 76 million gallons in 1989, but total share of the U.S. market was up slightly, from 14.4% to 14.8%.

Italian imports fell almost 10% last year and now comprise 41.5% of the import market. France increased slightly last year and now holds 29.4%. Imports from Spain (7.9% of the import market), West Germany (6.9%) and Portugal (3.9%) also declined last year.

Banfi Vintners continues as the leading wine importer, though its leading product, Riunite, saw volume drop to 4.7 million cases last year.

Brown-Forman Beverage Co.'s Bolla was second with an estimated 1 million cases last year. □

Mr. Maxwell is with Wheat, First Securities, Richmond, Va.

Sales and shares of U.S. wines and coolers

Figures estimated in millions of gallons.

Rank 1989	Rank 1988	Company	1987 Amount	1987 Share	1988 Amount	1988 Share	1989 Amount	1989 Share	'88-'89 % chg
1	1	E&J Gallo	173.7	30.0%	160.5	28.6%	163.4	31.9%	1.8
2	3	Heublein	28.4	4.9	36.6	6.5	39.5	7.7	7.9
—	—	Almaden*	22.4	3.9	20.0	3.6	16.7	3.3	(16.5)
—	20	Christian Bros.*	2.8	0.5	2.6	0.5	2.7	0.5	3.8
3	2	Vintners Intl.	38.5	6.7	37.0	6.6	36.0	7.0	(2.7)
4	4	Canandaigua	35.0	6.0	29.0	5.2	26.6	5.2	(8.3)
5	5	Franzia (Wine Group)	16.3	2.8	16.5	2.9	19.4	3.8	17.6
6	13	Bronco	8.7	1.5	5.7	1.0	12.5	2.4	119.3
7	8	Sebastiani	8.8	1.5	10.5	1.9	10.8	2.1	2.9
8	6	Guild	17.1	3.0	13.7	2.4	10.0	2.0	(27.0)
9	10	Beringer (Wine World)	6.0	1.0	6.9	1.2	7.3	1.4	5.8
10	12	Robert Mondavi	5.3	0.9	5.6	1.0	6.0	1.2	7.1
11	14	Lamont	5.5	1.0	5.3	0.9	5.1	1.0	(3.8)
12	16	Delicato	3.0	0.5	3.5	0.6	4.2	0.8	20.0
13	17	Mogen David (Wine Group)	3.5	0.6	3.3	0.6	3.1	0.6	(6.1)
14	18	F. Korbel	3.1	0.5	3.0	0.5	2.7	0.5	(10.0)
15	21	Gibson	2.4	0.4	2.5	0.4	2.6	0.5	4.0
16	15	California Growers	8.5	1.5	3.7	0.7	2.5	0.5	(32.4)
17	22	C. Mondavi	2.6	0.4	2.4	0.4	1.8	0.4	(25.0)
18	23	Sonoma	0.8	0.1	1.3	0.2	1.4	0.3	7.7
19	9	Giumarra	4.9	0.8	7.5	1.3	1.3	0.3	(82.7)
20	24	Weibel	1.2	0.2	1.2	0.2	1.1	0.2	(8.3)
21	26	East-Side	0.7	0.1	0.9	0.2	1.1	0.2	22.2
22	25	M&H	1.0	0.2	0.9	0.2	1.0	0.2	11.1
23	29	Wente	0.8	0.1	0.7	0.1	0.6	0.1	(14.3)
24	27	San Martin	1.0	0.2	0.8	0.1	0.5	0.1	(37.5)
25	28	Mirassou	1.0	0.2	0.7	0.1	0.5	0.1	(28.6)
26	31	Louis Martini	0.6	0.1	0.4	0.1	0.5	0.1	25.0
27	30	Sierra Wines	0.7	0.1	0.4	0.1	0.4	0.1	—
—	19	ISC	2.8	0.5	2.8	0.5	—	—	—
		Subtotal	407.1	70.4	385.9	68.7	381.3	74.4	(1.2)
		Other domestic	75.2	13.0	94.6	16.9	55.2	10.8	(41.6)
		Total domestic	482.3	83.4	480.5	85.6	436.5	85.2	(9.2)
		Imports	96.3	16.6	81.0	14.4	76.0	14.8	(6.2)
		Total	**578.6**	**100.0%**	**561.5**	**100.0%**	**512.5**	**100.0%**	**(8.7)**

*Almaden was acquired by Heublein in 1988 and is included in Heublein's total; Christian Brothers was acquired by Heublein in 1989 and is included in Heublein's total. *Source:* John C. Maxwell Jr.

Pepsi outpaces Nike

By Kate Fitzgerald

Nike gave Pepsi a run for its money in the race for ad awareness in August, but the cola managed to stay No. 1.

Pepsi had a 3.9% share of first mentions in *Advertising Age's* monthly adWatch survey, and Nike garnered 3.8%.

Nike first appeared in the top 10 in March and has been among the best-recalled advertisers since, apparently on the strength of its continued barrage of TV spots featuring Bo Jackson.

Coca-Cola finished third for the second straight month.

Automobile advertising maintained higher than average awareness. Ford placed fourth, while General Motors Corp.'s Chevrolet shared fifth with Anheuser-Busch's Budweiser and general grocery store ads. Automobile ads in general ranked No. 8, followed by a tie between McDonald's Corp. and Toyota for ninth.

When asked specifically about **car and truck** ads, 21.9% of those surveyed said Ford came to mind first. Chevrolet was second with 18%, followed by Toyota, 9.8%; Nissan, 4%; and GM's Buick, 3.7%.

AdWatch survey of advertising awareness Top 10 in August

In August, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind?

Rank 8/90	Rank 7/90	Advertiser	Agency
1	1	Pepsi-Cola	BBDO Worldwide
2	5*	Nike	Wieden & Kennedy
3	3	Coca-Cola	McCann-Erickson Worldwide
4	4	Ford	J. Walter Thompson USA
5*	8	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham Worldwide
5*	2	Chevrolet	Lintas:Campbell-Ewald
5*	7	Grocery stores	Various
8	9	Automobiles (gen)	Various
9*	5*	McDonald's	Leo Burnett USA
9*	10	Toyota	Saatchi & Saatchi DFS/Pacific

*Indicates tie. *Source:* Gallup Organization, Lincoln, Neb.

In the **tire** category, Goodyear was first with 30.6%, followed by Michelin, 21.5%; Firestone, 6%; BF Goodrich, 4.3%; and Uniroyal, 1.2%.

Alpo led the **pet food** category, named first by 14.8% of those surveyed. Ralston Purina Co.'s Purina was second with 11%, followed by Carnation Co.'s Friskies, 4.2%; Quaker Oats Co.'s Kibbles 'n Bits, 2.7%; and Kal Kan, 1.8%.

AdWatch is a joint project of *Ad Age* and Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is plus or minus 3.1%. □

For more information, contact the Gallup Organization, 301 S. 6th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

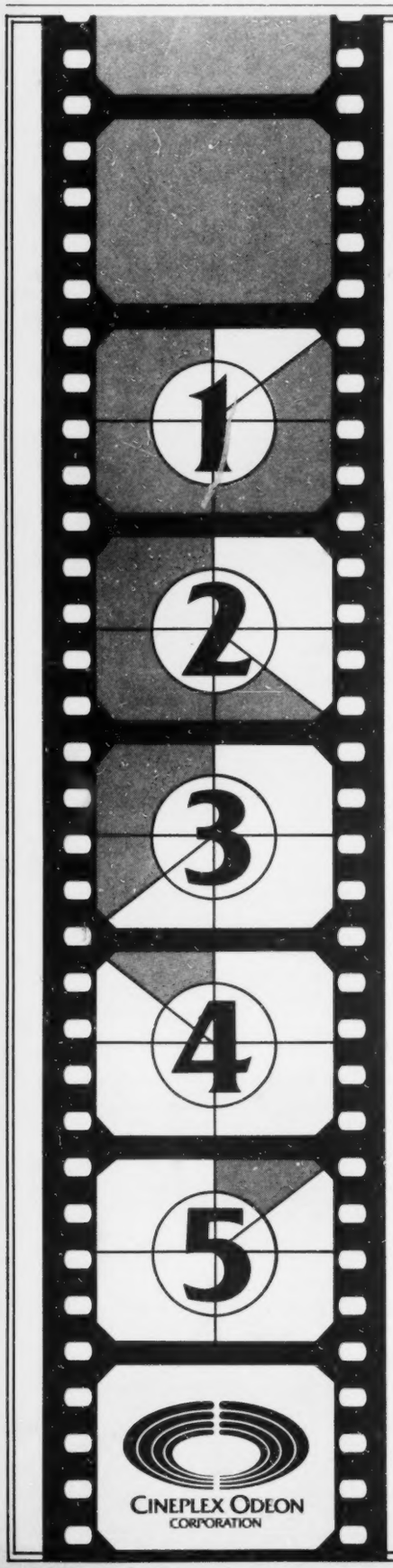
Gatorade, cable net team

NEW YORK—Quaker Oats Co.'s Gatorade isotonic sports drink has signed as a sponsor of SportsChannel America's "National Federation High School Game of the Week."

The $500,000 deal is for one year.

Gatorade also becomes the first major corporate sponsor of the National Federation of State High School Associations, which markets TV rights to a weekly package of high school football, basketball, hockey and other sports. Three more sponsors are being sought.

Also, SportsChannel is expected to announce signing Miller Brewing Co. for a $500,000-plus sponsorship of the cable network's "Sports Nightly" updates about National Football League franchises. □



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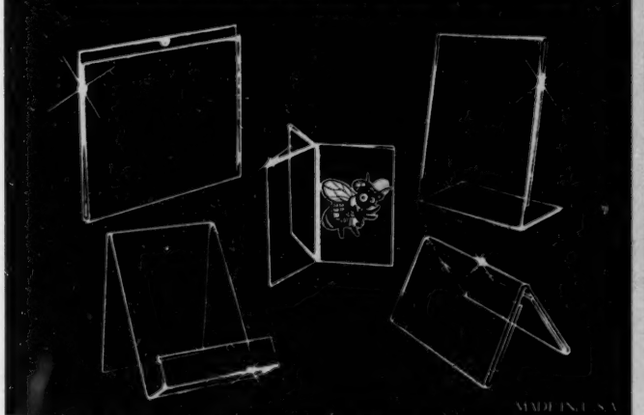

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'Conde Nast Traveler' rising fast in a hot field

By Scott Donaton

Three years after its launch, *Conde Nast Traveler* is still growing at a rapid clip and is now looking to close the gap with longtime category leader *Travel & Leisure*.

"I think we'll be able to pull up alongside them in the very near future," said Ronald Galotti, publisher of Conde Nast Publications' monthly travel magazine.

In a year when most magazine publishers are singing the blues, *Conde Nast Traveler* saw its ad pages reach 636.3 through August, up 15.8% from the same issue last year. Its October issue, marking the magazine's third anniversary, is the largest in its brief history with 126.5 ad pages, a 6.6% gain over the same issue last year.

Circulation is also on the rise. *Conde Nast Traveler* will hold its rate base at 600,000 next year—largely to avoid hitting media buyers with double-digit rate increases—but according to the latest Audit Bureau of Circulations report, the magazine's first half average circulation was nearly 757,000, a 26% bonus.

Conde Nast Traveler is already the undisputed No. 2 book in the travel field, but it still has a long journey before it can catch the highly profitable *Travel & Leisure*, which pulled in $85 million in advertising and circulation revenues last year.

Through August, the American Express Publishing Corp. title's ad pages were down 5.3% to 855.9, but the drop was due more to a change in the way it counts advertorial pages than to the overall softness in the magazine industry.

Travel & Leisure's rate base of 1.1 million places it firmly atop the travel field.

"*Traveler* has done well in three short years. They produce a good product," said Bob Zach, senior VP-media director at Chiat/Day/-Mojo, New York. "But I think *Travel & Leisure* is still more of a core buy, and the beauty of it is its access to an upscale American Express cardholder."

Some 90% of the monthly's 1.1 million subscribers are AmEx cardholders.

Conde Nast Traveler "is second, but they're a distant second," said James Berrien, *Travel & Leisure* VP-publisher. "I think it will be a while before there's a real strong second in this category."

With the $300 billion travel industry booming, the travel field currently ranks among the hottest in the magazine industry. Much of the field's recent success, though, can be directly traced to the launch of *Conde Nast Traveler*, a fact not lost on Mr. Berrien.

"They legitimized the field for some of the advertising categories Conde Nast always had a strong franchise with in the past," primarily cosmetics and fashion advertisers, he said. "We had not been able to convince as many of those advertisers as we would've liked to come into the travel field."

But Mr. Berrien said *Travel & Leisure* is in the best position to capitalize on the newfound success of the travel category.

"Any time you've got a market people are talking about, it's going to be good for the strongest books," he said. "It's been good for our business."

Conde Nast Traveler was born in October 1987 after Conde Nast acquired *Signatures* from Citicorp Diners Club for a reported $25 million and spent another $15 million revamping and relaunching the magazine.

The monthly was built around Editor in Chief Harold Evans' "truth in travel" editorial motto, which cost it some advertising in the beginning but eventually earned it the respect of both readers and advertisers.

Conde Nast Traveler won National Magazine Awards in 1988 and 1989 and was nominated for three awards this year.

"I think it's done well because it takes a different editorial approach; it's not just a puff piece for travel," said John Grey, senior VP-director of media planning at J. Walter Thompson USA.

Conde Nast Traveler was also able to expand the advertising categories traditionally open to travel magazines because of its treatment of travel as one compo-

(Continued on Page 51)

Top six travel magazines

Magazine	Circulation
Travel & Leisure	1,117,701
Conde Nast Traveler	756,949
Endless Vacation	743,181
National Geographic Traveler	725,923
Travel Holiday	553,987
European Travel & Life	372,646

Source: Audit Bureau of Circulations FAS-FAX report for the six months ended June 30, 1990.

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Alpo eats into cat food market

By Julie Liesse

Alpo has clawed its way into the $2 billion cat food market with a vengeance.

In its first nine months on supermarket shelves, Alpo cat food registered $100 million in sales, says the company, quoting Arbitron/SAMI figures.

Alpo chalked up a 10% share of the premium canned cat food segment led by Heinz Pet Products Co.'s 9-Lives and achieved a 4% share of the fragmented dry cat food category dominated by Ralston Purina Co., in the SAMI four-week report ending in August.

Only four brands—9-Lives, Kal Kan Foods' Whiskas, Carnation Co.'s Friskies and Purina Cat Chow/Kitten Chow—surpass Alpo in the cat food market.

"Everything has come together better than we hoped," said Debbie Nellson, director of cat food marketing for Alpo Petfoods, a Grand Metropolitan unit. "Once we put the Alpo name and its heritage together with [cartoon spokesman] Garfield, we came across with a successful taste and nutrition story."

Heading into Grand Met's new fiscal year, starting today, Alpo is readying a line extension and new ads.

The company this fall will add to its 28-item line with Sliced Varieties, canned versions in beef, chicken and turkey flavors. Dry cat food or cat treats are two other possible expansion areas, Ms. Nellson said.

"A 10% share is good, but still not one of the top three or four—which we think is a realistic target," Ms. Nellson said.

Second-year marketing support won't equal the $70 million in ads promotions Alpo committed to the introduction, but Ms. Nellson said spending would be at "competitive levels." Alpo planned to spend $20 million on first-year advertising; it spent $12 million through March, according to LNA/Arbitron Multi-Media Service.

New TV commercials will be shot this fall for an early 1991 break date, Ms. Nellson said. Weightman Advertising, Philadelphia, handles.

Garfield, Jim Davis' cartoon cat licensed by United Media Licensing, will be back in the new TV spots.

Garfield has been a selling point with retailers, which were wary of adding 28 items to an already crowded pet food aisle.

"We've been very fortunate, because we shocked the heck out of [retailers] when we presented the line," Ms. Nellson said. "They've been very supportive." □

E. Germany

(Continued from Page 16)

as added three new coffee machines to its line. Also, the company is ambitiously branding many of its machines with the Helikon name.

Media advertising has been put on hold until distribution s secured, but Helikon did use a West Berlin ad agency to produce a product brochure for distribution to its sales force.

Seifenwerk Riesa

"We've picked up the glove that was thrown at our feet by the West," asserted Frank Weiss, an engineer working as a sales manager for Seifenwerk Riesa. Seifenwerk was virtually the sole supplier of bar soaps in East Germany and had valuable contracts to manufacture soaps for distributors in West Germany.

To compete in a united Germany, Seifenwerk has added perfumes from Western suppliers to two of its 12 soap brands and launched a new beauty soap called Cree and a bar soap for infants called Baby. Bars have been reshaped to fit more easily into the hand, and simple, utilitarian wrappers have been replaced with packaging more like that in West Germany.

"We are bringing the products closer to the needs of our customers," Mr. Weiss said, adding that retailers have responded favorably to new Seifenwerk products.

However, media advertising is out of the question at the moment, he said, because of financial considerations.

He said the company recalled about 200,000 bars of soap in East Germany last spring because bars arriving from the West, including Beiersdorf's Nivea, Colgate-Palmolive Co.'s Palmolive, Unilever's Lux and Henkel's Fa made the old bars unsalable.

Seifenwerk believes it can survive unification by undercutting prices of established West German marketers. Mr. Weiss said Baby will retail for about 88¢, compared with West German infant soap brands selling at about 25% more.

Pepe Kunstoffverarbeitung

"Our biggest adjustment now is to distribution," said Hermann Voss, managing director of Pepe Kunstoffverarbeitung, manufacturer of Pepe plastic toy building blocks. "Distribution was never a topic with us. Now it is a constant [worry]" because under the old system the state was responsible for export sales.

Nearly a third of Pepe's blocks used to be sold in Western Europe, including West Germany, through East Germany's state export organization.

Mr. Voss said Lego filed legal proceedings five years ago for copyright infringement in West Germany, forcing the company, then known as VEB Plastica Bad Koesen, to alter the system or lose customers in the West. Pepe adjusted its blocks then to make them incompatible witn Lego and hopes new, color packaging will help establish the brand as a low-price alternative to Lego.

The toy company must rely on its price advantage as a selling point because it can't afford to advertise.

Pepe last year had revenues of about $8.2 million. Among Pepe's largest export clients were the Soviet Union and West German mail-order company Otto, which is still a customer. □

'Traveler'

(Continued from Page 46)

nent of an overall affluent lifestyle.

In 1988, *Conde Nast Traveler's* first full year, the magazine carried 628.9 ad pages. That figure rose 52.7% to 960.35 ad pages last year. Mr. Galotti said he expects to finish 1990 with 1,100 ad pages, a 14.5% increase.

Travel & Leisure carried 1,412.8 ad pages in 1988, up 15% from the previous year, and 1,516.2 ad pages in 1989, a 7.3% gain. Mr. Berrien said the magazine's ad pages dipped this year because it discontinued counting editorial pages in special advertising or advertorial sections as ad pages.

As *Travel & Leisure* and *Conde Nast Traveler* vie for the top spot in the travel field, a number of smaller entries in the field are being rejuvenated.

Reader's Digest Association recently redesigned its *Travel Holiday* monthly and has been giving its special-interest publications group more of a presence on Madison Avenue. Murdoch Magazines' monthly *European Travel & Life* and a revamped every-other-monthly *Endless Vacation* are also getting more aggressive in their pursuit of readers and advertisers.

Six-year-old *National Geographic Traveler* may also become a threat now that it's decided to expand its circulation efforts beyond the membership of the National Geographic Society. The every-other-monthly has a rate base of 700,000 and carried 184.16 ad pages through August, a gain of 58.7%. □

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P&G, Lever back new detergents

By Laurie Freeman

The battle of the detergent giants becomes more agitated this month as Procter & Gamble Co. and Lever Bros. expand distribution of superconcentrates.

Both P&G and Lever believe superconcentrated powder detergents will eventually replace many of the regular-density powders now on the market.

P&G began shipping Ultra versions of Tide, Cheer, Gain and Oxydol into California, Colorado, Idaho, Nevada, Utah and Wyoming on Sept. 17.

Lever completed distribution of Wisk Power Scoop in much of the South and West last month. The product will be available in most of the same areas as the P&G detergents, along with the Pacific Coast, Mississippi, Alabama and Louisiana, said George Yuen, senior product manager for Wisk Power Scoop. He said Wisk Power Scoop will expand into the rest of the U.S. next year.

Advertising for the new detergents will break by midmonth.

Mr. Yuen said Lever is backing Wisk Power Scoop with the largest ad budget—more than $52 million—of any detergent in the $3.8 billion category (AA, Sept. 3). J. Walter Thompson USA, New York, is handling the network and cable TV, magazine and free standing insert campaign, themed "Change what you mean by clean."

P&G won't reveal budgets for its superconcentrates. The company backed all its detergents with $94.5 million in measured media spending last year. Saatchi & Saatchi Advertising is the agency for Tide and Oxydol; Leo Burnett USA, Chicago, handles Cheer; and Wells, Rich, Greene, New York, is Gain's agency.

The new detergents will get 30-second spots on network, cable, syndicated and spot TV. Ultra Tide will also be supported with magazine ads and outdoor boards.

The P&G products have done well since they began testing last fall in Arizona and expanded to Texas and New Mexico this summer.

"In Arizona, 50% of our powder detergent business has converted to the Ultra detergents," said P&G spokeswoman Jennifer Bailey.

The Tide brand alone gained more than 4 share points in Phoenix, Ariz., said Jay Freedman, household products analyst at Kidder, Peabody & Co. "They've converted more than 80% of their detergent volume to the superconcentrates."

P&G is the U.S. detergent leader with a 53.5% share; Lever is second with 23.5%.

Ads don't position the superconcentrates as being better for the environment. However, Lucky Stores, a West Coast supermarket chain, heralded their arrival with page ads from Grey Advertising, Los Angeles, headlined "New products for a cleaner environment."

Both companies' superconcentrates are packaged in containers made of recycled paper. The products have recyclable plastic handles and scoops, and use only one-third to one-half cup per washload compared with 1½ cups of regular detergent.

Colgate-Palmolive Co., the No. 3 U.S. detergent marketer with an 8.4% share, has said it has no plans to expand distribution of Fab Ultra superconcentrated detergent, which began testing earlier this year in Memphis, Tenn.; Phoenix; and Oklahoma City. A repackaged version of Fresh Start superconcentrated detergent is testing in Texas.

FCB/Leber Katz Partners, New York, handles both brands. □

Medacid

(Continued from Page 3)

in the top two OTC categories—analgesics and cough/cold remedies.

The company tried to get into the market before, having test-marketed an effervescent antacid called Resolve in the 1960s. In the mid-1980s, it won OTC marketing rights to Tagamet but the deal was later negated, said a Smith-Kline Beecham spokesman.

Recent activity in the market underscores its importance to pharmaceutical companies.

Last year, J&J/Merck acquired Mylanta antacid from Stuart Pharmaceuticals and in May the company began investing heavily in advertising via Saatchi & Saatchi Advertising, New York.

P&G and Rorer had announced a deal to transfer Maalox marketing rights in the U.S. to P&G, but the deal was canceled in August after opposition from the U.S. Department of Justice.

In addition to Mylanta, J&J's McNeil Consumer Products Co. is test-marketing Tylenol Extra-Strength antacid, an effervescent antacid that competes directly with Miles Inc.'s Alka-Seltzer, which holds an estimated 11% share of the antacid market.

Bristol-Myers' new Medacid isn't the first antacid in pill form. In 1987, Miles tested Maxion, positioned as "easy to swallow with water." The product was later dropped.

One problem such a product could face is the consumer perception that a person should feel an antacid working, such as when a liquid goes into the stomach, said the pharmaceutical industry executive.

Bristol-Myers is said to be emphasizing convenience and speed in sales demonstrations to retailers, dropping Medacid and a chewable tablet into a glass of water—seemingly to show how quickly Medacid dissolves.

Working in Medacid's favor, the industry executive said, is the convenience of a pill. Sales of chewable antacids are growing in double digits because of the convenience, while liquids have had single-digit declines through April, the executive said. □

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Ultra Lights & Superslims: 6 mg "tar," 0.5 mg nicotine—Lights: 9 mg "tar," 0.7 mg nicotine—100's & Lights: 15 mg "tar," 1.1 mg nicotine av. per cigarette, FTC method.

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Advertising Age

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GM weighs cuts of $200 million in ad spending

By Raymond Serafin

General Motors Corp. is considering slashing its 1991 ad budget by as much as $200 million from this year's estimated $1.4 billion, say sources familiar with ongoing budget discussions.

Corporate officials haven't formally notified divisional ad directors and ad agencies of the spending levels for next year. But a consultant to one of GM's agencies said that, though cuts haven't been put in writing yet, they would be across the board and total up to $200 million, or a 14.3% cut.

One highly placed agency official, who asked not to be identified, agreed the cuts would probably be about $200 million, based on information he had been told informally about his divisional client's budget.

A GM corporate spokesman, Harold Jackson, said, "I don't know of any cuts," but added, "We never talk about our ad expenditures."

Various divisional and agency officials said they hadn't been notified of budget cuts but wouldn't be surprised if GM tries to put a lid on spending in the face of economic uncertainty.

Several agency officials said budget cuts would affect all media but would hurt magazines the most because much of GM's TV buys have been made upfront.

Some executives speculated GM would take a conservative approach to 1991 spending plans for now but would release more funds later if the economy is stronger than predicted or if market situations demand more spending.

"We've sent our budget recommendations, but I haven't heard anything in response," said Richard O'Connor, chairman-ceo of Lintas:Campbell-Ewald, Warren, Mich. "I would be very disappointed [if GM cuts its budget]. I see no signs of the Japanese cutting back."

Lintas:Campbell-Ewald handles more GM business than any other agency, more than $400 million in billings for Chevrolet, GMAC, Delco and AC-Delco.

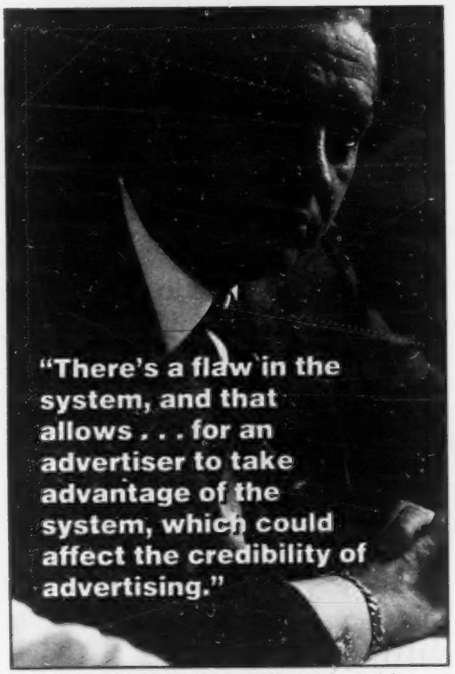
GM's other agencies for national car and truck advertising are D'Arcy Masius Benton & Bowles for Cadillac and Pontiac; McCann-Erickson Worldwide for

(Continued on Page 86)

Coke seeks tough TV ad watchdog

Herbert criticizes comparative claims

By Patricia Winters and Wayne Walley


"There's a flaw in the system, and that allows . . . for an advertiser to take advantage of the system, which could affect the credibility of advertising."

Coke's Ira Herbert sees a problem with ad claims.

Coca-Cola Co. is spearheading a drive to change the way the Big 3 TV networks judge comparative advertising.

Ira Herbert, president of Coca-Cola's North American soft-drink sector, has met with top executives at each network to discuss what he believes to be a growing problem: false ad claims inadvertently slipping by network scrutiny and getting on the air.

A dramatic rise in the use of comparative advertising, paired with network staff cuts, has hampered the networks' ability to judge the validity of comparative advertising, Mr. Herbert told *Advertising Age*.

"There's a flaw in the system, and that allows—either purposely or by accident—for an advertiser to take advantage of the system, which could affect the credibility of advertising," said Mr. Herbert, who was quick to point out he's sympathetic to the network's overwhelming task.

"I think we have a basic structural problem here," he added. "It's not fair to competitors and it's not fair to consumers."

Coca-Cola, the nation's 28th largest adver-

(Continued on Page 86)

RICO false-ad suits rock industry

Use of racketeering statute could slow down resolution of disputes with FTC

By Steven W. Colford

WASHINGTON—A controversial anti-racketeering statute is being used against national advertisers that are paying multimillion-dollar out-of-court settlements rather than contest false-advertising charges.

Ralston Purina Co. and North American Philips Corp. have already paid more than $3 million combined rather than risk losing class action suits filed under the 1970 Racketeer Influenced & Corrupt Organizations Act.

The controversy may also have a chilling effect on the Federal Trade Commission's efforts to reach consent agreements on false-advertising cases. Advertisers could find that such consents open them up to RICO suits later from aggressive lawyers.

The roster of national advertisers involved in RICO-inspired false-advertising suits includes Mobil Corp., Perrier Group, CPC International and Prudential Insurance Co. of America, according to legal papers and attorneys close to the cases.

Advertisers are settling out of court because of the high cost of losing—triple damages, all legal fees, consumer redress and, perhaps worst of all, the stigma of being branded a mobster.

"The word 'racketeering' is an enormously serious stigma," said Dan Jaffe, exec VP of the Association of National Advertisers.

The RICO statute, designed to attack or-

(Continued on Page 84)

LAST MINUTE NEWS

Chiat loses Royal Caribbean

MIAMI—Royal Caribbean Cruise Lines moved its $42 million account to Rosenfeld, Sirowitz, Humphrey & Strauss from Chiat/Day/Mojo, both New York. The account was the largest in Chiat's New York office, which installed new management and laid off more than 30 staffers after the cruise line announced its review in July. Robert Perkins, president of the office, said he was disappointed with the loss but wouldn't say whether more changes or layoffs were expected. Since April, Chiat has lost the Reebok, Soho soda, Bissell, Sara Lee and Cluett, Peabody & Co.'s Arrow shirt accounts. Two other accounts, American Express Gold Card and New York Life, are said to have cut back spending, leaving the office with billings of less than $100 million compared with 1989's $210 million. The Royal Caribbean loss follows the departure of Exec VP-Executive Creative Director Tom McElligott, which also resulted in the loss of a Pilisbury assignment at Chiat's Toronto office *(see stories on Page 4)*.

Interpublic talks to Wyse

NEW YORK—Interpublic Group of Cos. is in talks to buy Wyse Advertising, a $140 million Cleveland-based agency with a small office here. If a deal is struck, Wyse would be an independent unit of Interpublic, possibly reporting to Lintas:Worldwide, sources said. Executives at Interpublic acknowledged the discussions but said no deal has been struck. Interpublic and Wyse ear-

(Continued on Page 8)

INSIDE

Magazines: Leaving 1990 and looking to the future—begins after Page 52

PSAs or paid ads—the line blurs Page 28 • **Saturn—the car next door: Ad Review** Page 88

NEWS SUMMARY

■ **Coca-Cola Co.** executive Ira Herbert says ad credibility is threatened because the TV networks can no longer properly validate the growing number of comparative ad claims. **1**

■ **General Motors** may cut 1991 ad spending by some $200 million. **1**

■ **Quaker Oats Co.** starts its data-base direct couponing program this month, and Kraft General Foods is testing a similar program. **3**

■ **Green Giant** dropped Chiat/Day/Mojo as agency for an undisclosed new product; it may go to Tom McElligott's new Minneapolis agency. **4**

■ **Children's TV shows** will face commercial time limits under a new bill passed by Congress. **6**

■ **Simpson dolls** based on characters from the animated TV series are being marketed by Mattel. **6**

■ **Eastman Kodak** said it will trim its current roster of some 30 ad and promotion agencies, but its five agencies of record won't be affected. **16**

■ **Bayer Plus,** a buffered aspirin with ingredients to prevent upset stomach, is being introduced by Sterling Drug. **16**

■ **Nike** will break a major campaign for its Air Flight Lite basketball shoes during mid-October World Series telecasts. **20**

■ **American Airlines** starts a new campaign today to promote a new Central and South American route system. **24**

■ **Knight-Ridder** has redesigned the *Boca Raton News* in its continuing experiments to attract younger readers. **38**

■ **French alcohol marketers** said they would spend up to $6 million on ads warning against alcohol abuse if the government drops a proposal to restrict liquor advertising. .. **54**

■ **Yellow Pages publishers** are discussing ways to get sponsors for their directories' audiotex services. **73**

■ **James K. Agnew,** leaving as VP-general manager of J. Walter Thompson USA in Los Angeles, said he's looking for an advertising or marketing position in California. **75**

■ **Surgeon General Antonia Novello** in a speech criticized agencies that handle tobacco accounts, but didn't endorse a tobacco ad ban. **77**

■ **A McDonald's Corp.** executive, U.S. operations President Edward Rensi, said marketers shouldn't advertise on "Channel One" classroom news broadcasts. **77**

■ **Information Resources Inc.** has acquired Arbitron's SAMI service from Control Data Corp. **82**

■ **Hachette Magazines** will rely on its individual publishers rather than hire a replacement for Peter Diamandis. **84**

■ **Prudential's** new ad campaign centers on unraveling the mysteries of buying life insurance. **88**

Due to a late ad cancellation, Pages 41 and 42 do not appear in this issue.

DEPARTMENTS

Ad Review	88	Global Gallery	53
BookWatch	43	Index to Advertisers	88
James Brady	48	International News	54, 56
Brady's Bunch	62	Letters	50
Joe Cappo	48	MediaWorks	60
Classifieds	78	NewsWatch	12
Con-Sid-erations	44	People Moving	66
Corrections & Clarifications	50	PeopleWorks	62
Editorials	44	Photo Review	64
For the Record	83	Research News	61
Forum	46	The Next Trend	48

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TWA looks in-house

Cost cutting leads Y&R to resign

By Jennifer Lawrence and Jon Lafayette

Trans World Airlines likely will take its $45 million domestic ad business in-house after Young & Rubicam, New York, dropped the entire $70 million account for cost reasons.

The nation's No. 7 carrier said it may use free-lance services from a creative project shop formed by Martin Solow, Bert Steinhauser and Herb Strauss, tentatively called Solow, Steinhauser & Strauss, though no formal deal has been signed. TWA last week also talked to Bob Veder, former group creative director at Della Femina, McNamee, New York, and now a freelancer.

But the $20 million European ad account will be put in review, said Shelly Kravitz, TWA's VP-advertising-leisure marketing. He said the airline has already had discussions with two agencies but declined to identify them. Lintas:Worldwide may be under consideration, said agency sources familiar with the situation.

TWA hasn't decided whether to seek an agency for direct marketing, which also was under Y&R's wing.

"We've pretty well made up our minds to create a domestic in-house ad agency," Mr. Kravitz said. "There's a 95% chance that will happen. We are doing no active solicitation for a domestic agency."

Mr. Kravitz said all domestic print buying will be handled in-house; the carrier will use a buying service for broadcast media.

Y&R prompted TWA's agency realignments when it bailed out of the $70 million worldwide account, which it had held since 1986.

Joe DeDeo, Y&R president-ceo, said Carl Icahn, TWA chairman-ceo, asked the agency to consider a significantly reduced level of compensation. "Carl made us an offer we could refuse," said Mr. DeDeo.

TWA had estimated the cost of handling the account in-house and wanted Y&R to match it. "The difference was several million in revenue," Mr. DeDeo said.

Although Y&R resigned primarily over financial issues, it said changes at TWA made servicing the business more difficult.

Mr. Kravitz said the move to go in-house was inspired by Mr. Icahn in an effort to cut costs.

TWA's ad department has been undergoing change since Mr. Kravitz's arrival last March. At that time, the department began reporting directly to Mr. Icahn.

Mr. Kravitz's predecessor, Tracy Britton, reported to Robert Cozzi, senior VP-marketing. Mr. Cozzi resigned last week over differences with Mr. Icahn, company insiders said. Mr. Cozzi confirmed he had left the company but declined to elaborate. □

Schick to nick Sensor

By Alison Fahey and Gary Levin

Warner-Lambert Co. is going after razor giant Gillette Co. with a new Schick shaving system called Tracer.

The new product, designed to go head-to-head with Gillette's Sensor in the $870 million-plus U.S. wet-razor business, will be unveiled at an Oct. 10 news conference, nearly one year to the day after Gillette introduced the new razor technology of Sensor.

Invitations to the conference didn't identify Tracer but called it the "single largest new-product introduction in the history of Schick."

Ads for the shaver will break late in the fourth quarter with a $15 million marketing budget via J. Walter Thompson USA, New York, said sources familiar with the plans.

Gillette last week said it's boosting Sensor ad spending for 1991 to $50 million, from $35 million to $40 million this year. BBDO Worldwide handles.

Schick said the new product uses innovative technology. Industry sources say Tracer is a razor system, rather than a disposable, with flexible blades. Sensor's blades are also flexible.

"Flexible . . . blades are a major similarity [to Sensor], and Warner-Lambert has found a way to do it a lot cheaper."

"The concept of flexible and floating blades is a major similarity [to Sensor], and Warner-Lambert has found a way to do it a lot cheaper," said a source close to Schick.

Tracer has plastic parts that would make it less expensive than Sensor, say retail sources familiar with the product. The product will be on store shelves by early 1991.

The Warner-Lambert division had about a 16% dollar share in the wet-razor category as of the July-August period, compared with Gillette's 61.7%.

Sensor, introduced in January, now has a 7.9% share of the wet-razor category. And though part of Sensor's growth is due to cannibalization of other Gillette systems, "Sensor's strength has pulled Gillette's total market share up," said Andrew Shore, VP-analyst at Prudential-Bache Securities.

Gillette said by yearend it will have spent $35 million to $40 million on measured media for Sensor. The company last year said it would spend $50 million in 1990.

However, the supply of Sensor razors fell short of demand and the company moved ad dollars out of the first half of 1990.

Some of the money went into retail promotions as supply began to catch up to demand last month, said Bruce Cleverly, Gillette's VP-marketing, North Atlantic Group. □

Penney's theme draws suit

By Christy Fisher

J.C. Penney Co. has been sued over its new "Fashion comes to life" advertising theme.

Charming Shoppes, a chain that operates more than 1,000 Fashion Bug women's clothing stores, filed suit last month in U.S. District Court in Philadelphia, claiming Penney's new theme infringed on its service mark "Come to life." That theme is used in print advertising.

Charming Shoppes is charging Penney's with unfair competition and seeking a preliminary and permanent injunction against Penney's use of "Fashion comes to life."

Penney's introduced the theme line Sept. 9 in a $10 million multimedia blitz that included network TV (AA, Aug. 27). "Fashion comes to life" replaces Penney's 7-year-old theme, "You're looking smarter than ever."

The line is being used in all the company's estimated $407.5 million in advertising and corporate communications materials.

Charming Shoppes is asking that all advertising, banners and promotional materials bearing the theme line be recalled and destroyed.

Also, it seeks an undetermined amount of actual and punitive damages for the allegedly willful infringement.

"We do not believe there is any basis for their claims," said J. Duncan Muir, public relations program manager for Penney's. "Our [theme line] is quite a bit different."

Penney's agency, N W Ayer/-Southwest, Dallas, wasn't named in the suit. However, agency President Tom Hooke said a service mark search was conducted.

"We do not think there is a copyright infringement," he said.

Charming Shoppes claims in the lawsuit that it filed an application on or about March 30 with the U.S. Patent & Trademark Office to register "Come to life." The retailer then began using the theme in its advertising on or about Aug. 1.

Penney's filed an application for its new theme on May 4, the suit says.

Confusion between the two retailers is likely, the lawsuit says, because of the similarity between Penney's "Fashion comes to life" and Charming's "Come to life" theme lines and also because both retailers target the same customers, women.

The court hasn't yet set a date for the hearing on the injunction request. □

Backer big winner in pan-Euro derby

By Elena Bowes

More than $840 million in pan-European business was assigned between June 1, 1989, and June 30, 1990, according to an *Advertising Age* survey.

As multinational advertisers consolidated spending by brand or product category at a single agency, 46 accounts worth at least $10 million apiece were assigned during the 13-month period. Twenty-seven are new assignments.

Saatchi & Saatchi Co.-owned Backer Spielvogel Bates Worldwide won the largest dollar amount—$109 million from seven accounts. Almost half came from two accounts—a $25 million assignment for 3M's Olympic sponsorship program and a $23 million assignment for Canary Islands Tourism.

"I think what we are seeing is a desire on the part of clients for more centralization."

"I think what we are seeing is a desire on the part of clients for more centralization," said Brian Johnson, J. Walter Thompson Co.'s London-based European new-business director.

To qualify for the chart, an account must be worth a total of at least $10 million and run in more than two countries. Accounts reviewed but remaining with the incumbent and accounts with unknown budgets weren't eligible.

DDB Needham Worldwide was the next biggest winner, gaining $100 million in new business. Work for Jos. E. Seagram & Sons and Henkel accounted for nearly half of DDB Needham's new business gains.

JWT, Ogilvy & Mather Worldwide and Lintas:Worldwide also performed well, each picking up about $80 million. JWT won the biggest single account, scoring Heineken's $50 million beer assignment—the Dutch marketer's first pan-European agency assignment.

While the number of pan-European accounts is increasing, the average size appears to be shrinking.

These 46 accounts were worth an average of $18 million. In a similar *Ad Age* survey conducted in May 1989, covering 17 months, 36 accounts were assigned with an average value of $27 million. Four accounts in the previous survey exceeded $50 million; this year, there were none. □

Pan-European account wins June 1989 through June 1990

Advertiser	Value (mil)	Winning agency
Heineken beer	$50	JWT, London
Expo '92	$40	O&M Europe, London
Nissan European cars	$40	TBWA, Amsterdam
Pfizer's Plax	$30	Saatchi, London
Coca-Cola's Diet Coke	$28	Lintas:France, Paris
Fruit of the Loom underwear	$28	Alliance, London
Barcelona Olympic Games	$25	O&M, Barcelona
Polaroid's instant film	$25	BDDP, Paris
Seagram's Chivas Regal	$25	DDB Needham, London
Beiersdorf's Nivea cream	$25	TBWA, Hamburg
Douwe Egberts' coffee	$25	FHV/BBDO, Amstelveen, Neth.
3M's Olympic sponsorship	$25	BSB Dorland, London
Canary Islands Tourism	$23	BSB Spain, Madrid
IBM personal computer	$20	Lintas:France, Paris
Nestle's chocolate bars	$20	Lintas:France, Paris
Tambrands' Tampax	$20	Colman RSCG, London
Pepsi's Pepsi-Cola, 7UP	$20	BBDO, London
Reckitt & Colman personal-care products	$20	BDDP, Paris
Procter & Gamble's Oil of Olay,	$20	Saatchi, Oslo/Frankfurt, London
Pampers, Clearasil		Saatchi, Stockholm
Ariel detergent		Saatchi, Copenhagen
Ariel Ultra		Saatchi, London
Vicks		Interplan/Saatchi, Helsinki
Henkel's FA	$18	DDB Needham, Paris/Stuttgart
Hiram Walker Allied Vintners' Canadian Club	$17	KHBB, London
Campbell's Biscuits	$15	O&M, Paris
American Airlines	$15	DDB Needham, London
Nestle's After Eight, Smarties, Polo	$15	JWT, London
Moulinex's appliances	$15	RSCG & Associe, Paris
Land Rover's Land Rover, Range Rover	$15	BSB Dorland, London
SMH's Swatch/Pop Swatch	$15	Impulse/Saatchi, Zurich
Turkish Airlines	$14	Y&R Turkey, Istanbul
ICEX's shoes	$14	BSB Spain, Madrid
Federal Express	$13	KHBB, London
Irish Dairy Board	$12	FCB, London
Foster Brewing's Foster's beer	$12	DDB Needham, London
Canal Plus' pay TV	$11	HDM, Paris
Montedison's chemicals	$11	JWT, Milan
Fisher-Price toys	$11	BSB Dorland, London
Turkish Tourist Board	$11	Y&R, London
Lucas' car parts	$11	Alliance, London
Mars' Kit Kat candy,	$11	BSB Dorland, London
Brekkies pet food		
Mars' Raider	$10	BSB France, Paris
Unilever's Gruene Kueche	$10	Lintas:Germany, Hamburg
Euro Disneyland	$10	HDM, Paris
L'Oreal	$10	HDM, Paris
Seagram's Mumm champagne	$10	DDB Needham, Paris
Cadbury Beverages' Canada Dry, Gini	$10	DDB Needham, Brussels
Bull computers	$10	DDB Needham, Paris
Hoover's corporate	$10	Lowe International, London

Source: Advertising Age

P&G cleans up in Europe with 2 in 1 shampoo

By Dagmar Mussey

DUESSELDORF—Procter & Gamble Co. is looking to expand its dominance in Europe's shampoo market while competitors play catch-up.

The company has scored big in what was West Germany with the introduction of Vidal Sassoon Wash & Go, a shampoo-conditioner combination known as Pert Plus in the U.S. It's also sold in 13 other European countries.

Within 10 months of its May 1989 West German launch, Wash & Go became the No. 3 brand with a 7.5% share in the $370 million shampoo market. Schwarzkopf's Schauma was No. 1 with 13.7%, and Beiersdorf's Nivea was second with 9%.

Leo Burnett International handles the account worldwide, including spending of an estimated $5 million in West Germany alone. In the U.S., P&G spends an estimated $15 million annually on Pert Plus via Leo Burnett USA, Chicago.

Based on Wash & Go's success, P&G this summer introduced in West Germany a shampoo-conditioner extension to its Shamtu line. Shamtu is a low-price brand from P&G subsidiary Blendax and holds a 6% market share. The Shamtu combination product is backed by an estimated $3 million TV campaign through DMB&B Imparc here, agency for the entire Shamtu line.

Eyeing P&G's success, rivals Schwarzkopf, Beiersdorf, Henkel, Unilever, Colgate-Palmolive Co. and L'Oreal are fighting back.

"You can bet that in a couple of months all shampoo producers will have similar products out," an industry source said.

In fact, competitors have already started to make their moves. In January, Colgate launched Gard New Style Wash & Care in West Germany, backed by commercials via Young & Rubicam, Frankfurt. The same month, Dralle, Hamburg, followed with Dralle Beauty Double Effect, supported by a print campaign. Heye & Partner, Hamburg, handles. Market shares are not yet available, but agency executives said the product is performing well.

These moves are helping P&G achieve its goal of becoming a major player in the European health & beauty aids market.

Health & beauty aids sources here predict more activities throughout Europe will come from Blendax brands which in the past have been sold in West Germany only.

"P&G has an old policy which says instead of having to fight with a competitor, we rather have our own competing brands within various segments," said Bernd M. Michael, ceo of Grey Germany.

The rivalries also have extended to other countries. In France, L'Oreal introduced Duo, a shampoo-conditioner; P&G markets Pantene Plus 2 in 1 there. Unilever's U.K. subsidiary now is introducing Dimension as a two-in-one product. Originally marketed as a normal shampoo, Dimension has been repositioned country-by-country as a two-in-one shampoo in the U.K., Spain, Belgium, the Netherlands and Italy. Lintas:Worldwide handles in Europe.

In the U.S., Pert Plus became the market leader, currently holding a 12.5% share of the $950 million category. □

Laurie Freeman contributed to this story.

French fight alcohol ad limits

By Anika Michalowska

PARIS—French alcohol marketers are offering to spend up to $6 million for an ad campaign warning against alcohol abuse, if the government rejects a proposal to restrict industry ads.

The new Association of Enterprise & Prevention will run ads urging consumers to drink in moderation if the proposal is rejected, said Thierry Mantoux, the group's spokesman and ceo of champagne marketer Champagne de Venoge.

Association members include BSN Groupe, Pernod Ricard, Seagram France Distribution, United Distillers France, Louis Vuitton Moet Hennessey and Martini & Rossi France, representing about 80% of the $280 million spent annually on alcohol advertising.

The Senate on Oct. 10 will debate the proposal, which also includes a complete ban on tobacco advertising (AA, July 2).

Under the bill, alcohol ads would be banned from cinema and outdoor boards, and the visuals in print ads would be limited to a bottle shown against a plain background. The proposal also would require 20% of the ad be devoted to a health warning.

"The new law is so restrictive . . . that it will not be interesting to advertise," Mr. Mantoux said.

Research by the association showed alcohol print ad spending would fall 67.7% to about $40 million if the measure succeeds, he said.

As an alternative, the association proposed a joint commission of alcohol marketers and the government be formed to set and maintain ad standards, Mr. Mantoux said. The industry now follows voluntary guidelines.

Grey France is preparing sample ads to show lawmakers how restrictive the proposal would be. □

WORLD NEWS ROUNDUP

■ **Stockholm—Electrolux** is launching a $10 million pan-European campaign, created in-house, using in-flight magazines on British Airways, Lufthansa German Airlines, Alitalia Airlines, SAS and Air France.

■ **Madrid—Campofrio,** a Spanish meat marketer, moved its estimated $9 million media buying account to Media Planning from Young & Rubicam Espana. Y&R keeps creative.

■ **Oslo—Statoil,** Norway's state-owned oil company, moved its $8 million account to Nordskar & Thorkildsen Leo Burnett from Avanti DDB Needham.

■ **Barcelona—Volvo** selected RZR/SMS for its estimated $7 million Series 9 car account, previously handled by Cid Publicidad and AVA, both Madrid.

■ **Frankfurt—Pan American World Airways** moved its $6 million German account to Borsch, Stengel & Partner from D'Arcy Masius Benton & Bowles.

■ **Paris—Yoplait** is launching Yoplus enriched yogurt in France with a campaign breaking at yearend by McCann-Erickson.

■ **Hamburg—Elida Gibbs GmbH,** part of Unilever, is rolling out Pond's Hand & Nail formula in Germany, via McCann-Erickson.

Survey researchers study unity options

By Alison Fahey

NEW YORK—Survey researchers are banding together to maintain consumer confidence and distinguish telephone interviewers from telemarketers.

"This is a high-pressure time for the survey research industry. We need a more unified identity," said Diane Bowers, executive director of the Council of American Survey Research Organizations, a 140-member industry group.

Ms. Bowers, who spoke at the Advertising Research Foundation Quality Workshop here late last month, decribed the climate as "increasingly restrictive and less amenable to research."

In response, the council has formed a task force to investigate the practices of survey researchers. The task force will announce results of its investigation this week.

Ms. Bowers also urged research companies to follow the council's code of standards and called for participation in the Research Industry Coalition. The year-old umbrella group outlined unacceptable research practices to help distance survey research from telemarketing. Unacceptable practices include offering money to survey participants; offering products or services to gather sales leads; and revealing respondents' identities without their permission.

This is a high-pressure time for the survey research industry. We need a more unified identity. . . . The climate is increasingly restrictive and less amenable to research.

Researchers are fighting rising refusal to participate in surveys as consumers guard their privacy and their time.

Answering machines and other telephone technology allow consumers to carefully screen calls. This, coupled with concern about telemarketing that masquerades as research, has survey researchers worried.

"There are more constraints on people's time, and I'm concerned that some [less scrupulous] telemarketers might do things to [align] themselves with survey researchers," said Harry Sunenshine, president-ceo of Walker Research, Indianapolis. Every other year, Walker conducts an Industry Image Study that measures consumers' attitudes toward survey researchers.

Since consumers rate survey researchers more favorably than telemarketers, researchers want to protect their image from "sugging," telemarketers selling or soliciting under the guise of research (AA, June 11).

Walker's study this year showed 42% of respondents who received a telemarketing call considered their last call an unpleasant experience. Only 11% said the last survey research call was unpleasant.

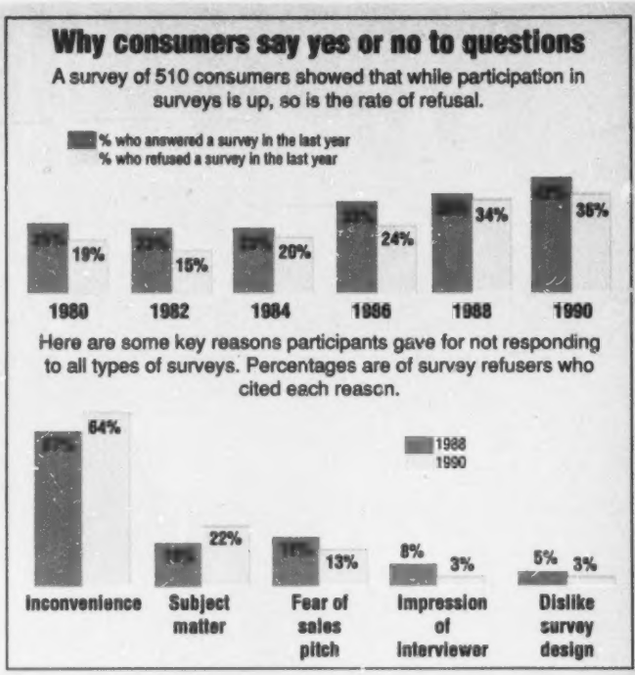
"Survey research is consistently rated more positively than telemarketing on all image statements—reinforcing our conclusions that the public understands and appreciates the value of survey research, while the value of telemarketing is seriously in doubt," said the study, which is conducted by phone.

Walker recommends the industry set up a toll-free number consumers can call to verify that a call is from a researcher and not a telemarketer, Mr. Sunenshine said.

Researchers also should shorten interviews, he said.

"The longer the interview is, th harder it will be to get consume to cooperate [in the future]," h said. "The interview length i something we can work at."

The average length of surveys i 11.8 minutes, up 13.5% from 198 and 34% from 1980, Walke found. □



Source: Walker Research's 1990 Industry Image Study, Ninth Edition

HOLLY SEGUIN

What Johnny reads

Simmons gauges kids' media use, buying power

By John Wolfe

Simmons Market Research Bureau this fall will conduct a study measuring the media habits and purchasing influence of children ages 6 to 14.

Results are expected to be released in February.

"People wonder how we'll do it. This is a challenge that has faced researchers for a long time," said Exec VP Pamela Baxter.

The national study will include in-person interviews with 2,000 children as well as questionnaires and a TV diary filled out by children and their parents.

"The Kids Study" will gauge children's use of products and media including comic books, magazines, newspapers, Sunday comics, TV and radio; children's purchasing influence on parents; and general attitudes and activities. A child psychologist will help write the questionnaires.

Part of the survey will probe specific TV viewing habits, using a diary filled out by parents and children to gauge viewing preferences.

Simmons has conducted studies of the teen market and recently completed a customized survey of younger children for Marvel Comics. "The Kids Study" is the first time the company will collect national, multimedia data on such a young demographic group.

Whittle Communications and ad agencies Foote, Cone & Belding and Young & Rubicam, both New York, have contracted to subscribe to the syndicated study. Other interested agencies are J. Walter Thompson Co. (Kraft General Foods and Nestle); DDB Needham Worldwide (General Mills); and Griffin Bacal (Hasbro).

The age group may make results less precise than surveys of adults, she said, but that won't hinder the "national probability study" from giving a broad look at general trends among young children.

Regarding the controversy such a study could generate among activist groups opposed to marketing to children, Ms. Baxter acknowledged the issue is sensitive but not if the material is used responsibly.

"I don't think the measurement of behavior is controversial," she said. "As long as [the children] are there, one can try to quantify it." □

. . . Johnny would rather read surveys

CHICAGO—Researchers surveying kids don't need to baby their subjects.

That's the conclusion of a yearlong study conducted by Peryam & Kroll Marketing & Sensory Research. The company found children ages 5 to 7 were more responsive to words read aloud to them than to the pictures generally used in surveys of preliterate children.

Participants 8 to 10 preferred reading the questions themselves, rather than having an interviewer read them aloud. This semiliterate group seemed to understand the questionnaire and responded better than through one-on-one interviews.

"This could be a big cost savings since one-on-one interviewing isn't required," said Peryam & Kroll principal Beverly Kroll. "Kids don't need hand holding."

A sample questionnaire was used with 516 children recruited from the company's roster of consumer panelists. The 212 5-to-7-year-olds were given a list of verbal responses as well as pictures of faces depicting their best response; the children preferred words to pictures. The questionnaire was also presented two ways to the 304 8-to-10-year-olds, who preferred to read it themselves. □

Betsy Spethmann edits Research News.

E. Europe growth mapped

PRINCETON, N.J.—Opinion Research Corp. on Oct. 24 will present a program on market potential, organization assessment and image/reputation capabilities in Eastern Europe.

The company recently affiliated with Investorg and Quali-

RESEARCH BRIEFS

Dun & Bradstreet charges infringement: Dun & Bradstreet Corp. and its Dun's Marketing Services unit filed suit Sept. 25 in U.S. District Court in Chicago against Gary E. Walter, and International Business Lists and Inter-Direct. The suit charges Mr. Walter, a former Dun's Marketing Services employee, and the companies with copyright infringement of the Dun's Market Identifiers data base, alleging data unique to a 1988 data base was included in a list sold in July by International Business Lists. The two companies couldn't be reached for comment on the suit.

Tracking consumers outdoors: Environmental Research Associates, Princeton, N.J., this month will introduce a quarterly environmental report that tracks attitudes toward the environment and consumer behavior. Called "The Environmental Report," the survey is based on interviews with 1,000 adults each quarter from 50 states. Initial subscribers include Coca-Cola Co., Colgate-Palmolive Co., H.J. Heinz Co., Kraft General Foods and Procter & Gamble Co. Subscribers pay $9,500 a year for the reports, a summary of findings, an opportunity to help formulate survey questions and analysis of how survey findings apply to their business or marketing strategies. Environmental Research Associates is a division of American Opinion Research.

People moving: **Robert Panucci**, 48, to exec VP-sales, a new post at VideOcart, Chicago, from VP-sales, Catalina Marketing, Anaheim, Calif. . . . **Donald Pace** to VP-survey division, a new post at Audits & Surveys, New York, from president of his own company, Pace Research & Analysis. . . . **Gregory McMahon**, 37, to VP, Market Facts, New York, from director of marketing and research, Sandoz Pharmaceuticals Corp., East Hanover, N.J. He succeeds **John Taylor**, who left. . . . **Clark Johnson**, 39, to VP-general manager of Intelect retail tracking service, a new post at NPD Group, Port Washington, N.Y., from director.

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October 15, 1990

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LAST MINUTE NEWS

'National' not for sale

NEW YORK—Peter Price, president and publisher of *The National*, last week denied the sports daily is for sale. But he acknowledged an unauthorized inquiry about a possible sale had apparently been made to Gannett Co., publisher of *USA Today*. Sheila Gibbons, Gannett's director of public affairs, said the company was approached by Wasserstein Perella & Co., an investment banking company. Executives at Wasserstein Perella denied they had been retained by *The National*, but a source confirmed an unidentified Wasserstein representative approached Gannett. Publishing industry sources said companies like Wasserstein routinely make unauthorized inquiries to generate new business.

Kodak mulls upfront print deals

ROCHESTER, N.Y.—Eastman Kodak is considering

(Continued on Page 8)

Della Femina: I'm out if Eurocom won't act

By Jon Lafayette and Laurel Wentz

NEW YORK—Jerry Della Femina last week said he's so disappointed with the French agency group that bought his agency he's considering leaving the business.

Mr. Della Femina, chairman of Della Femina, McNamee, said he's concerned that Paris-based Eurocom, his shop's parent since October 1989, is no longer serious about spending money to help the agency grow in the U.S.

"There has been more talk and less action than I would like there to be," said Mr. Della Femina, whose bald head and quick wit have made him a Madison Avenue legend. "I'm not going to hang around with a loser."

When asked to comment on Mr. Della Femina's remarks, Pierre de Plas, Eurocom's VP-chief operating officer, laughed and said, "That's Jerry."

"There was a board meeting last week and [Mr. Della Femina] said, 'You've got to go fast,' and he's right," Mr. de Plas said.

Eurocom has identified three potential partners in the U.S. and is having "very big discussions with them," Mr. de Plas said. But no date has been set for announcing a deal.

"Jerry would like us to reach an agreement in a minute. . . . It is obvious we are committed to grow in the U.S. We

(Continued on Page 72)

J. Della Femina

The gospel of advertising from Rev. Jesse Jackson

ONE ON ONE

The Rev. Jesse Jackson—civil rights activist, founder of Operation PUSH, former presidential hopeful and ambassador without portfolio—has added a new title to his collection, that of TV talk show host.

"The Jesse Jackson Show" made its debut last month in more than 100 markets, with discussions ranging from the plight of the American Indian to the savings & loan scandal. The program, syndicated by Warner Bros. Domestic Television Distribution, counted Procter & Gamble Co. among its early sponsors, along with Kellogg Co. and Nestle, a Warner official said.

Before taping his third installment, the Rev. Jackson, 49, talked to Advertising Age *Washington Bureau Chief Steven W. Colford about TV, advertisers and advertising, particularly as they involve minorities.*

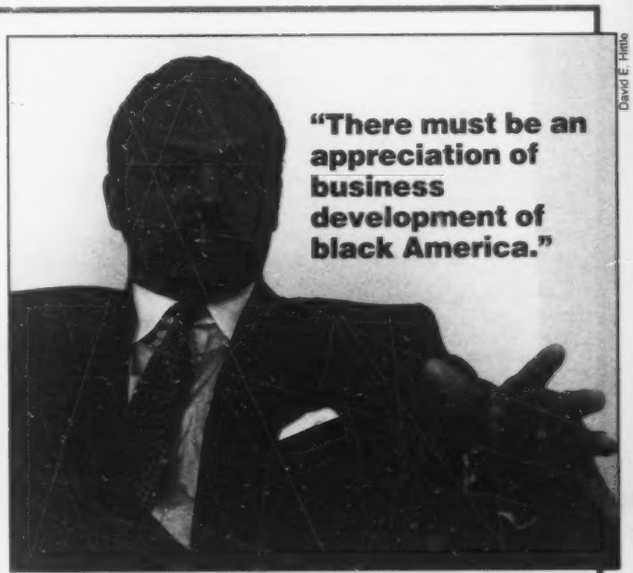
Advertising Age: *Operation PUSH, the Chicago-based civil rights group you once led, is boycotting Nike. What criteria are there for determining whether an advertiser will be targeted?*

Rev. Jackson: Usually we look at an industry where there is heavy black consumption. In return for that, a reciprocal relationship is that we want fair employment—no jobs, no dollars. Then we look at economic development. In other words, additional jobs, horizontally, at the base, and vertically, at the board of directors, vice presidents, key positions.

Where are they banking? Insurance companies, law firms, ad agencies—the range of economic development. . . .

When Operation PUSH, for example, took a look at the athletic shoe industry, there was this whole crisis of kids killing each

(Continued on Page 72)



David E. Hittle

Jesse Jackson says using black media is good business.

Publishers see bad times getting worse

Doug Goodman

MPA President Donald Kummerfeld (l.) stands with newly elected officers Reginald K. Brack Jr., chairman; Thomas O. Ryder, vice chairman; D. Claeys Bahrenburg, treasurer; and Robert J. Teufel, secretary, at the magazine conference in Scottsdale, Arizona.

By Scott Donaton

SCOTTSDALE, Ariz.—The magazine industry's advertising sales slump is likely to worsen next year, agreed publishers gathered at the annual American Magazine Conference here last week. But they're divided on how to survive the downturn.

Some publishers are talking about defensive measures such as strategic alliances between media companies to turn around flagging ad pages.

Others are blaming the economy and not themselves for the industry's woes and insisted the only way for publishers to survive the soft market is to "hunker down," stick to their knitting and wait it out.

"This is a tough time, maybe the toughest time I've seen. [But] we have no choice but to wait it out," said Thomas O. Ryder, president of American Express Publishing Corp. "We're not going to run counter to a difficult economic environment. There is no magical solution."

Contrary to the gloom-and-doom sce-

■ **More magazine conference stories on Pages 16, 18 and 70.**

nario many industry observers predicted, publishers put their best faces forward at last week's conference, co-sponsored by Magazine Publishers of America and the American Society of Magazine Editors.

Many publishers predicted that when the economy rebounds, so will their industry.

What they said, in effect, is that since they didn't cause the drought, there's little

(Continued on Page 70)

Political advertising slams incumbents Page 14 • **P&G will test compostable diapers** Page 24

NEWS SUMMARY

■ **Jerry Della Femina** says he's disappointed with the support his agency is getting from its parent group, Eurocom, and may quit the agency business. 1

■ **Magazine publishers** at the American Magazine Conference expect another ad slump next year. 1

■ **Campbell Soup Co.,** changing ad strategy, will drop umbrella campaigns to focus on specific soup varieties. 3

■ **Network TV ratings** for the first three weeks of the season show the Big 3 locked in a close battle. 3

■ **Kodak** has ended media advertising for its struggling battery line. 3

■ **Ford** asked Chevrolet to change or withdraw certain truck ad claims, and may join Coca-Cola Co. in pressing the networks for tighter controls on comparative ads. 3

■ **Pepsi-Cola** will mount a "Yule Can" promotion this holiday season, similar to last summer's "Cool Can" effort. 4

■ **Tandy** plans a chain of upscale name-brand electronics stores called The Edge in Electronics. 4

■ **Circulation** as a source of profits is becoming more important because of the ad slump, the American Magazine Conference was told. 16

■ **Magazine ad packages** should be custom-made, not prepackaged, the director of media operations of General Motors says. 16

■ **Deductibility of advertising** for tax purposes could still be a target in Congress, a lobbyist says. 18

■ **Scali, McCabe, Sloves'** buyback plans may be hurt by account losses, including the $15 million Nikon business. 22

■ **N W Ayer** says Nielsen's report of a sharp TV viewer drop last winter was accurate; warm weather was a factor. 22

■ **The ad agency sector** on the U.K. stock exchange will be replaced by a larger media sector by yearend. 23

■ **Procter & Gamble** will start testing a 100% compostable disposable diaper next year. 24

■ **Vietnam** has a suprisingly large number of foreign products on sale, says an executive of Ogilvy & Mather, affiliated with Saigon Advertising. 52

■ **Retail stores,** by cutting inventories in anticipation of a downturn, are frustrating many shoppers, consultants say. .. 54

■ **The European** weekly newspaper, launched in Europe this year, may be circulating in the U.S. by January, publisher Robert Maxwell says. 67

■ **Holiday Inns** says it will increase ad spending when a new worldwide ad campaign starts next January. 67

■ **"McMillions on NBC,"** the joint giveaway promotion of NBC and McDonald's, was defended by both companies despite NBC's lower-than-expected ratings start. 74

DEPARTMENTS

Ad Review	74	International News	52
BookWatch	26	Letters	36
James Brady	38	MediaWorks	58
Brady's Bunch	60	NewsWatch	12
Classifieds	64	People Moving	60
Con-Sid-erations	28	PeopleWorks	59
Corrections & Clarifications	36	Photo Review	62
Editorials	20	Retail Marketing News	54
For the Record	69	Sales Promotion News	56
Forum	33	The Next Trend	38
Global Gallery	48	Joe Winski	38
Index to Advertisers	74		

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Saatchi London ceo exits to start shop

By Laurel Wentz

LONDON—Saatchi & Saatchi Advertising Worldwide's office here has been hit with another executive departure.

Paul Bainsfair, 37, who filled the No. 2 slot as joint chief executive and managing director at the U.K.'s largest ad agency, quit last week to start his own shop.

His partner is expected to be former Gold Greenlees Trott Creative Director Dave Trott, but Mr. Bainsfair declined to name his partners.

"All that's happened so far is I've resigned from Saatchi," he said. "I'm going to start what I hope will be a major new agency."

Mr. Trott was fired this summer from Gold Greenlees Trott, the agency he founded in 1980 with Michael Gold and Michael Greenlees, both now joint chairmen.

Mr. Trott has been seeking partners and backing for a new agency for several months. He couldn't be reached for comment.

Paris-based BDDP Group reportedly is considering backing the new agency. John Sharkey, the chairman of BDDP U.K., is a former Saatchi executive and has worked with Mr. Bainsfair. BDDP executives didn't return calls.

Mr. Bainsfair confirmed he's bound by the usual non-competition clauses, restraining him from approaching Saatchi clients or staff. He pointed out, however, they're free to approach him.

Mr. Trott faces no such restrictions because Gold Greenlees Trott broke his contract, Mr. Greenlees said. Mr. Trott continues to own a 6% stake in that agency.

"I genuinely think [Paul Bainsfair's departure] has nothing to do with the pressures of running [Saatchi] and has everything to do with Dave Trott being available."

In addition to Mr. Bainsfair's departure, one of the U.K.'s top copywriters will leave Saatchi this week. Graham Fink will become deputy creative director at Gold Greenlees Trott. And two weeks ago, Saatchi Media Director Alec Kenny quit to start his own media buying company, Kenny Lockett Booth.

Mr. Bainsfair joined Saatchi as a junior account exec in 1975 and worked his way up through account director and group account director jobs before becoming managing director in 1986. He and Bill Muirhead became joint chief executives in 1988.

The only time Mr. Bainsfair was tempted to leave Charlotte Street, as Saatchi's London agency is usually called, was when Mr. Trott tried to hire him in the early 1980s, said an advertising executive who's worked with Mr. Bainsfair.

"Although there is an obvious frustration working for Charlotte Street in [Saatchi's] current situation, to a large extent Charlotte Street has been insulated [by its success] from Saatchi's problems," the advertising executive said. "I genuinely think [his departure] has nothing to do with the pressures of running Charlotte Street and has everything to do with Dave Trott being available."

In Saatchi's earlier days, valuable staffers who tried to leave were wooed back with a combination of emotional pressure from Charles Saatchi and money. It's a sign of the increasingly leaner U.K. ad industry and the agency's own deep financial problems that Saatchi no longer resorts to such tactics.

To replace Mr. Bainsfair, Saatchi is promoting two of the six chief operating officers who oversee account groups and are the next layer of management below Mr. Bainsfair. David Kershaw and Peter Watkins will become joint managing directors, reporting to Mr. Muirhead, the chairman-ceo.

Saatchi said last week that Derek Bowden, media director of Saatchi & Saatchi Advertising International, will replace Mr. Kenny. □

AmEx works 'Weekends'

By John McManus and Alison Fahey

American Express Co. this week will launch a massive TV blitz promoting its Weekend Privileges program with commercials featuring a $10,000-a-day giveaway contest for cardholders.

The contest is a major component of the program, which will be supported by a $25 million advertising and direct mail campaign aimed at attracting more leisure spending.

Another part of the program, to be announced this week, is a new 800 number cardholders can use to get leisure activity information.

The $25 million fourth-quarter campaign is part of AmEx's $90 million annual marketing budget for merchant tie-in, special offer and discount promotional programs, said David Beeman, VP-cross-industry marketing.

AmEx will start promoting the sweepstakes, dubbed "Dream Weekends," with a commercial airing on cable TV networks tonight and during the World Series game Oct. 17 on CBS. The spot, themed "Now you've got Weekend Privileges," was created by Ogilvy & Mather, New York.

Starting today and running each day through yearend, an AmEx Green, Gold or Optima cardmember who uses the card that day will be selected randomly to receive $10,000 in credit.

"With the $10,000 prize, cardmembers will be able to put together their own 'dream weekend' package," said Nancy Muller, VP-public affairs.

The commercial will highlight fantasy weekend ideas and mention AmEx's many promotional partners, Ms. Muller said. Spurning the use of celebrities, the commercial features a "typical family" scenario.

A heavy national TV network and spot media schedule will run through Christmas, supported by print ads.

"With this campaign, we expect to establish American Express as the official card of the American weekend."

"With this campaign, we expect to establish American Express as the official card of the American weekend," Ms. Muller said.

AmEx declined to reveal details about the 800 number service. But sources familiar with the program said it's to be called Privileges on Call and is an interactive telephone program.

Callers will be addressed by name and instructed to enter digits on phone touchpads corresponding to the locale in which they are interested, the sources said. Callers will then be guided to more specific information on entertainment options, including restaurants, theaters, shopping and special events.

AmEx introduced the Weekend Privileges program Sept. 10 with a print campaign. It's the "largest multimedia marketing program ever conducted with establishments that accept the card," the company said.

The program offers cardholders special deals and values from hundreds of establishments ranging from Walt Disney World to Hertz rental cars to Hilton hotels and hundreds of local restaurants and stores.

The fourth-quarter push comes as all major credit card brands vie with one another to persuade cardholders with more than one credit card to use theirs rather than a competitors'.

AmEx's share of charge volume declined last year, said Kurt Peters, publisher of *Credit Card News*.

In 1988, AmEx charge volume totaled $58.5 billion with a 22.6% share of the credit card market, Mr. Peters said. In 1989, its charge volume rose 11% to $65 billion, but share fell to 21.9%.

In the same period, MasterCard and Discover both lost almost a percentage point of their share, while Visa recorded more than a percentage point increase.

"What American Express is trying to do is make a push out of the [business] travel and entertainment mode into a more general-purpose mode," Mr. Peters said. "They need to pump up their effort for broader usage, because Visa and MasterCard have started cutting into American Express' traditional turf of travel and entertainment." □

MEDIAWORKS

TRACKING SHARES

Nets don't sweat ratings yet

A ratings and demographic analysis of TV programs.

Instead of simply giving advertisers make-good units when TV shows underdeliver guaranteed ratings this year, the Big 3 networks first will check the reported levels of homes using television and persons using television in key demographic groups.

Then the networks will compare the numbers to a controversial NBC-designed viewer counting plan, using viewing habits for the last eight years to estimate what the 1990-91 HUT and PUT levels should be each month.

So far in this young TV season, HUTs and PUTs are living up to expectations, nearly matching last season's level. But the networks say they need the formula as protection from volatile, unexplained fluctuations and drastic declines in reported viewing levels they say could be attributable to Nielsen Media Research's methods.

When usage levels inexplicably plummeted in February and March, the ensuing proportional ratings shortfall forced the networks to give away as much as $200 million worth of commercial inventory as make-goods.

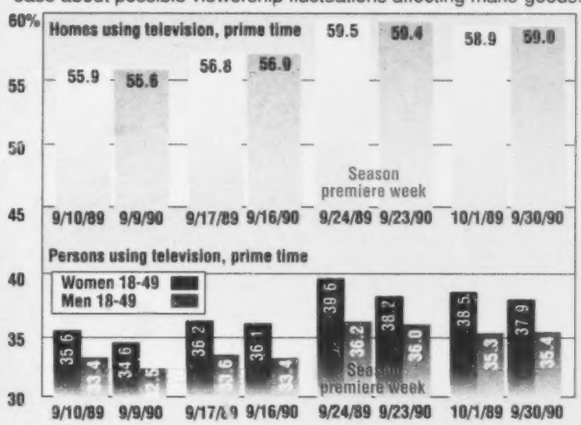
Advertisers and agency executives reluctantly agreed to accept the formula as part of advertising buys during the network upfront selling season last summer, but TV viewership has since rebounded (AA, July 30).

With fourth-quarter sales soft, few believe the formula will actually be used, even if HUT and PUT figures dip below expected levels. That's because advertisers may be more amenable to buying more time if the controversial formula isn't brought up.

Tracking Shares will periodically compare Nielsen's 1989-90 and 1990-91 season HUT and PUT levels. □

Season viewership on track

Nielsen's figures are steady with last year, putting the networks at ease about possible viewership fluctuations affecting make-goods.



Figures are percentages of the 93.1 million U.S. households and the 59 million men and 60.3 million women ages 18-49 in the U.S. Viewership figures for men and women 25-54 also were relatively flat.
Source: Nielsen Media Research

NEW AD RATES

Car & Driver, New York: Rate base to 950,000, up 5.5%; b&w page to $35,460, color page to $54,585, each up 10%; b&w cost per thousand to $37.33, up 6%; color CPM to $57.46, up 5%. Effective: October issue.

Endless Vacation, Indianapolis: Rate base to 790,000, b&w page to $11,930, color page to $15,680, each up 12%; b&w CPM to $15.10, color CPM to $19.84, each down 1%. Effective: November/December issue.

Essence, New York: Rate base unchanged at 850,000; b&w page to $17,030, color page to $25,560, b&w CPM to $20, color CPM to $30, each up 5%. Effective: Jan. 1.

Financial World, New York: Rate base to 500,000, up 3%; b&w page to $21,179, color page to $32,695, each up 9%; b&w CPM to $42.32, color CPM to $63.49, each up 6%. Effective: January.

Food & Wine, New York: Rate base unchanged at 800,000; b&w page to $19,825, color page to $27,249, each up 9.5%; b&w CPM to $24.78, color CPM to $34.06, each up 9.5%. Effective: November issue.

Men's Health, Emmaus, Pa.: Rate base to 350,000, up 40%; b&w page to $12,055, color page to $17,000, each up 48%; b&w CPM to $34.44, color CPM to $48.57, each up 6%. Effective: January/February issue.

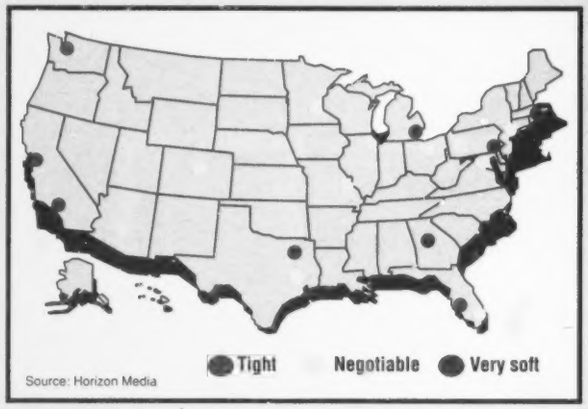
Playboy, New York: Rate base unchanged at 3.4 million; b&w page to $48,940, color page to $68,545, b&w CPM to $14.39, color CPM to $20.16, each up 5%. Effective: January.

Shape, New York: Rate base to 750,000, up 4%; b&w page to $14,200, color page to $17,710, each up 9.6%; b&w CPM to $18.93, color CPM to $23.61, each up 6%. Effective: January issue.

Utne Reader, Minneapolis: Rate base to 225,000, up 12.5%; b&w page to $6,470, color page to $9,385, each up 20.5%; b&w CPM to $28.75, color CPM to $41.70, each up 8%. Effective: January/-February issue. □

Wayne Walley coordinates MediaWorks.

SPOT CHECK



Source: Horizon Media

Elections boost October

Spot Check is a monthly survey of purchasing activity in the top 20 TV markets, compiled by Horizon Media, New York. Markets are ranked by spot availability after September sales.

Top 20 overlook: TV stations predict spot sales will be flat or down, perhaps creating the softest fourth quarter in several years. Political spending has helped tighten a number of markets during October, but there's little else contributing to healthy sales.

Tight—Time available but demand keeps prices stable.

Los Angeles: Political spending could reach more than $20 million. Auto import spending is outpacing domestics.

San Francisco: Banks and foreign cars are spending more than last year; heavy political spending keeps the market tight.

Seattle: Local bank spending is up to compete with new entry Bank of America. Fast-food spending is double last year.

Tampa, Fla.: Financial services, automotive companies, retailers, fast-food restaurants and politicians have boosted spending.

Negotiable—Time available at negotiable rates.

Chicago: Heavy political spending made October tight but will fade in November. Automotive spending is down at least 8%.

Cleveland: Political spending keeps the market tight. Local auto spending is down. Fast-food is strong; movies are up.

Denver: Auto spending is strong, especially foreign. A new mall has sparked retail spending; fast-food wars are on.

Houston: Fast-food, political and auto spending are heavy.

Miami: Auto spending is very high. Mobil Oil has resumed advertising; more oil spending could return.

Minneapolis: Politics and the lottery keep the market strong.

New York: Business is up about 7% from last year, after some marketers held spending in case the Mets made the playoffs.

Phoenix, Ariz.: Financial services, retail and politics are heavy.

Pittsburgh: Auto is up and fast-food spending is heavy; financial services spending is flat and retail is down.

St. Louis: Fast-food chains are spending more than ever; retail is up. Movies are expected to be strong.

Washington: Politics keep the market busy; auto spending is heavy.

Very soft—Much time available, possibly at discounts.

Atlanta: Financial services spending is up about 35%; domestic auto spending and retail are down.

Boston: Political spending has tightened all dayparts except daytime; all other spending is flat or down.

Dallas: Financial services spending is down, and the market will soften more when political spending ends.

Detroit: Advertisers are watching how revamped early-fringe lineups on three of the five stations fare.

Philadelphia: Credit card and political spending are heavy. □

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Source: MRI Spring 1990. MEN'S HEALTH will be measured as part of the Network in Spring 1991.

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NEWSPAPER

Advertising Age

October 22, 1990

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TBS-Gannett build ad package

Cross-media sports deal targeted at Xerox Corp.

By John McManus and Janet Meyers

Turner Broadcasting System and Gannett Co. are forging a dramatic new alliance to offer cross-media packages to marketers.

The two media companies recently pitched a multimillion-dollar cross-media ad package to Young & Rubicam, New York, and the agency is considering taking the idea to client Xerox Corp., said sources familiar with the pitch.

If such a deal is concluded, it would be the first significant cross-media package to be forged between separate national TV and print media.

The package TBS and Gannett are offering involves the sponsorship of a weekly Cable News Network-*USA Today* top 25 college sports poll. Results would be carried in both CNN's sports reports and *USA Today's* sports section.

If the package is approved, the poll will be launched during the first and second quarters of 1991, one source said.

Pat Haegele, senior VP-advertising for *USA Today*, said she recently participated in a presentation on the package to Y&R. She said the agency is expected to decide within a few weeks whether to propose the combination buy to a large client, which she declined to identify.

But other TV and advertising executives said Xerox is the target client and a package has been designed specifically for it.

Michael Kirby, Xerox's director of advertising and promotion worldwide, said he hasn't been approached about the plan but the concept seemed "very logical."

"We've worked with both media before, and I would certainly look favorably on anything that combines the two," Mr. Kirby said. "Conceptually, I have no problem with it; in fact, I welcome it. I would be receptive to looking at any multimedia package."

Paul Isacsson, exec VP-director of broadcast programming and

(Continued on Page 8)

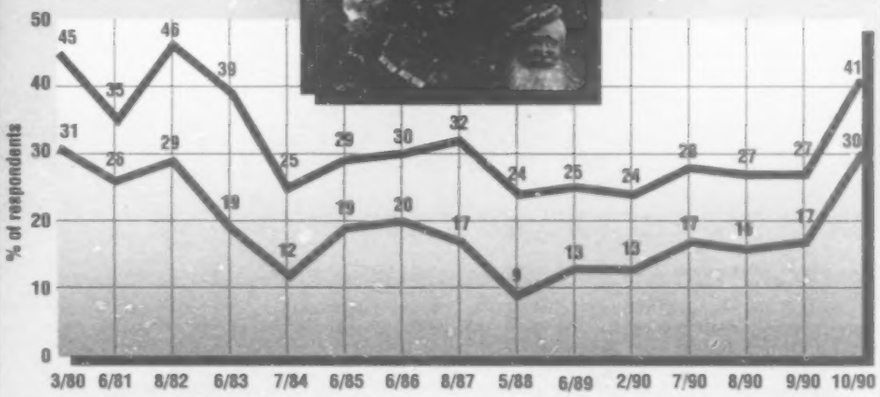
Consumer pessimism rises in the fourth quarter

Times are tough...

Forty-one percent of the people surveyed between Oct. 11-14 said they're financially worse off now than they were one year ago. That's the highest percentage level since 1982, when the U.S. was in the grip of a recession.

...and they're going to get tougher

Thirty percent of the people surveyed said they expect to be financially worse off in a year, the highest percentage of pessimism since March 1980.



Source: Gallup Organization surveyed 1,000 adults by phone.

Photo: Brooke Hummer/Chart: Cynthia Watson

Rushing the season

Dour consumers lead retailers to push early

An Ad Age roundup

Jittery retailers worried about plummeting consumer confidence and the Persian Gulf crisis are changing their pre-Christmas selling strategies this year.

What has retailers most worried are consumers. In the latest Gallup Poll, released last week, 41% of those surveyed said they're financially worse off now than they were one year ago. That figure represents a 14 percentage-point jump in only three weeks and is a level of pessimism not recorded by Gallup since August 1982, at the end of the last U.S. recession.

Thirty percent said they expect to be worse off financially a year from now, a 13-point jump in three weeks and a level of pessimism not recorded since 1980 and 1982, during the last recession.

"That suggests that psychologically, rightly or wrongly, many people feel we're in a recession," said Frank Newport, editor in chief of the Gallup Poll. "This is a world of self-fulfilling prophecies, and if people batten down the hatches and cut consumer spending, it just might help bring about a recession."

Some retailers hope to induce a premature holiday shopping season by putting out Christmas displays earlier than usual, looking to stir early sales and lessen the impact should sales

(Continued on Page 61)

Kraft GF shifts agencies, pay

By Julie Liesse

Kraft General Foods shifted $150 million in ad agency assignments last week and instituted a broad incentive-based compensation system.

The compensation plan is based on a brand's performance, a measure that some in the industry have considered to be unfair since factors in addition to advertising affect sales.

Kraft General Foods' initiative standardizes the way the company deals with its agencies on not only compensation but conflicts, and shifts accounts to fit a new category-based system of agency relationships. The reorganization completes the marketing merger of the two companies.

The most significant account change was the move of Maxwell House coffee's $80 million to $90 million U.S. and U.K. business back to Ogilvy & Mather. O&M lost Maxwell House to D'Arcy Masius Benton & Bowles last year.

Kraft General Foods dropped

(Continued on Page 58)

LAST MINUTE NEWS

MCI broadens review

NEW YORK—MCI Communications Corp. added Messner Vetere Berger Carey Schmetterer to its $51 million account review. Also pitching are incumbent Wells, Rich, Greene; BBDO Worldwide; and Levine, Huntley, Schmidt & Beaver, all here, and Hill, Holliday, Connors, Cosmopulos, Boston and here.

Time Warner plans on hold

NEW YORK—Time Warner suspended plans for spinoffs of *Time* and *Fortune* aimed at children, citing a soft advertising market. A *Fortune* spokeswoman said the idea for a spinoff aimed at high school students was well-received by the ad community, but "the climate just isn't right." She said the project might be revived later. A Time Warner spokesman described a similar scenario for the *Time* spinoff.

Doner eyeing VanSant?

BALTIMORE—W.B. Doner & Co. may be looking at buying another agency here. VanSant Dugdale has been seeking a buyer and has been talking

(Continued on Page 8)

INSIDE

Special Report on telephone ad wars

—Page 34

'Big Green' ad battle builds in California Page 4 • **Ad agencies hurting in Middle East** Page 38

NEWS SUMMARY

■ **Kraft General Foods** shifted $150 million in ad assignments among its agencies and instituted an incentive-based compensation system. 1

■ **Turner Broadcasting System** and Gannett Co. have fashioned a cross-media ad package involving Cable News Network and *USA Today*. Young & Rubicam is reportedly considering it for Xerox Corp. 1

■ **False-advertising lawsuits** based on the RICO anti-racketeering statute will be challenged by Adolph Coors Co. and CPC International, both companies say. 3

■ **The frozen "healthy foods"** category is getting new entries from Kraft General Foods and ConAgra. 3

■ **Molson Breweries USA,** the nation's second leading beer importer, is reviewing its four agencies and may drop some of them. 3

■ **"Big Green,"** the environmental initiative on California's Nov. 6 ballot, is being challenged with a heavy ad campaign backed by chemical and oil companies. 4

■ **Continental Airlines** has delayed the start of a $20 million image ad campaign. 4

■ **Young & Rubicam** has replaced its "whole egg" approach to servicing clients with "strategic partnership." 6

■ **Pledge Household Cleaner** is in test markets, positioned against Murphy's Oil Soap. 17

■ **Kraft Microwave Entrees** are gradually moving national, further crowding the shelf-stable meals category. 20

■ **Direct marketing** volume in Australia is growing up to 30% a year, while media advertising lags. 39

■ **Tobacco advertising** dropped from the list of top 10 ad revenue producers for magazines in September for the first time in more than 20 years. Overall magazine ad pages fell 4.5% for the month. 42

■ **Television news** is being sold by some stations to cable operators and broadcast on competing stations. 43

■ **Two "Omni" editors** quit following publication of the November issue, which featured a die-cut cover that revealed a hologram on Page 3 that was part of a Motorola ad. 54

■ **Yellow Pages** publishers are studying ways to establish more effective recycling programs for their directories, which account for an estimated 2% of all U.S. garbage. 54

■ **NBC's Olympics** promotions for the 1992 Summer Games pay-per-view package will involve six ad agencies. 55

■ **National Advertising Division's** September cases included two involving US Sprint. The company agreed to modify one campaign; the other was substantiated. 55

■ **American Enviro Products** is marketing Bunnies-Plus diapers after 10 states objected to its "biodegradable" claim for Bunnies diapers. 57

■ **Airline fare advertising** isn't subject to state regulation, the U.S. Supreme Court affirmed. 57

DEPARTMENTS

Ad Review	62	For the Record	57
James Brady	50	Index to Advertisers	62
Brady's Bunch	47	International News	38
Classifieds	52	Letters	28
Con-Sid-erations	24	MediaWorks	42
Corrections & Clarifications	28	NewsWatch	12
Rance Crain	30	People Moving	48
Direct Marketing News	39	Photo Review	50
Editorials	24	The Next Trend	30

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Yellow Pages group to fight N.J. ad tax

By Steven W. Colford

The board of the Yellow Pages Publishers Association last week voted to challenge in court New Jersey's imposition of a 7% sales tax on directory advertising.

This initial step toward forcing a court ruling on the constitutionality of a state tax on commercial speech was taken at the group's annual meeting in Palm Springs, Calif.

"We believe the tax has no rational basis as it applies to one advertising medium and will challenge it on that basis," said Don MacKenzie, YPPA board member and chairman of the association's public policy committee.

The specific grounds for a legal challenge won't be determined until a law firm and a specific legal strategy are chosen, Mr. MacKenzie said. But he acknowledged the YPPA had received several legal opinions suggesting that violation of the First Amendment might be a possibility.

Mr. MacKenzie, who's also president-ceo of Nynex Information Resources, said he hopes the suit will be filed by yearend in state court in New Jersey. He declined to say whether the board's vote meant the legal challenge would go all the way to the U.S. Supreme Court.

"It's safe to say that YPPA agreed to take step one, state court, but not beyond that because we don't have to worry about any more than that now," he said.

New Jersey and Oklahoma are believed to be the only states with a current sales tax on directory ads. The Oklahoma tax, reaching back several decades, was enacted as a broad tax on newspaper, magazine and broadcast ads, Mr. MacKenzie said, and was scaled back over time to apply only to directories.

He said the YPPA doesn't plan to challenge the Oklahoma tax.

"The New Jersey tax is more challengeable," he said.

Various other industry and media groups have been actively involved with the YPPA in fighting the New Jersey tax, which took effect July 1. Some of them are considered likely to join in the suit.

"I think there's a strong likelihood that we might want to do so," said Hal Shoup, exec VP of the American Association of Advertising Agencies. "Any taxing of advertising at any state—or even local—level is a matter of concern and establishes what we would consider a dangerous precedent.

"We might do it in conjunction with other groups or unilaterally."

When Florida implemented a 5% tax on all local and national advertising in 1987, various ad groups sued. The legal challenges were withdrawn after Gov. Bob Martinez and the state Legislature repealed the tax under considerable pressure from voters and business.

Many of those suits raised questions of whether government can tax commercial speech and whether a state tax on advertising violates the due process and interstate commerce clauses of the Constitution. □

Finding Nielsen glitch

Nets cite sample for disputed ratings shortfall

By Wayne Walley

The Big 3 TV networks believe they've uncovered a major cause of the first-quarter drop in TV use reported by Nielsen Media Research.

Executives at ABC, CBS and NBC said last week an independent, six-month study by the Committee on Nationwide Television Audience Measurement detected "a leading contributor to misreporting" Nielsen data.

"The problem is with a fundamental characteristic of the sample," said Nicholas Schiavone, VP-media and market research for NBC and chairman of Contam, a committee of representatives from the Big 3 and the National Association of Broadcasters. "If a correction had been made, you might not have seen the steep declines.

"This is something Nielsen should have seen. It's an error and a systematic flaw that should have never gone out of whack."

Mr. Schiavone and network executives declined to provide more details but said the study's findings would be made public within two to four weeks.

A Nielsen spokesman said the company couldn't comment until it had reviewed the findings.

Contam's discovery explains the drop in household TV use and provides a "good indication" the same cause affected TV viewing levels of key demographic groups, Mr. Schiavone said.

The unexplained drop in reported TV use during the first quarter and ensuing ratings shortfall forced the networks to give away an estimated $150 million worth of inventory in makegoods to advertisers.

The networks blamed Nielsen, alleging faulty methodology, but offered no evidence to support their claims at the time. Nielsen maintained an internal investigation proved nothing was amiss.

TV use has since returned to expected levels.

The networks and Nielsen are expected to meet sometime in the next two weeks to discuss the Contam findings before Contam shares the results with other Nielsen clients.

The Nielsen response could have a bearing on the future relationship between the ratings company and its key network clients. The networks' contracts with Nielsen expired in September but remain in force until a network either cancels or renews.

Nielsen has already presented the networks with proposals for various improvements to the people-meter system and the costs associated with changes as part of a new contract, but little progress has been made.

"We've been back and forth trying to set up a meeting to pick the elements that make sense and those that don't," said David Poltrack, senior VP-planning and research for CBS.

He said Nielsen's proposals include experimenting with multiple panels and tracking viewing in vacation homes.

Mr. Poltrack said he expects the networks and the ratings company to come to some form of agreement on a new contract soon.

Some network executives privately said they're also disappointed with Nielsen's lack of response to Contam's set of guidelines issued last month (AA, Sept. 24). Those call for a broad-based structure with more resources devoted to measurement and a range of studies that don't require regular measurement but give insights into the dynamics of TV viewing. □

Nissan starts regional plan

By Cleveland Horton

When Nissan Motor Corp. USA begins its 1991 model-year advertising today, it starts an unprecedented experiment in regional marketing.

The estimated $100 million regional budget, previously directed by Nissan headquarters in Carson, Calif., will now be spent at the discretion of the company's 11 regional general managers.

"We've been building [the regional reorganization] for two years," said Brian Barrett, Nissan's national manager-regional marketing. "All eyes of the corporation are on it."

"With this [new arrangement], we'll be able to react much faster and bring more dealer input in," he said.

The first bits of regional advertising will start today, coinciding with Nissan's national ads. For example, Philadelphia dealers will begin with a cross-promotion with Coca-Cola Co.

This new regional approach is central in the effort to turn around Nissan's slumping sales, down 6.4% in the just completed model year. In the first nine months of 1990, Nissan's share (excluding Infiniti) of the 7.2 million-unit U.S. car market dropped to 4.7% from 5.2%. Its share of the slumping 3.6 million-unit light-truck market, however, rose to 3.8% from 3.4%.

But sales are only part of the goal. The region

(Continued on Page 6)

Crowded shelves

Kraft rolls into growing shelf-stable category

By Julie Liesse and Judann Dagnoli

Kraft General Foods is rolling national with shelf-stable entrees, as retailers wonder if the category ever will live up to its potential.

The company has already moved Kraft Microwave Entrees into 17 new markets around the U.S., including Chicago, Pittsburgh and Colorado Springs, Colo.—everywhere but the West Coast and New England.

Kraft General Foods is telling retailers the product will be national early next year, supported with an estimated $20 million campaign.

The product is a reformulated version of Impromptu, introduced in test markets by General Foods USA four years ago. General Foods slowly expanded Impromptu into eight markets, and the new line will be in those markets by Nov. 1, retailers said.

Kraft General Foods executives and agency Grey Advertising, New York, refused to comment.

Kraft Microwave Entrees seem destined to affect Top Shelf, the Geo. A. Hormel & Co. line that pioneered the shelf-stable meals category in 1986.

The category, including tray, tub and pouch-packaged foods, is now at $240 million and could reach $400 million by yearend, said Katherine Roberts, a consultant with researcher Find/SVP.

The new product is packaged in a recyclable tray, which some retailers say will give it an advantage with consumers; Impromptu was in a domed plastic container slipped into a cardboard sleeve.

Priced at $1.99 to $2.69 in varieties very similar to Hormel's product, the Kraft line is already forcing Top Shelf to drop its prices, retailers report. In some markets, including Chicago, retailers are dropping some or all of the 14 Top Shelf varieties to make room for Kraft's products.

"Sure, we're worried, in the sense of maintaining our market position," said Rick Bross, director of marketing for Hormel's prepared foods division. "But we're glad Kraft's coming, because it endorses the concept of shelf-stable meals and should help solidify the concept with the trade and consumers."

Still, he said, with the introduction of Dial Corp.'s Light Balance and now the Kraft entry, "The number of new [products] is outstripping any reasonable activity to keep up in terms of shelf space."

Hormel will break a new Top Shelf TV and print campaign, sans spokesman Dick Cavett, from BBDO Worldwide, Minneapolis, in November, Mr. Bross said. The company last year spent a little more than $10 million on measured media for Top Shelf, according to LNA/Arbitron Multi-Media Service.

"Top Shelf is an important product for Hormel, and I'm sure they'll defend it aggressively," said Timothy Ramey, an analyst with County NatWest Securities USA analyst. "If shelf-stable truly is a no-growth category, Kraft will win a head-to-head battle. But if there's real category growth, I don't see why there

(Continued on Page 55)

Shelf-stable list grows

Researchers estimate the market for shelf-stable meals will hit $400 million by yearend 1990, up from $240 million in 1989. Doesn't include canned foods.

Product	Marketer	Distribution	Annual sales
Top Shelf/MicroCup	Hormel	National	$85M
Chef Boyardee	American Home Foods	National	$46M
Lunch Bucket/Light Balance	Dial	National	$43M
Kraft Microwave Entrees	Kraft General Foods	Rolling national	$7M
My Own Meal	My Own Meals	Mostly national	N/A
Progresso To:Go	Pet	3 test markets	$1M

Source: Advertising Age estimates

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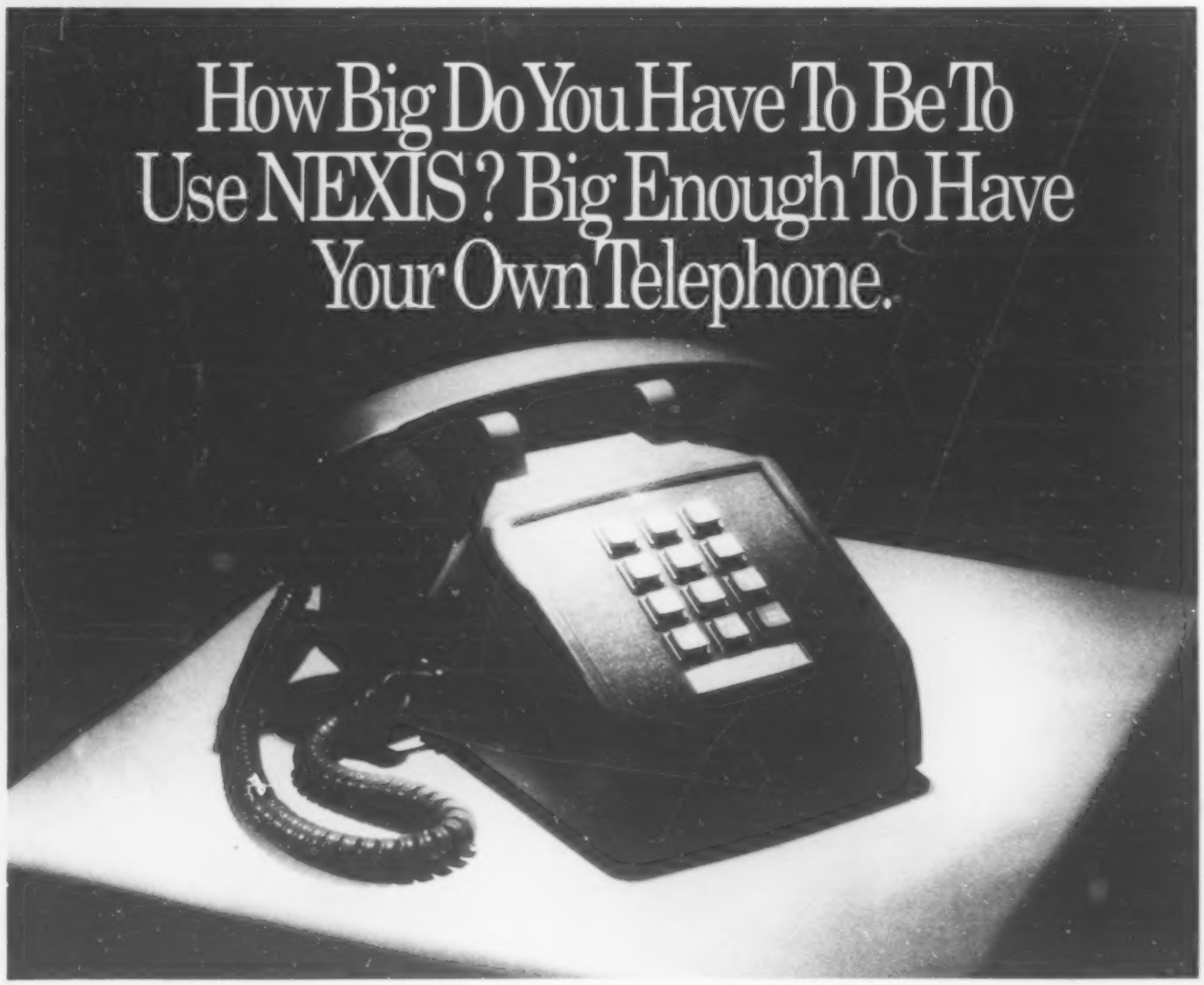

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COMMUNICATIONS MARKETING

900 numbers and Caller ID make for interesting sideshows, but the real war is an unrelenting salvo of ads

Edited by Adrienne Ward

Hello? Is anybody listening?

Astonishing amount of advertising bombards consumers, who don't seem to be responding

By Kate Fitzgerald

The Big 3 long-distance carriers have been going after each other for a year now with all the subtlety of pit bulls wearing pinstripes.

Despite a big increase in ad spending, market share figures indicate they're still getting the same piece of the bone as when their fighting started.

While there's no end in sight to the battle, phone marketers contend that they would like to shift into a softer, less attack-dog tactic.

For now, however, they are going full guns with comparative advertising.

Never before have consumers been bombarded by so many TV campaigns about telephone use, using tactics that range from warmth and humor to seriousness, direct comparisons and downright intimidation.

The result is that advertising spending by the major players in the category—AT&T Co., MCI Communications Corp. and US Sprint Communications Co.—has increased significantly from last year's levels (*see chart at right*).

But the inflated spending hasn't done much to alter the companies' market share. AT&T still controls about 70% of the $55 billion long-distance telephone industry in the U.S., followed by MCI with about 16% share and US Sprint with about 10%, according to sources at the companies.

Analysts say market share hasn't shifted visibly because the long-distance telephone market changes slowly.

Also, the recent brisk pace of counter-advertising by rivals has offset the effects of increased media spending by any single player.

"Since heavier marketing efforts by long-distance phone marketers began, market share data has lagged behind. We have yet to see any major market share shifts," says George Dellinger, a telecommunications analyst with County NatWest USA. "Also, whenever AT&T steps up advertising, MCI and Sprint tend to follow."

Growth in the telecommunications market has come from higher usage of long-distance telephone services by the growing U.S. population, along with increased facsimile transmission over phone lines and an explosion in the number of cellular telephones, Mr. Dellinger says.

"What's happening is that all the players are advertising more in order to keep pace," he says.

That trend has been a boon for ad agencies, which are scrambling to meet the demand for more—and better—advertising.

Although advertising from the top three companies has evolved into a bitter comparative ad war based on rude sniping and put-downs of competitors, marketing and ad directors claim they want to move away from the back-biting.

"You can win the battle by being more creative and by being smarter. The guy with the most guns doesn't always win," says Jorge Rodriguez, VP-advertising and direct marketing at Sprint. "All along Sprint has been willing to 'put it in writing' 30 different ways," he says in reference to the highly effective AT&T campaign that was launched last May via N W Ayer, New York.

Mr. Rodriguez says it was never Sprint's long-term goal to become entangled in a shouting match.

"Responding to AT&T was a short-term plan. All along we had a much bigger idea in mind, and we will continue to take a higher road toward more creative approaches," he says.

To prove the point, on Oct. 8 Sprint broke a new network and national spot TV campaign via J. Walter Thompson USA, San Francisco, that features Candice Bergen and introduces a new theme line, "Sprint has a better way."

According to LNA/Arbitron Multi-Media Service, Sprint spent $29.3 million on long-distance consumer, business and overseas advertising, an increase of 55.9%.

However, Sprint's new campaign still features a direct comparison with AT&T, so clearly the trench warfare among the various telephone marketers is far from over.

While Candice Bergen chimes, "Sprint has a better way," AT&T continues to hammer at consumers to "Get it in writing."

AT&T's attacks on its competitors also continue with fresh executions of the "Get it in writing" effort expected to air by yearend.

Despite this aggressiveness, AT&T says its game plan remains producing "honest, straightforward advertising that entertains," says David Robertson, director of consumer advertising for the No. 1 long-distance marketer.

"We have to stay out in front by concentrating on what our customers are thinking, not on what our competitors are thinking. We're in constant dialogue with consumers in focus groups, and what they say goes directly into our advertising," he says.

For the first half of the year, AT&T spent $146.7 million in nine measured media for long-distance advertising, an increase of 38.9% from the same period in 1989, according to LNA/Arbitron.

Another key factor in AT&T's strategy is its close, long-term relationship with its ad agencies. AT&T's shops include Young & Rubicam, Ogilvy & Mather and McCann-Erickson, all New York, in addition to N W Ayer.

MCI currently is looking for additional ad agency help. In September, the company announced plans to review its estimated $51 million account, currently handled by Wells, Rich, Greene, New York.

Agency sources say MCI is likely to split its account between two agencies to gain more creative leverage, but Judy Ranzer, director of advertising, refuses to comment on the speculation.

MCI's strategy is to woo new customers with advertising that's "warm, human and friendly," she says.

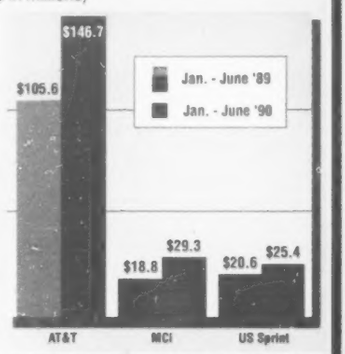
According to LNA/Arbitron, MCI has increased its long-distance ad spending 23.4% to $25.4 million for the first half of the year.

"When your competitors outspend you as massively as AT&T does, you have to be clever in order to break through the clutter of their advertising," Ms. Ranzer says.

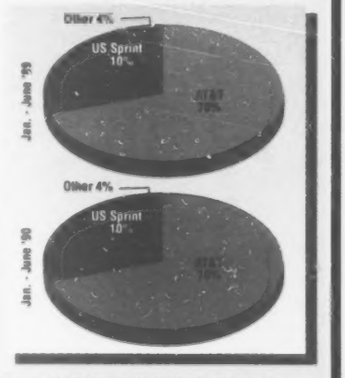
"The response we get to our advertising is very positive—that's why we went from zero in 1980 to an $8 billion company today, and we did that by taking market share from AT&T," she says. "We'll continue to do that." □

Ad dollars soar dramatically...

Long-distance telephone ad spending ($ in millions)



...while market share stays put



Sources: LNA/Arbitron Multi-Media Services for ad spending; industry analysts and company sources for market share.

Note: Long-distance ad figures include consumer, business and overseas; figures for US Sprint include GTE spending.

CYNTHIA WATSON

MEDIAWORKS

SEPTEMBER AD RESULTS

Tobacco ads burn away

By Scott Donaton

September may have marked the beginning of the end of tobacco as a leading ad category in magazines.

Tobacco revenues fell 15.9% to $25.4 million for the month as the category dropped from Publishers Information Bureau's top 10 for the first time in more than 20 years.

Magazine advertising overall continued its downslide. Ad pages fell 4.5% in September, leaving PIB-tracked titles down 3.3% after nine months.

Tobacco finished 11th for the month and after nine months was in eighth place overall with $223.8 million in revenues, a 26.3% decline from the same period last year. The category's September performance seemed to confirm publishers' fears that tobacco spending will continue to decline and permanently disappear from the top 10 in the coming years.

Tobacco rose to be magazines' leading category in the 1970s, as TV advertising was banned. Its recent decline coincides with the nation's growing anti-smoking sentiment and congressional efforts to ban tobacco advertising in all media.

September brought good news from automotive, the current leading category. Automotive revenues rose 30.4% to $68.6 million for the month, the third consecutive monthly gain for the category. The boost left automotive virtually flat after nine months, with revenues up a slight 0.24% to $626.4 million.

The ad page slump continued to take its toll on weeklies. *Business Week* held onto the top spot with 2,845.15 ad pages, down 8.2% from the first three quarters of 1989.

Forbes' ad pages continued to rise, totaling 2,485.10, up 4.8%. *Fortune* was down 9.2% with 2,320.36 ad pages.

Time's ad pages fell 3.1% to 1,793.96 through September. Its sister weeklies, *People* and *Sports Illustrated*, posted declines of 6.3% and 12.7%, respectively. *People* carried 2,494.61 ad pages for the period, while *Sports Illustrated* carried 1,806.71.

Time Warner's monthly *Life* was down 10.8% with 482.34 ad pages. Despite the decline and overall problems weeklies have had this year, Time Warner is moving ahead with plans to test a weekly version of *Life*.

Newsweek, with 1,542.73 ad pages, was down 4.8%. *U.S. News & World Report*, boosted by a strong September performance, was down just 0.5% after nine months, with 1,324.73 ad pages.

TV Guide carried 2,186.78 ad pages through September, down 9.4%. And, after a strong first half, *The New Yorker* saw its pages fall 0.6% to 1,472.83.

The health field, one of the fastest-growing magazine categories of the 1980s, is looking a little pale after the first three quarters of 1990. *American Health's* ad pages dropped 41.3% through September to 327.78. *Health*, with 290.45 ad pages, was down 1.2%, and *Prevention's* 418.34 ad pages were down 10% from the same period last year.

GQ remained the ad page leader in the men's field despite an 11.2% decline to 1,403.82 ad pages. *Esquire*, with 879.72 ad pages, was off 1.5% through September. *Playboy* carried 505.51 ad pages for the period, a 6.6% decline, while *Penthouse*, with 467.95 ad pages, was up a slight 0.3%.

M Inc., the merged *M* and *Manhattan,inc.*, carried 151.67 ad pages in September, up 11.8% from the combined totals of both magazines for the same month last year. In the first nine months, the magazines together carried 620.25 ad pages, down 1.3%.

Not all magazines are singing the blues this year. Titles showing gains include: *The Economist* (1,953.38 ad pages, up 15.3%); *Conde Nast Traveler* (732.07, up 15.1%); *Cooking Light* (295.03, up 14.9%); *The Atlantic* (475.41 ad pages, up 13.3%); *Business Month* (315.37, up 13%); and *Art & Antiques* (553.24 ad pages, up 8%). □

Wayne Walley coordinates MediaWorks.

Magazine ad page leaders

Publishers Information Bureau figures for January-September 1990.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	2,845.15	(8.2)	160,326,035	(5.9)
2	People	2,494.61	(6.3)	235,476,537	2.8
3	Forbes	2,485.10	4.8	108,139,559	11.3
4	Bride's	2,354.94	(0.8)	41,814,684	7.1
5	Fortune	2,320.36	(9.2)	111,347,345	(2.3)
6	TV Guide	2,186.78	(9.4)	236,131,981	(1.3)
7	Vogue	2,159.14	(11.2)	78,218,413	8.6
8	The Economist	1,953.38	15.3	16,995,384	30.1
9	Modern Bride	1,892.42	3.1	30,851,147	8.9
10	Sports Illustrated	1,806.71	(12.7)	227,289,831	(2.3)
11	Time	1,793.96	(3.1)	246,748,515	(1.4)
12	New York Magazine	1,774.58	(14.5)	28,759,371	(9.1)
13	Elle	1,590.63	(0.4)	47,027,305	8.8
14	Cosmopolitan	1,578.02	(8.6)	94,341,991	1.9
15	Newsweek	1,542.73	(4.8)	170,638,646	3.1
16	Entrepreneur	1,504.95	10.2	14,450,795	35.1
17	The New Yorker	1,472.83	(0.6)	37,849,662	12.6
18	GQ	1,403.82	(11.2)	34,220,045	(2.2)
19	Glamour	1,375.27	(6.5)	69,992,476	4.1
20	Rolling Stone	1,351.60	(3.0)	50,458,141	2.7
21	U.S. News & World Report	1,324.73	(0.5)	105,721,620	7.0
22	Architectural Digest	1,306.54	4.2	34,839,841	11.8
23	American Way	1,273.38	(3.6)	17,425,033	19.9
24	Good Housekeeping	1,224.98	6.3	116,537,952	15.2
25	Family Circle	1,218.11	(16.0)	99,365,045	(7.9)
26	Yachting	1,213.78	(3.7)	7,556,145	(1.1)
27	Mademoiselle	1,153.90	(6.9)	37,538,123	2.8
28	Skin Diver	1,118.55	6.2	10,525,439	13.4
29	Sunset	1,084.30	(3.7)	33,383,151	2.2
30	Ladies' Home Journal	1,073.88	(4.4)	77,601,704	6.7
31	Town & Country	1,069.97	(1.5)	25,878,029	11.9
32	Parents	1,016.38	(4.4)	41,415,132	(0.9)
33	Golf Digest	1,006.93	(3.8)	51,566,669	2.3
34	Harper's Bazaar	996.65	(6.6)	26,704,047	2.7
35	Seventeen	994.53	(7.8)	30,016,758	(3.5)
36	Travel & Leisure	990.89	(4.6)	40,843,243	13.2
37	Woman's Day	984.87	(18.2)	71,448,356	(18.7)
38	W	982.55	(10.8)	22,576,102	2.2
39	Texas Monthly	981.32	3.5	11,086,037	6.2
40	Car & Driver	965.70	1.6	36,710,807	(3.8)
41	Vanity Fair	961.08	(1.1)	33,583,749	23.8
42	Self	947.83	(2.7)	35,231,890	15.4
43	Muscle & Fitness	933.76	(19.8)	16,007,466	(10.0)
44	Southern Living	931.58	(7.2)	47,299,388	2.5
45	Better Homes & Gardens	909.92	(11.1)	103,036,505	(5.4)
46	Popular Photography	905.91	18.9	21,706,874	34.2
47	Golf Magazine	900.88	(5.6)	30,184,553	13.7
48	Salt Water Sportsman	889.74	(18.9)	5,708,105	(12.1)
49	Esquire	879.72	(1.5)	27,819,026	8.7
50	Money	876.74	(0.7)	54,487,369	2.2
51	Gourmet	860.29	4.8	23,014,815	15.6
52	Redbook	853.43	(1.7)	54,135,819	2.9
53	San Francisco Focus	841.82	(7.0)	5,573,190	2.6
54	Road & Track	835.57	(8.5)	24,803,091	(13.2)
55	Metropolitan Home	814.83	(7.9)	26,024,789	3.3
56	Bicycling	796.30	(15.9)	11,129,096	(1.0)
57	Country Living	794.82	(2.4)	31,862,048	2.1
58	Inc.	784.24	(5.6)	32,195,102	1.8
59	Ebony	779.07	(10.9)	27,558,738	(1.9)
60	Reader's Digest	775.99	0.5	80,847,777	2.3
61	Jet	769.91	(8.5)	13,024,608	(1.7)
62	Mirabella	751.68	89.0	12,232,695	185.1
63	Financial World	751.32	37.7	17,570,811	65.5
64	Four Wheeler	745.40	(0.4)	5,922,771	7.5
65	Working Woman	735.45	(9.9)	22,983,409	(0.2)
66	Conde Nast Traveler	732.07	15.1	20,531,897	37.5
67	Bon Appetit	728.51	3.5	22,170,955	7.3
68	House & Garden	719.96	9.8	18,067,893	15.4
69	McCall's	705.03	(13.6)	52,256,423	(4.4)
70	Black Enterprise	699.70	1.9	9,340,903	11.7
71	Smithsonian	677.98	(5.7)	29,042,066	(3.5)
72	New Woman	673.09	(10.6)	16,525,812	(5.8)
73	Motor Trend	668.67	(10.0)	24,088,440	0.7
74	Essence	650.10	(2.2)	16,408,547	12.1
75	Delta Sky	630.77	(6.5)	15,730,765	(2.4)
76	M Inc.	620.25	(1.3)	7,466,741	6.1
77	Hot Rod	613.37	(24.6)	14,770,447	(18.2)
78	Entertainment Weekly	611.22	—	12,871,542	—
79	Outdoor Life	605.71	(16.4)	18,689,188	(10.2)
80	Field & Stream	605.17	(15.0)	26,294,304	(13.0)
81	Sports Afield	597.59	4.1	11,668,203	11.7
82	Popular Mechanics	592.28	(14.4)	19,137,941	(12.9)
83	Tennis	577.60	(8.8)	19,609,629	38.4
84	California	559.01	8.9	8,000,574	16.8
85	Popular Science	558.19	(25.5)	15,885,365	(23.4)
86	Art & Antiques	553.24	8.0	3,270,984	20.6
87	Yankee	552.78	3.3	6,642,757	12.4
88	Premiere	548.25	4.7	9,814,997	29.0
89	Working Mother	540.95	(12.5)	12,581,134	3.1
90	Bass Master	539.15	(17.2)	10,738,275	(3.8)
91	Parenting	535.16	20.6	9,393,870	58.7
92	House Beautiful	531.50	(9.1)	19,529,943	(0.3)
93	Southern Accents	524.10	(5.2)	5,236,415	3.8
94	1,001 Home Ideas	518.60	1.0	14,632,588	9.3
95	US	506.94	(4.9)	14,833,950	(5.8)
96	Playboy	505.51	(6.6)	33,807,452	2.3
97	Connoisseur	493.27	(22.1)	8,697,602	(12.4)
98	National Journal	491.83	(6.0)	3,316,125	1.0
99	Food & Wine	487.26	(6.3)	11,568,120	(1.0)
100	Home	483.97	(7.8)	13,371,928	(1.9)

Percent change compares January-September in 1990 with 1989. Source: Publishers Information Bureau

Men's Health®
AMERICA'S FASTEST GROWING HEALTH MAGAZINE
A Rodale Press Publication. Contact Michael Rooney, 708 Third Ave., New York, NY 10017, 212/697-2040.

NBC, shops set Olympian effort

By John McManus

NEW YORK—"The fire behind the flame" umbrella theme for NBC's 1992 Summer Olympics pay-per-view package was created by N W Ayer, but that's just the beginning of agency involvement.

DDB Needham Worldwide, Chicago, will produce the multimedia image and awareness campaign for the package, while Ayer and Della Femina, McNamee will do campaigns for two separate target audiences.

That's not all. Saatchi & Saatchi Advertising's marketing services unit will handle direct response advertising to support Ayer's work, and Communications Diversified will do direct response to support Della Femina's work.

And D'Arcy Masius Benton & Bowles will handle media placement.

Behind this $40 million, 17-month marketing flurry is a $200 million gamble that the shops will create enough sizzle to attract audiences who normally watch the Olympics for free.

In fact, some coverage will still be free. NBC plans to broadcast 160 hours of free programming from the Games in Barcelona, more than ever before.

But the pay-per-view package, tentatively dubbed the "NBC Olympics Triplecast," offers cable subscribers a three-channel special of 600 more hours of live and taped coverage for $149.95.

"The Olympic spirit is the brand," said Marty Lafferty, NBC's VP-Pay-Per-View Olympics. "We're literally selling the Olympics as a brand. . . . We're thinking of it in terms of what intensification of the attractiveness of the Olympics experience is needed to get you to act."

Mr. Lafferty and two other NBC executives will be responsible for coordinating the agencies' efforts.

NBC's agency lineup for Olympics pay-per-view

- **DDB Needham Worldwide**
  Image awareness campaign
- **N W Ayer**
  Holiday gift-giving "Emotional" campaign
- **Saatchi & Saatchi Marketing Services**
  Direct response on holiday gift campaign
- **Della Femina, McNamee**
  Sports fan campaign
- **Communications Diversified**
  Direct response on sports fan campaign
- **D'Arcy Masius Benton & Bowles**
  Media placement

NBC paid $401 million for broadcast and cable TV rights for the Games. Of that amount, $100 million was allocated for pay-per-view rights, Mr. Lafferty said. The pay-per-view package's total cost will be about $200 million, he said.

"We'd be happy to break even on this one," Mr. Lafferty said.

First, NBC must woo cable operators to clear channel space for the two-week event. One top 10 operator, Cablevision, is a shoo-in, since the company is a partner in the venture with NBC.

NBC hopes to attract 2.5 million viewers and has segmented potential subscribers into two groups.

Ayer and Saatchi are targeting a broad-based segment for whom NBC says the Olympics hold a deep-rooted emotional appeal. Ads will promote buying the package as a holiday gift.

Sports enthusiasts will be targeted by Della Femina and Communications Diversified.

All the agencies will split $40 million allocated for mark ing costs on a fee basis, and si the event is a one-shot campai the shops consider the assignm a no-lose situation.

Still, some TV and agency ex utives say the multiagency proach could wind up in turf w and confusion.

Officially, at least, the shops volved see no problems w crossed signals or overzeal egos.

"No one's pretending that is a common relationship," s Joe Aniello, a management sup visor at Saatchi. "To get int power struggle among oursel could impact the potential pay-per-view as a business yond the NBC event.

"But if we pull it off as a te we would be viewed in the ind try as the team of agencies made this unique thing work. A the business returns into the ture could be tremendous." □

Sprint splits in double-header with NAD

By Janice Kelly

NEW YORK—US Sprint won one and lost one in separate actions before the National Advertising Division last month.

In its September report, the self-regulatory arm of the Council of Better Business Bureaus took issue with a direct mail promotion for Sprint Dial "1" basic rates and Sprint Plus discount rates, but found the long-distance service had substantiated ad claims for its Foncard service.

Sprint's direct mail and airline-ticket folder promotions, created by Devon Direct Marketing & Advertising, Malvern, Pa., were challenged by AT&T Co. for stating, "When you come over to US Sprint Dial '1' service, you'll save on every call over AT&T," and for claiming Sprint offered "Savings around the clock over AT&T's card."

Sprint conceded not every call produced savings. NAD required the "savings on every call" claim be limited to comparing Sprint's basic rates with AT&T's basic interstate service.

NAD also noted that the "save around the clock" claim referred to discounts and recommended future ads make this clear. It also asked that future comparative savings claims between Sprint Plus and AT&T basic service identify clearly just which users will benefit from Sprint Plus.

Sprint agreed to make the recommended clarifications.

In another case brought after a consumer complaint to the Better Business Bureau in Phoenix, Ariz., NAD said Sprint had substantiated a revised Foncard ad claim in a direct mailing that offered new customers "30 free minutes of Foncard long distance."

Sprint revised its Foncard application form before the original ad was challenged.

Other ad claims discontinued or modified:

Denny's (Flintstones Fun Meals premium; D'Arcy Masius Benton & Bowles): NAD's Children's Advertising Review Unit questioned a TV spot that showed Flintstones minicars as a premium toy offered with Denny's Flintstones Fun Meals. CARU said the commercial focused on the premium because it didn't show the meals. Denny's disagreed, saying the premium wasn't shown until the last frame. Although the spot was no longer in use, Denny's agreed to include a product shot in future similar spots.

Topps Co. (baseball cards; Tarlow Advertising): Leaf Inc., marketer of Donruss baseball cards, challenged a Topps TV spot that claimed, "The two Topps baseball cards I bought for 6¢ are already worth $3" and "Topps . . . preferred by professional baseball card collectors . . . and professional kids." Leaf questioned the preference claims.

NAD ruled that Topps' research didn't support the preference claim for professional card collectors and suggested a different wording for children's survey results. Topps agreed to reword future ads to specify more children card buyers prefer Topps "over any other brand." It also agreed not to say professional collectors "preferred" Topps cards. The value increase claims were substantiated.

Lever Bros. (Sunlight dishwashing detergent; BBDO Worldwide): Colgate-Palmolive Co. challenged several magazine ads, TV spots and free standing inserts claiming, "Sunlight, the only brand with real lemon juice." Colgate claimed some Sunlight dishwashing detergents contain little or no lemon juice.

NAD concluded Lever's data substantiated the "real lemon juice" claim in automatic dishwashing powder and hand dishwashing liquid ads but not for the automatic dishwashing liquid ads. Lever said it will delete the lemon juice claim in future automatic dishwashing liquid advertising and packaging.

Kellogg Co. (Frosted Flakes cereal; Leo Burnett USA, Chicago): CARU criticized a TV spot entitled "Kickball." The commercial implied a boy who had been rejected was later accepted on a kickball team after eating Frosted Flakes. Kellogg disagreed, claiming Tony the Tiger inspired the boy to do his best and he was accepted solely for his ability.

But Kellogg told CARU the TV spot had completed its flight and the marketer doesn't intend to run it again.

American Airlines (non-stop serv to Hong Kong; Bozell): United Airli challenged newspaper, trade magaz and direct mail ads that claim "American Airlines to Hong Kong the only non-stop from Los Angel and "You'll fly to Hong Kong on a operated by Cathay Pacific Airways

NAD was concerned the ads m tioned Cathay Pacific only once, some claims might imply the non-s Hong Kong service was exclusive American Airlines. In future a American said it would take into c sideration NAD's concerns over placement of Cathay Pacific in b copy, and over clarifying the relati ship with Cathay Pacific.

Adolph Coors Co. (Coors beer; Fo Cone & Belding, Chicago): Anheus Busch Cos. challenged claims in ne paper, radio and TV ads that Coor made entirely from Rocky Mount spring water. NAD noted that so Coors beer is sent to Virginia to blended with local water, and rec mended the claim be revised. Coors agreed but agreed to review the c mercial with a view to modification.

SmithKline Beecham Consur Brands (Ecotrin coated aspirin; house, consumer-directed; Lave Wolff/Swift, New York, professio directed): Sterling Drug challenged s eral FSIs promoting the value of Eco for relief of arthritis pain with claim: "Better than Bayer because E trin is safety-coated to protect aga stomach upset, irritation and damag

Other ads in professional journals w headlined: " . . . more cardiologists, w concerned about aspirin irritation, r ommend Ecotrin over Bayer aspir NAD recommended the comparat claims be modified since side-by-s clinical testing hadn't been provided the stomach upset claim and because cardiologist survey was interpreted broadly in the headline. SmithKline d greed, but agreed to clarify the pro sional journal ad if it's used again. company said it had already told Ster it would modify Bayer references.

Claims substantiated:

North American Philips Co (Norelco 950 RX men's electric raz D'Arcy Masius Benton & Bowl Challenged by the Metropolitan Ho ton Better Business Bureau for a spot depicting the action of the raz lift and cut system, Philips was abl substantiate the illustration.

Glidden Co. (paint; Meldrum & Fe smith, Cleveland): Sherwin-Willia Co. challenged and NAD substantia Glidden's claim: "Over the past years, more people have switched Glidden than any other paint." □

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Entrees

(Continued from Page 20)

couldn't be two national players."

Although Kraft General Foods had been marketing Impromptu Lite, a low-calorie, low-sodium and low-cholesterol version, in some test markets, it's believed the Kraft Microwave Entrees rollout won't feature a light variety initially.

The new line has nine varieties, mostly mainstream items such as lasagna and salisbury steak.

Kraft General Foods wouldn't discuss ad plans, but it's believed the company will stick close to its test-market campaign for Impromptu. That campaign, showing a woman popping the dinner into a microwave oven, was tagged "The simple solution."

The company also is said to be planning local promotions such as the one it began in Phoenix, Ariz., last February.

That effort offered local retailer tie-ins, live commercials broadcast from stores, sampling events and a "Mystery Shopper" contest.

Kraft General Foods spent about $1.7 million in measured media on the product last year, LNA/Arbitron reported. □

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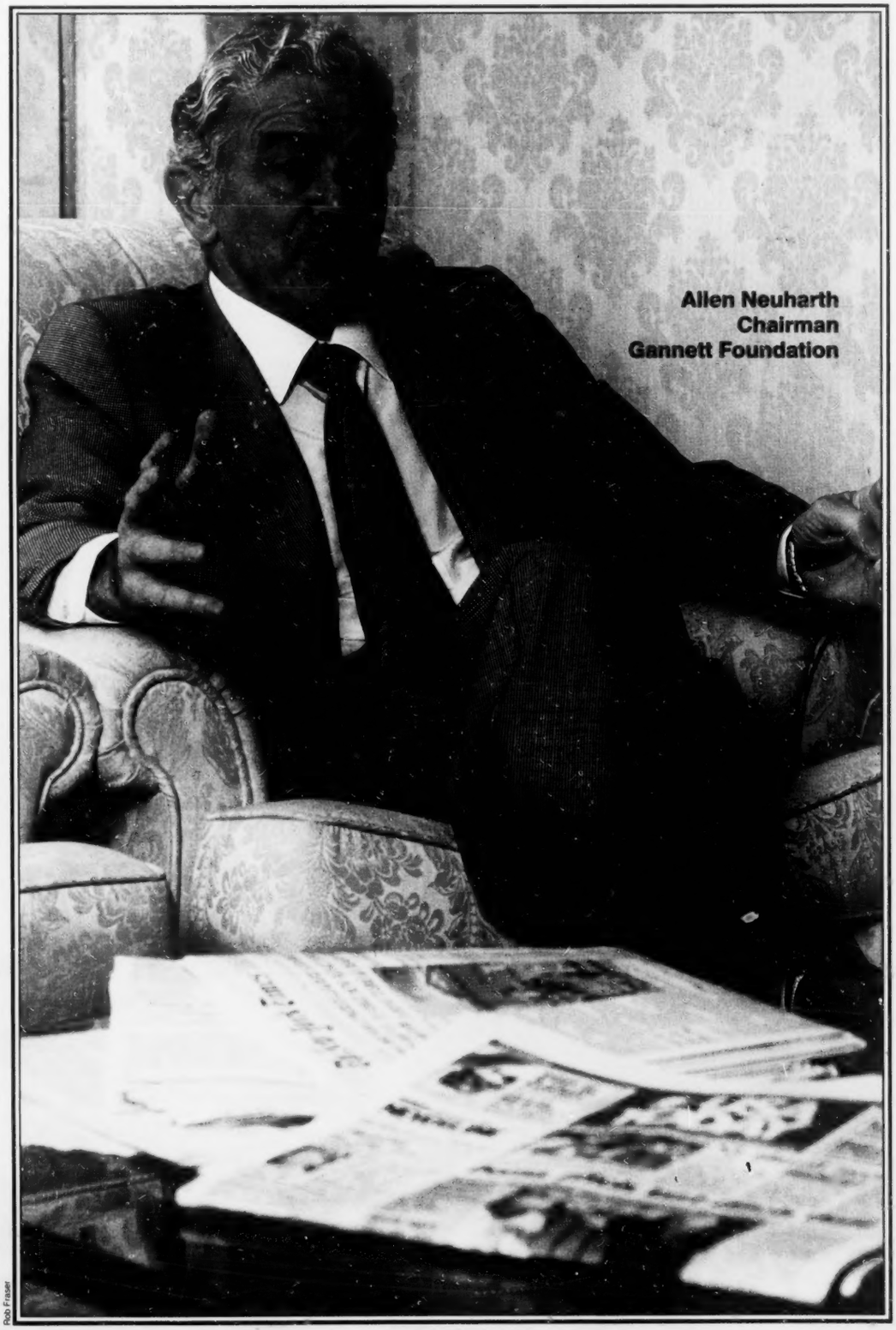
Ad slump is temporary—Neuharth



Allen Neuharth
Chairman
Gannett Foundation

Rob Fraser

Bright spots are in Europe, Asia; 'I plead guilty to going first class'

ONE ON ONE

Allen Neuharth stepped down as chairman of Gannett Co. 18 months ago, ending a 26-year career at the company that owned 16 newspapers when he arrived, 87 when he retired. Since then, he's served as chairman of the Gannett Foundation, a charitable organization that serves journalism education.

He's also authored a best-selling autobiography, "Confessions of an S.O.B."

Mr. Neuharth, 66, recently talked to Advertising Age *Washington Bureau Chief Steven W. Colford about the state of the print media.*

Advertising Age: *What do you make of the shakeout in publishing, especially magazines?*

Mr. Neuharth: Magazines can get hot quickly on hype and stay hot for a while, but they cool off unless they develop a reader loyalty. And I think it takes five to 10 years for print products to develop a reader loyalty where you can say the franchise is no longer fragile.

If during that period of fragility you run into economic problems, then you are more likely to go belly up than if you

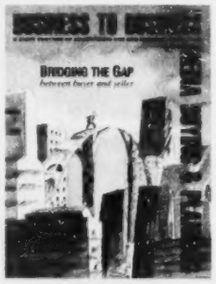
(Continued on Page 66)

INSIDE

Ad Age goes to Moscow—Page 3

NEWS SUMMARY

- **Time Warner** and Chrysler are near a deal on a $40 million to $50 million two-year cross-media package. 1
- **Tax deductibility** for advertising remains an issue, despite its escape from the latest tax package. 1
- **Brand-building** advertising is the best defense against economic uncertainties, the Association of National Advertisers annual meeting was told. 1, 52
- **Wilkinson Sword USA** will support two line extensions of its Ultra Glide shaving system with comparative ads vs. Gillette and Bic products. 3
- **NBC** is reported close to signing $40 million-plus deals with Coca-Cola and General Motors for commercials on telecasts of the 1992 Summer Olypics. 3
- **Holiday season movies** will be plentiful this year, but there are fewer cross-promotions planned. 3
- **Eurocom,** the Paris-based agency group, fired its No. 2 executive and affirmed plans for U.S. expansion. 4
- **Advo-System** will launch a major experiment in private house-to-house delivery of promotional material. 4
- **Glenbrook Laboratories** is introducing Dairy Ease, an over-the-counter tablet for people allergic to dairy foods. 10
- **Cabbage Patch Kids** sales are on the upswing as Hasbro resumes advertising for the doll line. 10
- **Procter & Gamble** has a new unit to handle regulatory approval for new drugs, cosmetics and foods. 16
- **Maybelline** named Lintas:New York to succeed DDB Needham Worldwide on its $35 million account. 20
- **American Suzuki's** Sidekick sports utility vehicle will get network TV exposure in ads breaking in November. 54
- **Adam Aron,** new senior VP-marketing at United Airlines, plans to position United as a global carrier. 64
- **Association of National Advertisers** will file a brief in support of CPC International, facing RICO anti-racketeering charges tied to false-advertising complaints. 65
- **The U.S. Senate** has passed a bill that expands food nutritional labeling requirements and establishes federal preemption over the states in food labeling regulation. 67



- **Business to Business:** Exclusive *Ad Age/Business Marketing* special issue shows business budgets tightening and tensions rising between media buyer and seller. We also interview the most important media buyers in 14 key business-to-business categories, revealing the issues and trends in buying business media.

Starts after Page **28**

DEPARTMENTS

Ad Review	68	Forum	29
James Brady	34	Index to Advertisers	68
Brady's Bunch	44	International News	40
Joe Cappo	34	Letters	30
Classifieds	56	Marketing to Hispanics	41
Con-Sid-erations	24	MediaWorks	37
Consumer Linage	36	People Moving	48
Corrections & Clarifications	30	PeopleWorks	44
Editorials	24	Photo Review	46
For the Record	61	The Next Trend	34

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L.A. Gear looking

No. 3 shoe marketer seeks agency

By Marcy Magiera

L.A. Gear, once adamantly opposed to hiring an outside agency to create its ads, is now talking to agencies about the creative portion of its $68 million advertising and promotion account.

Agencies believed to have been approached are BBDO Worldwide, Los Angeles; Chiat/Day/Mojo, Venice, Calif; and Goldberg Moser O'Neill and Goodby, Berlin & Silverstein, both San Francisco.

Hiring an agency would seem out of character for L.A. Gear's flamboyant co-founder and Exec VP Sandy Saemann. Mr. Saemann has single-handedly directed L.A. Gear's marketing functions, serving as copywriter and creative director for the company's ads and director for its TV commercials since it was founded in 1983.

But Mr. Saemann's hold on L.A. Gear's marketing may be relaxing. To pull together L.A. Gear's loose-knit marketing department, Mr. Saemann earlier this month hired Michael Albright, 34, as creative director.

Last month, he named Gary Patrick VP-advertising and promotion. Mr. Patrick was formerly senior VP-management representative at Vitt Media, L.A. Gear's media buying service.

Mr. Albright, who still holds a principal position in Los Angeles creative boutique Albright/-Labhart, is heading L.A. Gear's search for an advertising agency. He was in Utah last week shooting TV commercials featuring Utah Jazz basketball player Karl Malone for L.A. Gear's new Catapult shoe.

S. Saemann

L.A. Gear executives refused to comment. Watts & Sedler, Los Angeles, is acting as a consultant in the review.

The No. 3 athletic shoe marketer behind Nike and Reebok, L.A. Gear has taken a beating on Wall Street because sales are up but earnings are down.

L.A. Gear's sales for the first three quarters of fiscal 1990 rose 58% to $712 million, vs. the same period a year earlier, and the company increased its share of the $5 billion branded athletic shoe market to 13% to 15%, from 11% at the end of 1989.

But L.A. Gear has sacrificed profit for volume. Earnings for the first three quarters of 1990 dropped 11.5% to $38.4 million.

Company sources say Mr. Saemann is looking for an agency with the creative firepower to compete with No. 1 Nike's ads from Wieden & Kennedy, Portland, Ore., and large enough to lend L.A. Gear some credibility on Wall Street.

L.A. Gear flirted with an agency once before. The company in 1986 hired Ogilvy & Mather, Los Angeles, but Mr. Saemann severed that relationship after several weeks.

Meanwhile, L.A. Gear's relationship with Vitt also may be subject to change. Mr. Patrick, said in an earlier interview that he plans to review L.A. Gear's media buying and its international account (AA, Sept. 10).

Saatchi & Saatchi DFS/Pacific, Torrance, Calif., handles L.A. Gear's estimated $7 million international account. □

Cleveland Horton contributed to this story.

'Men's Life' stops

By Scott Donaton

Murdoch Magazines has suspended publication of its much-hyped *Men's Life* after publishing just one issue.

Leslie Hinton, president of the News Corp. division, said in a statement issued late last week that reader response to the first issue was "very encouraging." But, he said, "it will take time to build the necessary circulation and advertising, and it is too costly to go ahead in the present economic environment."

Men's Life Publisher Leo Scullin said the magazine's staff of about 10 full-time employees, "received their two weeks' notice" last week. He said that he and Publication Director-Editor in Chief Barry Golson signed one-year contracts last March and plan to "stay around and see what we can do."

"We needed to invest heavily in [*Men's Life*] to make it go, but the economy is not on our side," Mr. Scullin said. "From the day we opened our doors, it just never got better."

A publishing industry source estimates Murdoch Magazines spent $7 million to $10 million on the magazine.

Messrs. Scullin and Hinton said Murdoch Magazines plans to relaunch *Men's Life* when the economy rebounds but declined to speculate on the timing.

Men's Life is the second casualty in the months-old men's magazine war. *Men*, a magazine being developed by *Cook's* founder Christopher Kimball, was sold and folded into Owen Lipstein's *Smart* in September before it ever published an issue.

Rupert Murdoch's highly leveraged media empire has been under growing pressure in recent months to reduce its debt burden, estimated at more than $8 billion. Murdoch Magazines this year already pulled the plug on a planned video system for beauty salons and *Eyewitness*, a weekly magazine being developed by former *US* and *Self* Editor Anthea Disney.

Despite "very encouraging" reader response, *Men's Life* ceased publication last week after only one issue.

Rumors making the rounds in the publishing industry in recent weeks had Murdoch shopping its monthly *Premiere* and pulling the plug on *Men's Life*. Company executives have denied *Premiere* is on the selling block.

Men's Life's first and only issue, dated October/November, earned decent reviews from media buyers and publishing industry observers, who seemed surprised by its early demise.

"That probably says more about News Corp. than it says about *Men's Life*," said Daniel McNamee, president of McNamee Consulting, who said he thought the first issue was "terrific."

"Everybody's been talking about the fact that News Corp. is under debt pressure, and I guess they're just not in a position to invest in a new venture," he said. "Start-ups require a lot of money."

Men's Life was the brainchild of Mr. Golson, who developed the magazine—aimed at the "upper end of the baby-boom generation"—while executive editor of *Playboy*. After Playboy Enterprises decided against launching it, he sold the idea to Murdoch Magazines earlier this year.

Mr. Scullin, former senior VP-director of print relations for Young & Rubicam, New York, said he was happy with the results of the first issue, which he said sold 250,000 newsstand copies after six weeks on the racks and attracted more than 10,000 subscribers. The magazine's rate base was 250,000.

But *Men's Life* failed to excite advertisers. The first issue carried a little less than 30 ad pages and the second issue, which closed to advertisers earlier this month, sold a little more than 30 ad pages, Mr. Scullin said.

He said earlier plans called for the magazine, launched as a quarterly, to be published monthly next year.

Men's Life was one of a slew of new men's magazines launched this year. The others include Conde Nast Publications' revamped monthly *Details; M Inc.*, a monthly produced by the merger of Capital Cities/ABC's *M* and *Manhattan,inc.*; and *Forbes FYI*, a quarterly lifestyle spinoff of the business magazine.

In addition, *Smart* will be relaunched in January as *Smart for Men*, published 10 times a year. Jann Wenner's Straight Arrow Publications is planning an as-yet-untitled men's magazine for a fall 1991 launch. □

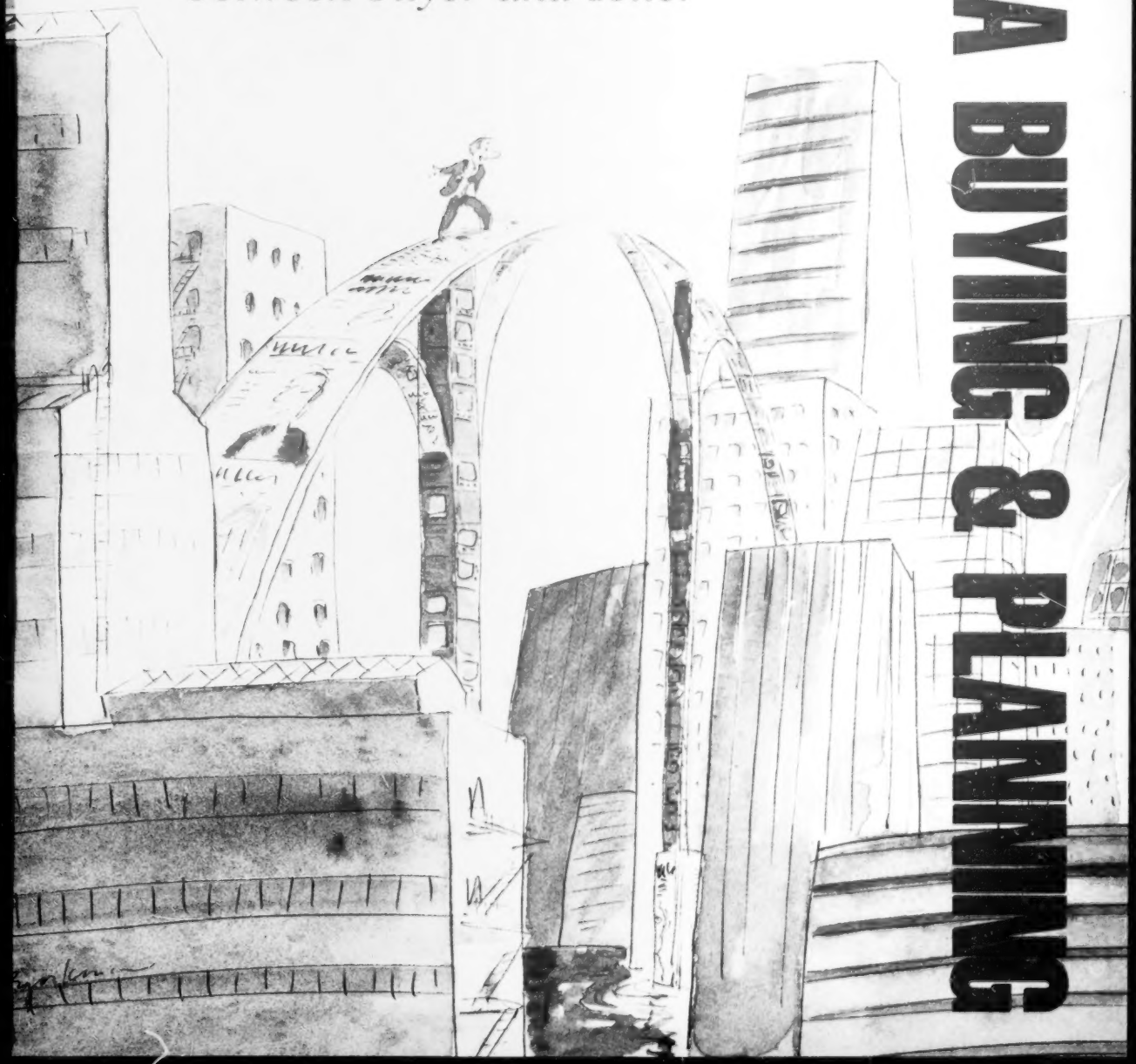
FALL 1990

BUSINESS TO BUSINESS

A JOINT VENTURE OF ADVERTISING AGE AND BUSINESS MARKETING

BRIDGING THE GAP

between buyer and seller



MEDIA BUYING & PLANNING

Buyers explore growing cornucopia of options

Marketing dollars 'shifting dramatically out of traditional media to everything from trade shows to event sponsorship'

By Kathy Martin

Business-to-business advertisers aren't putting all their budgets in one basket these days.

Having historically clustered advertising in specialized business publications, advertisers are starting to split up the pile and move it to—for them—new media and marketing options.

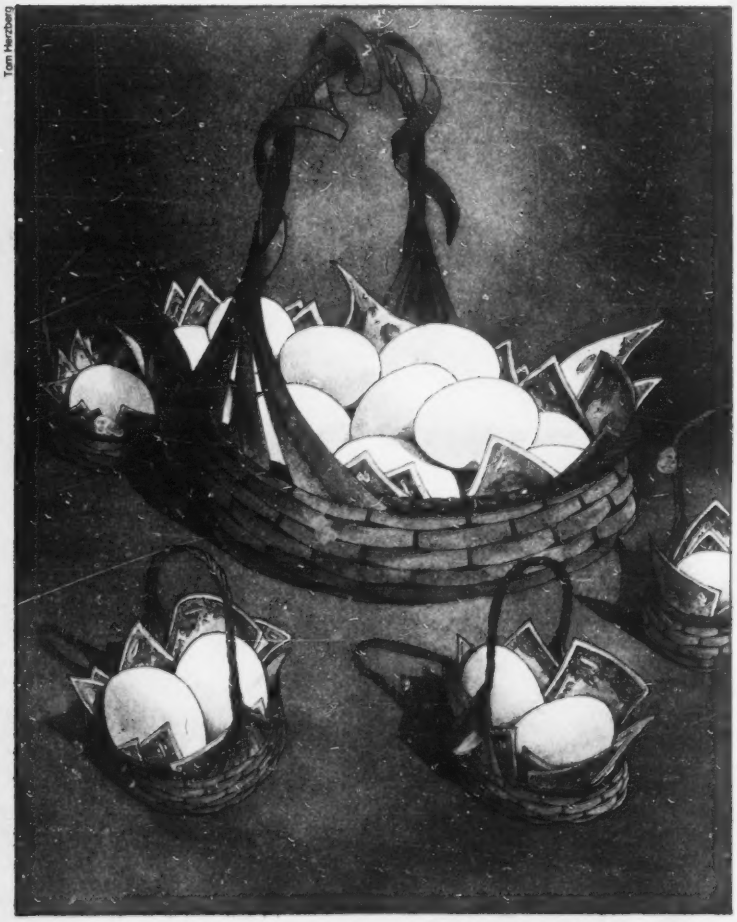
Every medium has its place, and the effective marketer uses all of them, says Kirk Jewett, VP-advertising at Pitney Bowes.

Many media sellers maintain advertisers are scaling back their ad efforts. The Beta Research survey shows that isn't the case.

"Budgets as percentage of sales aren't really declining at all," says Elizabeth McMahon, manager-cor-

(Continued on Page 6)

Tom Herzberg



A letter to our readers

You are reading an historical document.

For the first time *Advertising Age* and *Business Marketing*, both owned by Crain Communications, have joined forces to cover a critical topic: business-to-business media buying and selling.

We feel the subject has been given too little attention for a marketing discipline that accounts for well over $4 billion in advertising revenue.

There have never been more challenges to business media; never more confusion in the relationship between business media buyer and seller; never more uncertainty over the direction of business-to-business budgets.

To get at the root of the shifts in business media and budgets, *Advertising Age* and *Business Marketing* commissioned Beta Research, New York, to conduct a geographically dispersed, random-sample telephone survey of 100 advertisers, 101 agency media directors and 75 media sellers.

The survey found the rules are changing.

Media sellers, insisting business-to-business budgets are declining, will be surprised to find the dollars aren't drying up but shifting to a wider array of business marketing options.

The survey also found the tenuous relationship between buyer and seller is in perhaps its most critical phase.

We feel the survey is the most up-to-date, complete look at the critical issues affecting business media buying.

—The Editors

Inside

Power buyers: What buyers want from media **6, 18, 22, 24, 28, 32**

A new page: Ad pages sag as face-to-face becomes key **8**

Just the ticket: Buyers fight agency disinterest **12**

Three-headed monster: Charges of high turnover, fewer sales calls, uneducated staff rise **14**

Losing the numbers game: Buyers call for unbiased data—and find little **32**

Cover illustration by Steve Bjorkman

Power buyers

How the execs who sign the checks make the hard choices

Media buyers expect more for their money, and it shows.

To show how belt-tightening is affecting media planning, *Advertising Age* and *Business Marketing* went to media buyers and asked what effect the current environment is having on their jobs, spending plans and media expectations.

The Power Buyers were selected by contacting the leading business publication in each of 14 categories and asking them to identify their leading advertiser. Alicia Lasek, a frequent contributor to *Advertising Age*, then tracked down the person most responsible for overseeing each advertiser's budget.

Crittendon

Clark

McIntosh

Robert Crittendon, communications director, Beckman Instruments

A continuing slowdown in the laboratory systems industry is prodding Mr. Crittendon to tread carefully with his media plans. "Some books are down 100 pages, and with the dilemma of advertising costs going up and possibly postal rates, I would predict a cautious 1991," he says.

Beckman Instruments is adding corporate image advertising to its media schedule to make up for a lack of new product introductions this year, Mr. Crittendon says.

But one result of the slowdown may be positive in terms of helping deliver a better ad prospect.

"In the past, publications justified their continuing rate increases with boosted circulation. Now it looks like there is a reduced focus on the extraneous audience and increased focus on the core with some of the publications," he says.

Kelly Clark, media supervisor, J. Walter Thompson USA, New York, for client *The Wall Street Journal*

J. Walter Thompson USA is looking to non-traditional media vehicles to target junior-level media buyers, says Mr. Clark.

"Our primary concern is changing attitudes in the younger media planning community. We've evaluated some non-traditional media vehicles . . . like transit advertising and telephone kiosks," he says.

"Certainly there's going to be a significant amount of waste [in consumer vehicles], but if you're reaching a more attentive group of people in an environment where they're going to notice your ad, it's certainly worth considering."

Anne McIntosh, marketing communications supervisor, E.I. du Pont de Nemours & Co., for its textile fibers department

"We don't just run ads. We have a communications program.

"We look to the [business media] to work with a group of products at Du Pont, not just one product. In home furnishings, there are four publications dealing with the textile end of it, and then a handful on the furnishings side. It's rather close.

"We don't just buy on price, but if the price isn't competitive, we're certainly going to look twice."

Such placement strategy doesn't stem from a tight budget, Ms. McIntosh comments.

"It's a question of expanding our market base every year. And the dollars can't all go to the same place they were going the previous year, and [they can't] go to all the new places. It's a question of being really efficient." □

(Continued from Page 3)

porate marketing communications at 3M.

A Beta Research survey commissioned by *Advertising Age* and *Business Marketing* confirms Ms. McMahon's suspicions. The survey shows 40% of clients' 1990 business-to-business budgets will be greater than 1989's budgets; 39% say this year's spending will mirror 1989's. More than 42% of agency media directors say their shop's business-to-business billings will be up, while 40.6% say they'll be the same as last year's.

Ms. McMahon says marketing dollars aren't diminishing, "they're shifting dramatically out of traditional media into everything from trade shows to event sponsorship to new packaging."

Westinghouse Electric Corp. is one of the companies leading the way into print alternatives.

"We made that switch into non-advertising space because we saw more value in the short-term returns for our dollars," says Bob Fayfich, director-corporate internal communications at Westinghouse. Mr. Fayfich says more than 60% of his budget now goes to non-media activities.

"It's not that print media were the least effective. But the correlation between the money spent and the results received was more difficult to draw with print than with direct response and sales support," he says.

Mr. Fayfich ranks marketing effectiveness in terms of how often a media or marketing strategy allows him to meet customers face to face. As such, salesmen and sales support are at the top of his list, followed by direct response because of its specific targeting capabilities.

"Anytime I can get to my customer one on one—that's my top priority," he says.

Mr. Fayfich says media clutter is becoming a factor in a lot of fields and is working against this objective. "[Clutter] is a weakness in the trade press in general," he says.

John Casteel, manager of marketing communications at Dow Corning Corp., says people are turning less to print media. "The industry is getting less of the information they use from reading nowadays—there's television, broadcast, more face-to-face contact," he says. (An Association of Business Publishers survey challenges Mr. Casteel's contention; *see story on Page 8.*)

Non-print marketing tactics have

(Continued on Page 8)

Publishers on a new page

As ad pages sag, events such as trade shows grow popular

By Sarah Polster

What's the difference if you're robbing Peter and paying Paul?" asks John Emery, president of the Association of Business Publishers.

Nothing is wrong with it, say more specialized trade publishers. Anxious to keep ad revenues in their companies rather than see them shift to other media and marketing options, publishing companies are broadening their base of options to meet advertisers' desire to get closer to the customer.

"If we can't sell as many display pages, we don't go home," says Terry McDermott, president of Cahners Publishing Co. "We think of new reasons to participate in the client's mix." In 1985, display ad pages accounted for about 90% of Cahners' revenue. By 1991, he expects it will be 75%.

Publishers agree diversification is imperative.

Bob Burton, president of Capital Cities/ABC's publishing division, says the tight economy is leaving only enough dollars to support the top books in specific niches.

"So while we sell advertising, we're also going to be selling the whole value-added concept, research and trade shows for example," he says.

The trade show/magazine combination has gained publishers' greatest attention.

ABC's trade show involvement has grown from one or two shows in the early '80s to acquiring an exhibition management company in 1986. Since then, it has added four other shows. "It's an area we're very committed to," Mr. Burton says.

At Gralla Publications, President Bob Bouchette earlier this year combined the display ad sell with trade show booth space for two new publications, *Action Sports Retailer* and *Outdoor Retailer*.

The interest in trade show activity is not surprising. More than 9,800 business publication subscribers responding to an ABP survey said specialized business publications were their primary source of information on products or services they purchase or specify. Trade shows came in second, followed by sales staffs, conventions and seminars, direct mail, directories and reference books, and general business publications and newspapers.

"Most publishers can be active in five of the top six sources and can offer packages of clients' most preferred ways," says Mr. Emery.

President Gerry Hobbs redefined BPI Communication's mission to accommodate non-magazine ventures. "We say the business is communicating specialized information. The mode of delivery for that information is not critical to our purpose."

Trade shows are no panacea, however, he says, adding the cost of producing them and companies' restricting travel budgets argues against relying on them as the answer to revenue problems.

"The publications still represent the lion's share of our business, but the greatest growth prospects are in research and information," he says. "People are willing to pay a higher rate for that information." □

(Continued from Page 6)

"added a dynamic to business-to-business marketing," says Ms. McMahon, "and the dollars have to come from somewhere to fund this."

The assumption is they're coming from specialized business print.

John Emery, ABP president, says specialized business publications' 1990 revenues will increase 4% to 5% over the $4.23 billion he estimates was spent in 4,200 trade books last year. However, ad pages will drop about 2%, he predicts.

The long-term view espoused by buyers indicates a still-dominant, though smaller, role for traditional trade media. Increasingly, advertisers appear to be looking for more direct contact with prospects following smaller initial print efforts.

"We can do some advertising to introduce or predispose customers to a certain line, then go in with a targeted one-on-one selling opportunity like direct response or a trade show," Ms. McMahon says. "It's a better way to use our dollars."

Harry Davis, director of communications at E.I. du Pont de Nemours & Co. and chairman of the Association of National Advertisers business-to-business committee, says there's no simple answer where media dollars are being redirected.

"Marketing dynamics are producing all these buzz words: focusing, targeting, segmentation," he says. "I suppose this has led in some degree to redirecting dollars to direct marketing . . . rather than advertising in an umbrella fashion."

Not surprisingly, every group surveyed by Beta Research for *Ad Age* and *Business Marketing* agrees an increase in product sales is the most important indication of business-to-business advertising effectiveness.

But the next most important factors were positive feedback from sales forces and customer direct re-

Sweet expectations

■ *Beta Research asked business-to-business media sellers whether final 1990 ad revenues would be greater than, less than or mirror 1989 figures. Percentage responding accordingly listed below.*

Increase	73.3%
Decrease	9.3%
Remain the same	17.3%

■ *The same question was asked of clients' business-to-business ad budgets . . .*

Increase	40.0%
Decrease	21.0%
Remain the same	39.0%

. . . and of agencies' business-to-business media billings . . .

Increase	42.0%
Decrease	14.9%
Remain the same	43.6%

■ *Those who were expecting a drop in revenues, budgets or billings were then asked whether this was because of an over-all reduction in business-to-business budgets or a shift to other non-business-to-business marketing activities. The following percentage of each group say the drop results from budget reductions.*

Clients	90.5%
Media directors	46.7%
Media sellers	71.4%

Source: Beta Research

Direct-response and specialized books leave the field in the dust

The battle for a greater share of business-to-business media budgets is narrowing into a two-horse race between specialized trade publications and direct-response media.

Of those clients responding to the Beta Research survey for *Advertising Age* and *Business Marketing*, 24% say by yearend specialized trade magazines will be given a greater percentage of their company's 1990 business-to-business budget. Direct-response activities will receive a greater share of the budget at 18% of client companies.

There's bad news for every other medium, however.

Regional business publications will grab a bigger budgetary share at only 3% of client companies surveyed; local newspapers and general business magazines will command more dollars as a percentage of total budget at only 2% of the companies.

Agency media directors in the survey show a bit more variety in moving their dollars around among the various options, primarily to the benefit of regional business publications.

Although specialized business publications will account for a greater percentage of billings at 21.7% of the agencies surveyed, regional business publications place a close second.

Regional business publications will generate a bigger share of billings at 19.8% of agencies surveyed.

Direct-response activities will be a bigger factor at 13.9% of agencies surveyed, while local newspapers will move ahead at 11.9%. □

Specialized trade magazines	24.0%
Direct-response activities	18.0%
Regional business publications	3.0%
General business magazines	2.0%
Local newspapers	2.0%
National newspapers	1.0%
Spot television	1.0%
Spot radio	1.0%
Network television	1.0%
Network radio	1.0%
Cable television	1.0%

Specialized trade magazines	21.7%
Regional business publications	19.8%
Direct-response activities	13.9%
Local newspapers	11.9%
General business magazines	8.9%
Cable television	7.9%
Spot television	6.9%
Spot radio	6.9%
National newspapers	4.0%
Network television	1.0%
Network radio	1.0%

Source: Beta Research

sponse devices. Because results from direct response tend to be more concrete and those from trade shows are offered directly to the sales force, these marketing tools can seem more effective in the short run.

"Because of a trend toward customer focus, we're seeing dollars go to promotional activities with direct impact on the customer instead," says Mr. Casteel.

Others say it's impossible to generalize about budgetary shifts.

"It's not so much that we take money away from one for the other, but all of us respond to different hot buttons," says Mr. Jewett.

Elinor Biggs, director of advertising at New England Telephone, says marketers have to think of new ways to use media.

"In a less competitive time, people did just what they were comfortable doing," she says. "There's so much more competition today, you can't be traditional or laid-back." □

Free-lance writer Kathy Martin is a former media buyer at Leo Burnett Co.

'Biz Week' the narrow favorite

In the race for bragging rights, it's *Business Week* by a nose.

In the Beta Research survey, *Advertising Age* and *Business Marketing* asked client advertisers and media directors which media title they personally felt was the most effective business-to-business property.

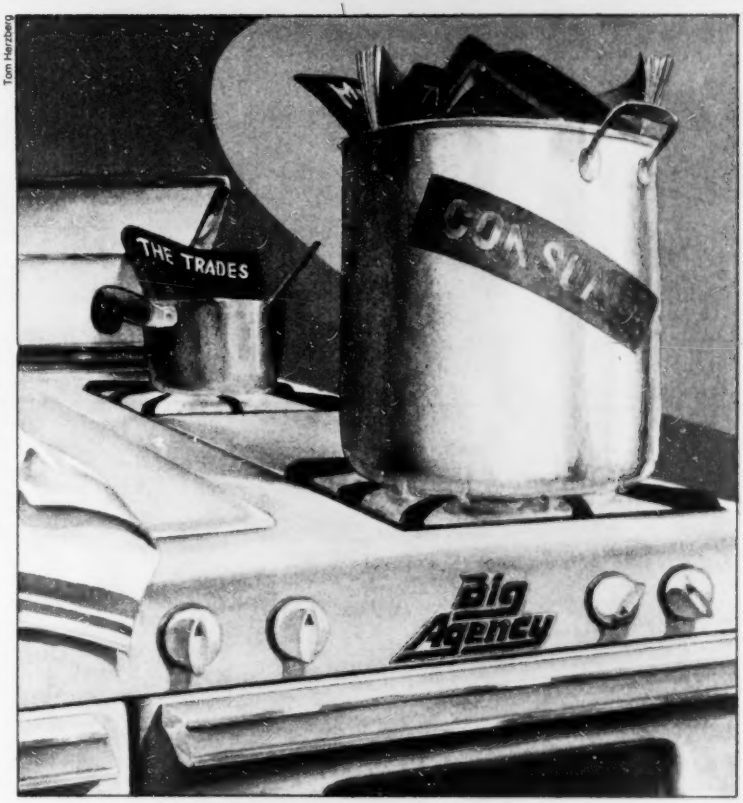
In general business magazines, *Business Week* with 16% of client/advertiser votes edged out *Forbes* and its 15% of votes cast. *Fortune* trailed with 5% of the votes, just ahead of *Industry Week's* 4%. In perhaps the strongest indictment, 45% of advertisers responding to the survey didn't prefer one title over another.

Media directors made it a tighter race: 14.9% selected *Business Week*, 12.9% picked *Forbes* and 11.9% named *Fortune*.

The Wall Street Journal is the clear newspaper favorite of both sets of respondents, grabbing 45% of advertisers' and 46.5% of media directors' votes. *The New York Times* and *USA Today* ran a distant second and third.

Although a whopping 73% of client respondents couldn't name the most effective cable TV network for business-to-business messages, 15% voted for CNN, which also garnered 31.7% of agency media directors.

News/information programming was seen as the most effective radio format, grabbing 20% of client votes and 20% of media director ballots. □



Tom Herzberg

Just the ticket to win over the young media planner

Put on the back burner, media sales reps are forced to try creative ways to get big agency buyers' attention

By Kathy Martin

At first glance, the connection between plumbing fixtures and the San Francisco 49ers may seem convoluted at best.

But for Bill Everham, the link was diagrammed clearly early in his career as a business-to-business space salesman in the late '70s by a young media planner at a large agency.

Mr. Everham, now VP-sales for *Supply House Times*, was pitching for some business from a major plumbing advertiser. The planner first laughed at the ads for toilets in his publication. But then she bluntly said she was much more inclined to hear presentations from space reps who could produce 49ers' tickets.

Mr. Everham insists variations of this scenario are repeated constantly. "This is my experience still —more so than ever," he says.

Although client companies typically are more active in business-to-business media decisions than consumer advertisers, which give their agencies a bigger role in handling media buying, business media sales reps—much to their chagrin—find themselves knocking at the doors of large, consumer advertising-oriented agencies. There, they say, they often find business media buying is put firmly on the agency's back burner.

"The typical young individual just out of college crunching numbers with no appreciation of the subtleties of the marketplace is the one in consumer agencies that handles the business-to-business accounts," Mr. Everham says. "And someone coming up on the consumer side will undoubtedly try to apply consumer principles to trade [buying and planning].

"I get the feeling they hire people and pay them a salary to screen some of us out."

So he may screen out some agencies in response.

"The consumer agencies have just become irrelevant for us in some cases. We tried to play the game by the rules, but now, where it's possible, we bypass the agency and go to the client."

The Beta Research survey commissioned by *Advertising Age* and *Business Marketing* found that while media approval generally comes from a high level—typically a corporate ad director, VP of marketing or agency media director—the media sellers actually are making pitches to all levels of agency personnel—from media planners to account executives to account managers.

An agency's size can have a lot to do with its relationship to business media.

"It all really depends on the size of the agency," says Paul Lightfoot, advertising coordinator for *Telecommunications*. "At Young & Rubicam, we might see a media person straight out of college, while at smaller agencies, we might see the director of marketing."

Mr. Lightfoot says most agency employees he calls on seem knowledgeable about their clients' businesses. But he does sense a certain impatience with trade advertising at some consumer agencies.

"Sometimes I get the sense of being put on the back shelf, put on hold while I have to go through five people," he says. "I think that's because trade magazines are less important to them than consumer magazines."

John Emery, president of the Association of Business Publishers, says agencies simply are buying the revenue-producing products.

"Agencies are being driven by the same forces that drive clients: Quarter-to-quarter earnings per share,"

Power buyer

Mark Edelman, media supervisor, FCB/Leber Katz Partners, New York, for client AT&T Co.

"We're fortunate, our budgets are remaining stable or [are] going up. We've got pretty good indications that things will remain constant and upbeat with the markets tight out there," he says.

"My clients recognize the need to keep re-establishing their name and their image.

"One of the things we go for is getting as much value as we can out of the dollar—maybe business reply cards, focus groups, something to help the sales force gain entry to see their clients.

"With the shrinking dollar, I think the clients and the advertisers have a little bit more clout.

"A lot of magazines are offering buy-one-get-one deals, where you buy one [ad] and pay for color on the second one.

Doug Goodman

Edelman

"Some people look at that as a sign of weakness [among the media]. But if you can afford that, depending on what priority those books fall into in your marketing scheme, that's a great thing to take advantage of and a great way to expand your continuity and your reach." □

he says.

Harry Tropp, associate media director at BBDO, New York, says he doesn't look down on business-to-business media.

"When I do work on business-to-business accounts, I give each salesman as much attention as any other," he says.

But the time allotted and degree of attention relate directly to what the business warrants, he says.

"The average planner has to deal with consumer, business, TV, radio," Mr. Tropp says. "Business-to-business is maybe 5% of our total budget, so it gets about 5% of our time."

The result of business media being put on the back burner is a less informed buyer, Mr. Emery says.

A large number of agencies buy business-to-business media like they buy television, says Michael Kolowich, publisher of *PC Computing*. "They say, 'We'll run the numbers' and treat the readers of magazines as interchangeable targets without understanding the market."

Mr. Kolowich says it's important for an agency to keep a business-to-business specialist on staff to evaluate business-media opportunities.

But belt-tightening agencies have made this one of the first positions to be eliminated. "We've seen the passing of the old-line business publication buyer," Mr. Emery says.

Media directors at larger consumer agencies say the charges leveled against them are unfounded.

There is no business-to-business specialist at Warwick Baker & Fiore in New York, says Exec VP John Meskil, because the account directors prefer to be involved in every aspect of media on their accounts.

He calls media sellers' cry for attention at larger agencies "an easy cop-out for a salesperson.

"If anyone comes to pitch us, they certainly get a hearing," Mr. Meskil says. "But agencies are in the business to serve the client," he says. "We can't deny there are bigger commissions on TV programs, but if that's all we recommended, we wouldn't have any clients."

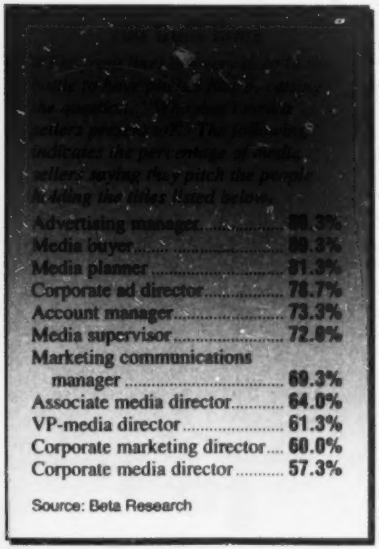
Mr. Kolowich, who was VP-marketing of Lotus Development Corp. before he switched to the publishing side to fill what he calls "an important gap" in the available computer industry media, didn't want to award his account to an agency with too high a mix of consumer business. He says he felt media planners at those agencies wanted to work on consumer accounts rather than trade.

"Frankly, I didn't want my account to be a training ground, lost in a consumer agency," he says.

Mr. Kolowich says he thinks a media buyer must be much more sophisticated to understand business-to-business rather than consumer—"and to truly make it work for the client."

"The irony is that the culture of the typical large agency rewards more—psychologically and financially—to their consumer buyers than their business-to-business buyers. There's probably more ego gratification in buying big network TV schedules, in being entertained and catered to in ways that the mass media know how to entertain," Mr. Kolowich says.

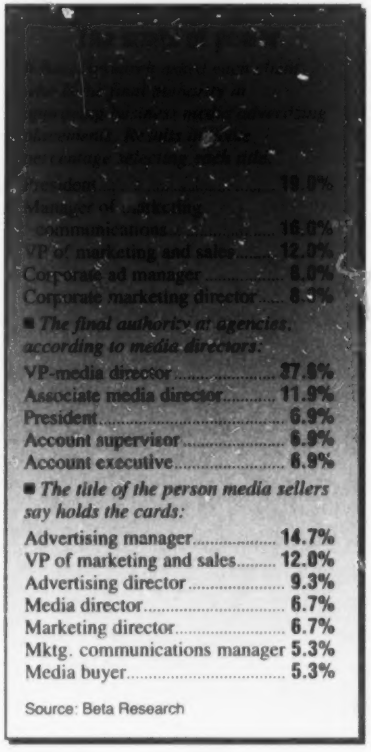
"In business-to-business marketing, you tend to be buying media in $5,000, $10,000 or $20,000 chunks," he says. As long as the buys are that size, 49ers' tickets will continue to help open some agency doors. □



indicates the percentage of media sellers saying they pitch the people holding the titles listed below.

Advertising manager	88.3%
Media buyer	88.3%
Media planner	81.3%
Corporate ad director	78.7%
Account manager	73.3%
Media supervisor	72.0%
Marketing communications manager	69.3%
Associate media director	64.0%
VP-media director	61.3%
Corporate marketing director	60.0%
Corporate media director	57.3%

Source: Beta Research



President	18.0%
Marketing communications	16.0%
VP of marketing and sales	12.0%
Corporate ad manager	8.0%
Corporate marketing director	8.0%

■ *The final authority at agencies, according to media directors:*

VP-media director	37.8%
Associate media director	11.9%
President	6.9%
Account supervisor	6.9%
Account executive	6.9%

■ *The title of the person media sellers say holds the cards:*

Advertising manager	14.7%
VP of marketing and sales	12.0%
Advertising director	9.3%
Media director	6.7%
Marketing director	6.7%
Mktg. communications manager	5.3%
Media buyer	5.3%

Source: Beta Research

Sales triangle or 3-headed monster?

No end to complaints about 'high turnover,' 'fewer sales calls' and 'uneducated' staff

By Kathy Martin

There's no shortage of finger pointing in the business-to-business media marketplace.

Media planners say sellers aren't educated about their client's marketing goals. Sellers retort that buyers aren't knowledgeable about trade media.

Factor in high turnover rates on both the media department and trade rep sides and a frustrating relationship emerges between business-to-business media sellers and buyers, who often must re-educate each other annually about clients' goals and media resources.

High-level contacts between publishers and agency management may stay constant, but it's not uncommon for media buyers and sellers to meet a new face across the desk each planning season.

With tight advertising and continuing profitability pressures, some agency buyers say the reps are a shadow of their former selves.

"Salespeople are not as influential because they're not making as many calls as they used to," says William Mackay, director of media and planning at Rumrill-Hoyt, Rochester, N.Y.

"I understand that economics and smaller staffs dictate fewer visits. Still, it's more difficult to do business with publications when I have to rely heavily on my past experience with people and the materials they send," he says.

"We are less informed about the intricacies of the markets—and it's the job of the salesperson to interpret the market for the account," Mr. Mackay says.

In the long run, cutting staff and trimming travel budgets makes the buying and planning process more difficult and labor intensive for all involved, says Mike Walsh, senior VP, media director at Ketchum Advertising, New York.

"If we only see someone once a year, they don't know the client's business as well as they should," he says. Not only will buyers see a rep only once a year, he says, but a rep typically stays with a publication for only one or two planning cycles.

The disparity between agency and client views of media sellers and their self-image is predictable.

The Beta Research survey commissioned by *Advertising Age* and *Business Marketing* reveals 90% of media sellers believe their recommendations are very influential or somewhat influential in the media buy. Only 63% of agency media directors and 54% of client respondents agree. And 12% of media

(Continued on Page 18)

Clients 10.0%
Media directors 24.8%
Media sellers 37.8%

■ *How influential are media salespeople in determining buying decisions? Percentages reflect those saying very or somewhat influential.*

Clients	54.0%
Media directors	63.4%
Media sellers	90.7%

Source: Beta Research

"I understand that economics and smaller staffs dictate fewer visits. Still, it's more difficult to do business with publications when I have to rely heavily on past experience with people."

William Mackay, Rumrill-Hoyt

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WG&L ACTION CARD DECKS
Reader Service #6

(Continued from Page 14)
directors and 20% of clients say the business-to-business media salesman has no influence on the media decision

Most media directors agree, however, that experienced business-to-business sellers have the *potential* to be more influential than their consumer media counterparts. An informed salesman can provide insight beyond the few numbers available and show how a media property can fit into a marketing plan.

"The more successful salespeople do their homework on the client," says Joe Ostrow, corporate director of media at Foote, Cone & Belding, New York, adding that too many focus on their specific property and not on the industry category.

"If they spent more time thinking of strategies rather than statistics, they might be more important," he says. "They should use numbers as one part of it; use understanding of strategy as another part of it."

According to the survey, media directors and clients say this combination is rare.

Only 25% of media directors and 16% of clients surveyed believe media sellers are very aware of the client's specific marketing needs. While the majority—almost 60%—of these two groups say sellers are *somewhat* aware of client marketing needs, a sizable portion—17% of media directors and 22% of clients surveyed—claim reps are not aware of client company marketing needs and category position. Reflecting a surprising degree of candor, even 12% of media sellers say this about themselves.

"If [salesmen] spent more time thinking of strategies rather than statistics, they might be more important. They should use numbers as [just] one part of it."

Joe Ostrow,
Foote, Cone & Belding

"Some reps do come across as not knowledgeable about the industry or the client," says Bill Besch, associate publisher, *Tour & Travel News*.

He also says blaming shrinking sales staffs is a bogus excuse. "There's no excuse for not knowing the client's business.

"Education doesn't have to do with the load on a salesperson. It has to do with the salesperson having the insight and doing homework before he or she goes in to see the agency. It's a problem within management of the publication, or the quality of the salesperson," Mr. Besch says.

The need for an educated salesperson intensifies when calling on large and medium agencies that deal with a variety of accounts, he says.

"[They] don't have the opportunity to learn everything about so many industries," Mr. Besch says. "With the expertise you bring [to them], some agencies are very open to learning a lot about the industry from you."

The idea of educating agencies doesn't thrill many media sellers, particularly when they feel the client is the key to the buy.

According to the *Ad Age/Business Marketing* survey, 48% of media sellers say the job title of the person who eventually signs off on ad placements is corporate ad director, ad manager, marketing communications manager, marketing director or VP-marketing and sales.

"There's an old saying in business-to-business: Sell the account [client], and tell the agency," says John Emery, president, Association of Business Publishers.

"At consumer agencies, sometimes there are wide gaps in market knowledge," says Stephen Donahue, national sales manager for *ENR*. "We want to go in and say, 'Here's what we do, how we reach them.' But sometimes we have to start a fair distance away from where we want to end up. When someone is already well-versed, we can talk about the client's product right away."

Sellers also say they may have to spend part of the sales call educating buyers on the difference between consumer and business media.

"Education doesn't have to do with the load on a salesperson. It has to do with the salesperson having the insight and doing homework before he or she goes in to see the agency."

Bill Besch,
Tour & Travel News

Cari Kelly, director of advertising at *Meetings & Conventions*, says she always plans to focus on the travel market and hospitality industry when she visits large consumer agencies, but often has to explain to planners that costs-per-thousand and huge circulation figures are not the key criteria.

In the *Ad Age/Business Marketing* survey, 42.6% of agency media directors say CPMs are a very important factor in evaluating a business-to-business publication. Only 20% of media sellers agree.

"People are more used to working on consumer accounts and evaluating everything on CPM rather than buying power and decision-making responsibility of the reader," Ms. Kelly says.

Mr. Walsh believes his agency has nurtured a healthy relationship with the trade media because he looks at the salesman as a key part of a triangle between the client, agency and media.

"When all three work together, the product really moves," he says. "To exclude reps from that doesn't do justice to what they can bring to the party." □

Power buyer

Dee Creighton, director of business-to-business media, Mintz & Hoke, Avon, Conn., for client United Technologies

"I'd expect rates next year to increase anywhere between 9.5% and 10%, based on the postal rate increase.

"We're requesting that publications work with us on merchandising, asking them, 'Could you hold the rates for six months; could you hold them for a year?' And a lot of publications are doing that without even being asked. They're trying to help as much as they can, and it's also very necessary to keep them all going.

Creighton

"A big part of my planning this year is not only finding the appropriate magazines, but working for everyone to get as much as they can. Ten years ago nobody paid attention to these things. They would get the ads, and they'd get a placement, but they never thought about doing anything else for the client.

"I think media people are getting out of the shops and out to the clients, doing a lot more than they did in the past." □

Power buyers

Judy Murphy, media director, Alexandre Marketing Services, Grand Rapids, Mich., for client Dow Chemical

Murphy

"The competition [among media] is getting keener and keener, and you see a lot of head-to-head going on. If you are running in a . . . competitor to another book, that other publication is going to make a lot of overtures . . . more strongly than they did two or three years ago," she says.

"In circumstances where the book has gotten the largest share of our budget dollar we have a little more negotiating power."

Stan Kalisher, director of marketing services, Northgate Computer

Kalisher

"We have spread out [our budget into more vertical publications]. And the publications are more understanding—we can work combined rates and those kinds of things, which can really help a lot for the large advertiser.

"I'm still probably the biggest gorilla on the block, but it looks like I'm spending a lot more than I really do [because of these deals]."

Laurin Leih, VP, director of media services, Kerker & Associates, Minneapolis, for client 3M

Leih

"In every market I deal in, there is ongoing negotiating of rates in addition to merchandising.

"If the client gives you $1 million when you negotiate a package, and you are able to get 20% off that, he's not going to say 'spend the $800,000 and give me the $200,000 back.' What he's going to say is 'keep the $200,000 and get me more impact in the marketplace.' " □

Tom Herzberg

Rate negotiation—no longer a dirty word

Now that buyers 'expect' a deal, there's no stopping them

By Alicia Lasek

Rising ad rates, saturated markets and a soft economy are turning business-to-business media negotiations into a feeding frenzy for buyers—with the media acting as host.

A Beta Research survey commissioned by *Advertising Age* and *Business Marketing* clearly indicates ad rate negotiation—virtually nonexistent a few years ago—is now standard operating procedure.

More than 66% of media sellers say the practice is becoming more frequent—only 8% say it's dropping off—while 57.4% of media directors and 55% of advertisers say rate negotiation is on the upswing.

Most respondents in each group say the average discount is between 10% and 20% off published rates.

The increase in rate negotiation simply reflects the state of business marketing. Although 73.3% of media sellers surveyed say 1990 ad revenues will be greater than 1989 totals, dollars are up thanks to rate increases and not page volume.

With 60% of clients reporting 1990 business-to-business budgets won't exceed '89 spending, buyers are predicting modest ad rate increases for 1991. Even if published increases are high, they say negotiation will bring them down.

"There's a lot of talk about substantial [rate] increases next year. But what the publishers really get is another story," says Frank Mas-

saro, media director at Brouillard Communications.

Robert Coen, senior VP-director of forecasting at McCann-Erickson, New York, says some trade publications will brave 1991 with little extra padding against postal rate increases and strong competition.

Next year's business-to-business rates may climb only 4.5% to 5.5%, and even less in crowded media categories, he predicts.

Buyers and publishers agree rate breaking is hitting the hardest in highly competitive, financially stagnant markets such as food, retail, computer and financial.

Once a publisher breaks rates, buyers say, competitors follow.

A spotty outbreak of rate cutting in 1989 resulted in a 1990 rate-slashing epidemic in the foodservice category, says Mike Charlton, associate publisher of *Nation's Restaurant News*.

"Everyone's asking if this is your best price," he says. "[Some buyers] are flat-out saying, 'I've got X number of dollars and I want to run four pages.' "

Many publishers still bravely insist they won't tamper with published rates. Because advertisers expect some negotiation, however, they often introduce value-added merchandising as an enticement to purchasing ad space.

In the Beta Research study, 82.7% of media sellers, 81.2% of agency media directors and 61% of advertisers surveyed say value-added marketing support programs are a very important or somewhat important factor in influencing business media placements.

Dee Creighton, director of business-to-business media at Mintz & Hoke, Avon, Conn., says this year some books are bringing the value-added concept a little closer to rate negotiation by offering free ad placements if buyers commit to advertise in a specified number of issues.

Publishers are still working to keep clients that primarily focus on consumer advertising—"the Heinzes, the Tyson Chickens, Pepsi-Cola and Coca-Cola"—on the rate card, Mr. Charlton says. "If [these advertisers] had an idea of what some publishers are offering to six, seven and eight-time advertisers. . . ."

The on-the-card, off-the-card debate is straining relationships

(Continued on Page 24)

■ *Percentage of respondents saying average discount off published rates is 10% to 20%.*

Clients	55.0%
Media directors	45.5%
Media sellers	48.0%

■ *Percentage of respondents saying cost per thousand is a very important factor in evaluating business media.*

Clients	34.0%
Media directors	42.6%
Media sellers	20.0%

Source: Beta Research

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Reader Service #11

Controlling one's circulation destiny

What's better, paid or controlled? As one exec asks: 'Can you have a horse of two colors?'

By Sarah Polster

Daniel Orum, *MacWorld* VP-circulation and marketing, had a problem two years ago.

The paid-circulation magazine had 268,639 readers, but too few were big-time advertising prospects. So *MacWorld* added a controlled circulation audience of 15,000 subscribers who had overseen the purchase of 10 or more Macintosh computers.

Adding controlled subscribers created a few problems—the primary one being the task of teaching media planners and advertisers the value of delivering more prospective buyers, regardless of how they receive the magazine, Mr. Orum says.

Confronting that issue is worth the aggravation, he says. *MacWorld's* ad revenues jumped 29% from 1988 to 1989, and the publication's circulation has climbed to 340,641, of which 50,000 now are controlled subscribers.

MacWorld is not alone in this strategy. "The biggest ballyhoo right now is the question of controlled [circulation publications] trying to add paid [readership] and vice versa," says Virginia Cooper, media director at TFB/BBDO Business Communications, San Francisco.

Agency media directors and clients responding to the Beta Research survey commissioned by *Advertising Age* and *Business Marketing* clearly indicate audience is important: 85.1% of media directors and 84% of advertisers say audience is a "very important" criterion in evaluating business-to-business media.

But opinions are mixed on whether that audience should be paid or controlled circulation. Among media directors, 49.5% prefer paid, while 42.6% favor controlled. Clients are almost equally split with 42% preferring paid audiences and 48% leaning toward controlled.

"It's a real piece of work," Ms. Cooper says. "Can you have a horse of two colors in the same book?

"The paid books in the industry need to reach the decision-makers who aren't used to paying [for subscriptions] and aren't willing to," Ms. Cooper says. "And they're finding it more expensive to keep their paid [circulation] up.

"But then the books like *Data Communications* and *Electronic News* are trying to go paid," she says.

"I'm much more comfortable with controlled adding paid," says Ms. Cooper. "If a controlled book's edi-

Rates

(Continued from Page 23)

among competitive media.

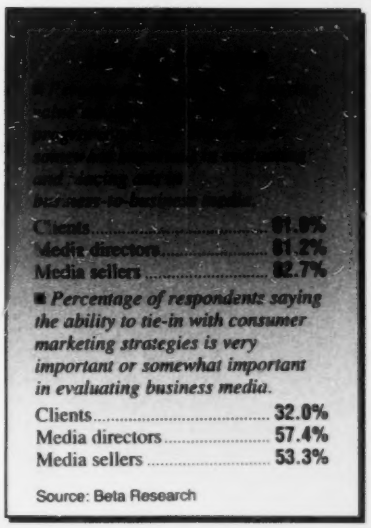
For example, a recent *Forbes* ad claimed *Fortune* was sending "letters to prospects and clients accusing *Forbes* of making special deals not included in our rate card for certain advertisers."

Headlined, "Why is *Fortune* fibbing?" ad copy said *Forbes'* "rate card is our bible, and we never make special deals for any advertiser."

Some say business media simply are catching up with their consumer counterparts.

"We're looking for a fair deal where everybody goes away happy," Mr. Massaro says—particularly the buyer. □

Alicia Lasek is a frequent contributor to Advertising Age.


Clients 61.8%
Media directors 61.2%
Media sellers 82.7%
■ Percentage of respondents saying the ability to tie-in with consumer marketing strategies is very important or somewhat important in evaluating business media.
Clients 32.0%
Media directors 57.4%
Media sellers 53.3%
Source: Beta Research

Power buyers

Steve Karakas, director of advertising, KVO Advertising & PR, Beaverton, Ore., for client Mentor Graphics

Karakas

"We see a lot of merchandising and we take advantage of it. It takes the form of focus groups, research, direct marketing lists.

"The books are pretty competitive so they're more willing to let you know what's available," Mr. Karakas says.

"It used to be that you couldn't get a list or research unless you were running quite a few pages. Now it's just part of the standard operating procedure."

Lisa Strassman, VP-associate media director, McCann-Erickson, Los Angeles, for client Hilton Hotels Corp.

Strassman

"If we purchase a magazine, we will negotiate with the publisher that not only will we buy a page, but that [the publication] will do an extensive merchandising program to the resort general managers. It's to reinforce [the idea among resort operators] that 'I spent my money in the right place, and I feel good about it. I bought this book and they care about me.' We don't just plop the money down and get an ad." □

torial is becoming so important that people are paying for it, it's very valuable so I will pay a higher CPM if they're adding paid. But I'm very leery of paid books adding controlled because I can probably get that controlled somewhere else."

Paid publications typically are assumed to have more reader interest, says Peggy Nordeen, president of Starmark Inc., Chicago.

But better editorial in controlled circulation publications and the fact that most companies cover the subscription cost of work-related titles mute paid circulation publications' claims of having a more interested and a more involved reader, she says.

"[It's] not a function of gross numbers anymore," says Mary Lisi, account manager at CPM, a Chicago-based media-buying service. "It's a matter of how qualified is that circulation to start with."

As ad costs are tied more closely to circulation than ever, Ms. Cooper says it's necessary to keep five to 10 years worth of audit statements for both types of audiences to track the vitality of the audience.

Some media directors say the paid vs. controlled issue is overblown.

"It doesn't matter as long as it's covering our specific target audience and can demonstrate that it's being read," says Chris Czeskleba, media director at Bader Rutter & Associates, Brookfield, Wis.

Paid books still win out for broader, consumer-oriented campaigns, and in some buyers' minds indicate genuine reader interest.

"In the general business magazine area, there's a definite advantage to being paid. It shows a true desire on the part of the reader," says J. Kosanke, senior VP-group media director Lintas:New York.

But in vertical markets with a top paid vs. a top controlled—a rare scenario—several buyers say they would buy both publications. Most buyers say they'll simply put their clients' ads in the best editorial environment.

"The *Journal of Commerce*, a paid publication for the shipping field, has been around for a hundred years," says Bob Storch, media director, Poppe Tyson, New York. Its major competitors are controlled circulation publications that define their reader immediately, something the *Journal of Commerce* can't do, he says.

However, "You know the *Journal of Commerce* has been around, everybody pays a lot of money to get it," Mr. Storch says.

The readers may not be qualified, he says, but "you want to buy it, because you know it's read." □

Sarah Polster is a frequent contributor to Advertising Age.

■ *Percentage of respondents saying they prefer qualified controlled circulation.*

Clients	48.0%
Media directors	42.8%

■ *Percentage of respondents saying they prefer paid circulation.*

Clients	42.0%
Media directors	49.5%

■ *How important is audience composition in evaluating business-to-business media? Percentages reflect those saying very important.*

Clients	84.0%
Media directors	85.1%
Media sellers	82.7%

Source: Beta Research

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An Issue of Influence

JOURNAL

THE LAWYER'S MAGAZINE

Reader Service #12

New ad-editorial bridge goes up

As ad pages slide, some publishers grow cozier

By Alicia Lasek

Specialized trade magazine publishers are proud to trot out the analogy that editorial and advertising are as separate as church and state.

However, advertisers' desire to increase control of editorial projects and publishers' attempts to bring in revenues as ad pages fall off are bridging that chasm.

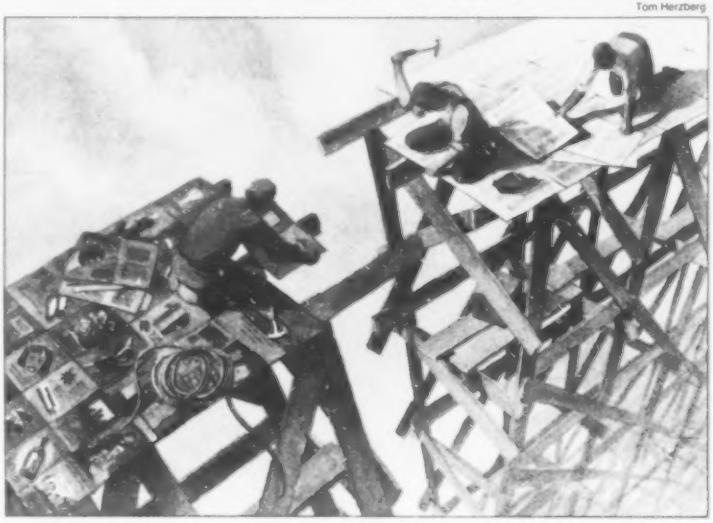
Other advertisers, facing budget cuts that push them out of heavy display space advertising, are turning their attention to providing trade publications with editorial material that touts their products and provides the magazines with low-cost editorial filler.

ICI Films, a raw plastics manufacturer, has cut spending in every department but PR and shifted display dollars to sponsored editorial, says Stephanie Warakomski, communications manager.

The company had been placing three ad campaigns in monthly publications on a nine- or 12-time schedule, but will cut that down to one ad campaign in 1991.

"Our [marketing executives] feel we're getting more value out of our dollar in public relations. We're working with editors on applications articles, bylined articles and technical articles," Ms. Warakomski says.

Tom Herzberg



U.V. Process Supply, a Chicago printing-equipment supplier, originally determined its potential market by sending out 105 press releases each month and noting which publications picked them up.

The company now uses editorial placements to generate sales leads for low-price products that won't support advertising.

"We've evolved into a direct-mail business through this marketing effort," says President Stephen Siegel. "If I'm going to spend $10,000, I'm going to spend it on editorial promotions."

U.V. currently generates about 4,000 leads each year at a cost of "a couple hundred bucks," Mr. Siegel states.

"Most business publications have a 'what's new' section, and they want to keep it filled. It's a mutually beneficial relationship."

Mike Walsh senior VP-media director at Ketchum Advertising, New York, also finds that sponsored editorial enables him to qualify readership.

"But it doesn't have to be a mutual love-fest," he adds. "There's a fine line there. There's a danger of a magazine losing its objectivity and credibility. If the reader isn't interested editorially, they won't be interested in the advertising either."

Many publishers, however, remain protective of editorial's traditionally

Power buyer

Maureen Reichert, VP-media director, Lavey/Wolff/Swift, New York, for client Burroughs Wellcome Co.

Ms. Reichert sees advertisers converting medical journal ad units into inserts to stave off a down market in the pharmaceuticals industry.

"Approximately one-third of the publications' ads are inserts," she says. "Either the publications will have to decrease editorial or increase the cost of inserts.

"Everything is up but ad dollars, and [the journals] are going to try to do everything they can to niche their publication more to certain products as opposed to a broad base," she adds.

Reichert

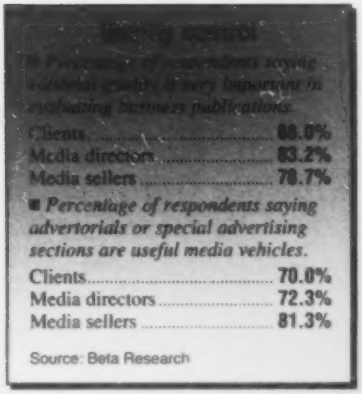
But such targeting strategies limit Ms. Reichert's ad placement.

"We always try to maintain our target audience, and the most cost-effective way to do that is to decrease the depth of our buys. Three years ago you could purchase a large portion of the marketplace. Today, you really have to fine-tune your buys."

In the future, that fine tuning increasingly may take pharmaceutical advertisers out of business media, she says. "Consumer [marketing] is the next forefront of the pharmaceuticals market," she says. □

sacred territory.

"Every advertiser would love [editorial coverage] but no advertiser at *Macworld* gets it," says President-CEO-Publisher Jim Martin. "We have always taken the reader's perspective on product reviews, and we never shape product stories to soothe the needs of the advertising community."


■ Percentage of respondents saying editorial quality is very important in evaluating business publications.
Clients 88.0%
Media directors 83.2%
Media sellers 78.7%
■ Percentage of respondents saying advertorials or special advertising sections are useful media vehicles.
Clients 70.0%
Media directors 72.3%
Media sellers 81.3%
Source: Beta Research

But Mr. Walsh notes that publishers are now more willing to allow marketing in the editorial door.

One way publishers have allowed advertisers to become involved in story generation yet maintain the sanctity of the editorial church is to increase their use of advertorials.

In the Beta Research study commissioned by *Advertising Age* and *Business Marketing*, 81.3% of media sellers, 72.3% of media directors and 70% of advertisers surveyed say they feel advertorials and special advertising sections are useful media vehicles.

ENR snared about $2 million in ad sales from special advertising in 1990 and will run 12 special sections in 1991, compared with three in 1987. "It's creative publishing," says VP-Publisher Howard Mager. "We don't run the general, all-purpose ad section."

Mr. Martin says *Macworld* is pursuing joint advertorials that it will create, write and hopefully run in business publications.

"We're working on a couple [joint advertorials] with Apple Computer. We think business buyers of Macintosh computers might find it interesting if they read about them in *Business Week* or *Fortune*," he says.

Some media buyers remain skeptical about the value of non-display advertising.

"Some are outstanding, but the majority are not well-designed," says Mr. Walsh. "The reader doesn't read them and the advertising doesn't get exposed."

Frank Kopec, director of media services at Rumrill Hoyt, Rochester, N.Y., questions the editorial vitality of a magazine that will run advertorials.

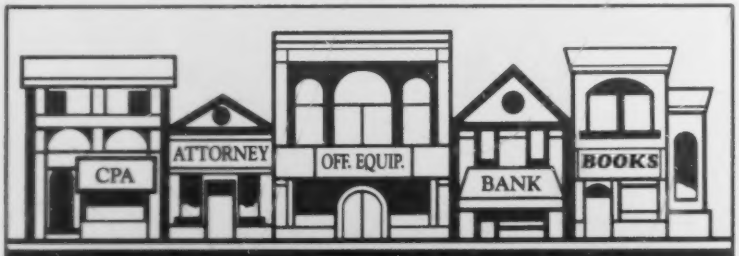
"If [the client is] paying for something, he's paying for the editor to do his job. [By accepting advertorials], an editor is taking advantage of a client's need to get something before the public."

But continued tight times will further fuel advertorial popularity.

"I'd much prefer an editorial section," says Martin Deutsch, president of OAG Travel Magazines. "But there's greater pressure from not only ad agencies but the clients for advertorial sections. It's not only expected, it's demanded."

"If somebody comes to you and says we'll seed a supplement, it's very hard to send them packing," Mr. Martin says. □

Contributing to this story was free-lance writer Kathy Martin.



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Kiwanis **Magazine, the official publication of Kiwanis International, delivers a unique, quality audience of top executives, small-business, professionals, and community leaders.**

- **Median Company Size is 38.5 Employees.**
- **73.8% of readers make purchasing decisions for their firms.**
- **88.4% are Professional/Managerial/Sales**
- **36.6% are a Member of the Board of Directors of one or more companies.**

They are differentiable from other small business audiences by their extremely high indices of "Involvement in Civic/Public Affairs," and

- **95.3% Do Not Read *INC.***
- **94.3% Do Not Read *Nation's Business***
- **94.3% Do No Read *Forbes***
- **95.0% Do Not Read *Fortune***
- **86.4% Do Not Read *Business Week*.**

SPECIAL REPORT: MARCH, 1991 Issue, "Personal Finances"

Deadlines: Mon., Jan. 14 for space
Fri., Jan. 25 for materials

Source for all statistics: A. C. M. S. Subscriber Study Report of 6/89. Complete copy available upon request.

For additional information, call or write:
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Reader Service #14

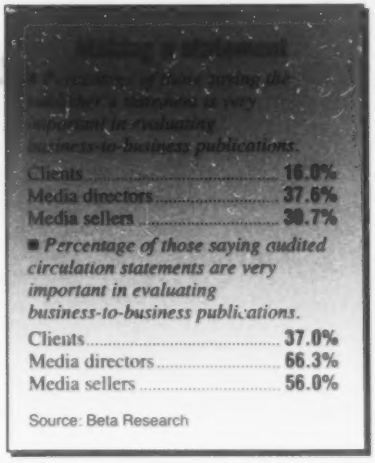
What research?

Tired of the specialized business press 'always' winning, advertisers and buyers scream for unbiased data

By Alicia Lasek

At face value business media research may be helpful, but media buyers say it's often not worth the paper on which it's printed.

More than 66% of the media directors and 37% of the advertisers responding to the Beta Research survey commissioned by *Advertising Age* and *Business Marketing* say audited circulation is a very important guide in judging business-to-business print media. Only 37.6% of media directors and 16% of advertisers say the same thing about publishers' circulation statements.


Clients 16.0%
Media directors 37.6%
Media sellers 30.7%
■ Percentage of those saying audited circulation statements are very important in evaluating business-to-business publications.
Clients 37.0%
Media directors 66.3%
Media sellers 56.0%
Source: Beta Research

Buyers remain skeptical of most data. "You don't seem to see anything [the books] don't win," says Judy Murphy, media director at Alexandre Marketing Services. "We use our own research department as much as possible."

Buyers who base their decisions on what exists today "are probably making the wrong decision because they're basing it on incorrect data," says James Nowakowski, president of consultancy Nowakowski & Associates, which markets an advertising effectiveness measurement service.

Clients' latest demand on media buyers is to get the best possible mix of publications at the lowest possible rates, says Virginia Cooper, VP-media director at TFB/BBDO, San Francisco. "To do that, we need unbiased readership data that goes way beyond circulation."

Ms. Cooper would like to see "more compatible profile studies . . . buying intention studies and accurate analysis of publications' subscribers in certain companies."

Such information is almost nonexistent in those industry categories that aren't covered by research companies such as Simmons Market Research Bureau and Starch/INRA/-Hooper, media buyers complain.

Judi Scrivener, VP-manager of business-to-business media at Noble & Associates, Springfield, Mo., says the accepted universe SMRB provides for her foodservice accounts is invaluable. "In other markets, you can't project frequency because you don't have an established universe."

But even the accepted studies lack the editorial information, psychographic data and response rates the consumer side has had for years, buyers say.

Some agencies increasingly are using in-house resources to find the best buys. KVO Advertising & PR, Beaverton, Ore., has performed its own surveys to pinpoint ideal audiences for high-technology clients.

"We're able to determine which publications best address a prospect on a reach and frequency basis and on an effective cost per thousand," says Steve Karakas, ad director. "We even have psychographic information."

The agency's data base has helped it plan placements more effectively, he says, justifying a cutback in the number of books bought and suggesting an increase in the frequency of placements in fewer books. "We're able to figure out exactly [the value of the] third or fourth book. And the incremental value is not always there."

But many business-to-business agencies don't have the resources to develop in-house research facilities or commission outside surveys. They say business media should bear the burden of providing reliable information, and those who do will reap the rewards of meeting buyers' needs.

"In the old-line business-to-business markets, [publishers] have not realized that they should come kicking and screaming into at least the 1970s to compete for dollars," says Ms. Cooper. The business-to-business industry complains about the research that's out there, she says, but no one is willing to support long-term commitments to bettering the research. "There doesn't seem to be a drive for excellence."

But new research sources are springing up sporadically. Cahners Publishing Co. has funded a joint project with SMRB to create Affinity Index, a qualitative measure of the reader-to-editorial relationship. The index, which was launched in September and draws from a universe of 10,000 readers, gauges factors including ad readership and ad effectiveness in a publication.

Mr. Nowakowski says buyers share some of the blame for bad data. "It all goes back to the interpreter. There's total confusion in business-to-business because no one knows how to use the research on the table and no one's come out and challenged it," he says. □

Power buyer

Judi Scrivener, VP-manager of business-to-business media, Noble & Associates, Springfield, Mo., for client Tyson Food Service.

"In foodservice in general, spending should stay on track for 1991, but with budgets getting tighter, clients are getting more demanding.

"From a media perspective, we're going to have to develop different ways to prove the effectiveness of the dollars we have spent," she says.

"Our media department is not an island—we're an extension of the marketing plan. So we are looking at the entire marketing program that our clients are putting together and how we can support that from a media standpoint.

"What I'm seeing is more and more of the business-to-business industries are trying to become as sophisticated as the majority of consumer-type industries. They're developing more research information, and not just publication directed." □

CONSUMER MAGAZINE AD LINAGE

	September 1990	September 1989	Year-to-date 1990	Year-to-date 1989
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	137.0	152.6	1,323.9	1,423.7
Automobile Magazine	61.1	50.1	577.7	523.0
Car & Driver C.	126.3	86.9	965.7	950.9
Car Collector & Car Classics	13.8	17.4	135.3	152.8
Car Craft	64.6	72.3	627.2	691.0
Circle Track	70.8	73.2	735.5	778.2
Cycle	33.5	33.7	371.1	402.1
Cycle World	36.0	34.8	408.1	375.8
Dirt Rider	34.2	21.4	371.5	288.0
Dune Buggies & Hot VWs	80.1	67.9	652.0	619.9
Family Motor Coaching	194.3	203.7	1,532.6	1,654.9
4 Wheel & Off-Road	89.0	75.8	743.7	737.5
Four Wheeler C.	81.8	80.7	745.4	748.4
Hot Rod C.	63.1	72.8	613.4	813.4
Motorcyclist	31.3	25.0	383.5	381.0
Motor Trend C.	66.7	63.1	668.7	742.8
Motorhome	95.8	99.4	861.3	866.1
Rider	26.4	25.7	303.1	313.8
Road & Track C.	101.2	91.0	835.6	913.6
Trailer Life	106.1	93.7	837.5	835.3
Total Group	**1,513.2**	**1,441.0**	**13,692.6**	**14,212.3**
% change	**5.0%**		**-3.7%**	
■ Boating & yachting				
Boating	105.8	148.0	1,117.2	1,350.8
Chesapeake Bay	35.0	46.0	384.1	467.3
Cruising World	113.8	95.5	969.6	973.0
Lakeland Boating (11X)	69.0	77.0	706.5	810.8
Motor Boating & Sailing	94.8	118.2	1,069.1	1,303.7
Sail	100.9	105.9	968.9	1,029.6
Trailer Boats (11X)	31.2	37.2	540.3	625.2
Western Boatman	31.7	37.3	227.2	227.1
Yachting C.	152.4	165.3	1,213.8	1,260.6
Total Group	**734.6**	**830.3**	**7,196.7**	**8,048.2**
% change	**-11.5%**		**-10.6%**	
■ Civic/fraternal				
Elk (10X)	15.2	12.1	125.8	118.1
Kiwanis	18.8	19.5	136.9	132.5
Lion (10X)	9.3	11.5	43.0	46.6
Rotarian	20.0	15.3	141.8	108.6
V.F.W. (11X)	31.6	30.6	227.4	229.3
Total Group	**94.9**	**89.0**	**674.9**	**635.1**
% change	**6.6%**		**6.3%**	
■ General				
American Health (10X) C.	29.6	91.6	327.8	558.6
American Heritage (80) C.	63.7	55.4	262.4	276.4
American Legion	37.2	41.3	311.2	286.4
American West (5X)	—	—	105.5	126.2
Art & Antiques (10X) C.	77.0	80.4	553.2	512.1
ARTnews (10X)	105.6	119.7	826.8	802.5
The Atlantic A. C.	77.5	50.4	475.4	419.7
Bon Appetit A. C.	74.9	74.0	728.5	704.0
Cable Guide C.	30.6	42.1	240.3	318.5
Caribbean Travel & Life (6X)	48.0	42.0	210.1	172.6
Changing Times C.	56.3	60.4	482.7	442.1
Conde Nast Traveler C.	95.7	86.9	732.1	636.3
Connoisseur C.	72.3	107.7	493.3	632.8
Consumers Digest (6X) C.	32.2	25.8	130.7	118.0
Cooking Light C.	57.7	56.8	295.0	256.7
Departures N. America (6X)	55.0	42.2	216.4	151.6
Ebony C.	76.7	89.9	779.1	874.2
European Travel & Life (10X) C.	54.3	82.0	362.3	364.5
Food & Wine C.	57.6	63.2	487.3	520.0
Games (6X) C.	—	11.6	34.1	73.8
Golden Years (6X)	40.6	42.8	173.5	239.5
Gourmet C.	107.6	113.9	860.3	821.2
Harper's Magazine A. C.	36.6	30.0	279.4	265.2
Harrowsmith (6X)	57.7	57.2	254.2	253.4
Islands (6X)	81.7	59.5	324.7	307.2
Let's Live	52.0	54.0	444.0	414.0
Life C.	60.2	45.8	482.3	539.8
Longevity C.	46.2	30.2	324.4	179.3
Mature Outlook (6X) C.	53.6	—	194.2	143.3
Modern Maturity (6X) C.	—	—	148.1	157.1
Money C.	92.7	96.6	876.7	882.6
Mother Earth News (6X) C.	57.7	76.8	301.6	382.2
National Geographic C.	21.4	13.7	195.4	167.2
National Geographic Traveler (6X) C.	40.1	32.9	224.3	149.0
Natural History C.	39.0	37.7	356.9	350.2
New Choices C.	43.2	48.1	257.3	322.2
Prevention C.	51.5	60.1	418.3	464.6
Reader's Digest A. C.	95.4	84.6	776.0	772.4
Saturday Evening Post (9X) C.	41.3	49.9	224.8	267.1
Smithsonian C.	79.8	102.5	678.0	718.7
Spin C.	43.9	34.3	374.1	349.8
Town & Country C.	194.8	191.5	1,070.0	1,086.4
Travel-Holiday C.	29.8	26.8	319.6	323.7
Travel & Leisure C.	135.2	135.5	990.9	1,038.8
Travelhost	1,448.3	1,316.0	11,752.5	11,552.0
Vanity Fair C.	197.4	209.2	961.1	971.5
Yankee C.	76.3	70.8	552.8	535.2
Total Group	**4,325.6**	**4,243.9**	**31,869.5**	**31,900.6**
% change	**1.9%**		**-0.1%**	
■ Home				
Architectural Digest A. C.	111.0	139.8	1,306.5	1,253.4
Better Homes & Gardens C.	102.3	119.5	909.9	1,023.5
Colonial Homes (6X) C.	—	—	188.7	229.8
Columbus Monthly-Homes (4X)	—	—	88.9	96.5
Country Home (6X) C.	—	56.9	228.4	325.7
Country Living C.	92.2	106.3	794.8	814.3
Family Handyman (10X) A. C.	51.0	38.7	293.0	372.4
Florida Home & Garden	49.0	47.4	562.0	564.1
Flower & Garden (6X)	23.8	28.6	178.3	195.0
Home C.	69.4	72.0	484.0	524.7
Home Mechanix C.	75.5	72.2	415.0	447.4
Homeowner (10X) C.	27.0	35.6	192.8	255.3
Horticulture	33.3	31.4	384.8	344.8
House Beautiful C.	66.7	81.6	531.5	584.7
House & Garden C.	100.8	115.6	720.0	655.5
Metropolis	78.8	75.3	437.4	503.8
Metropolitan Home C.	90.2	119.8	814.8	885.0
Midwest Living C.	—	—	277.8	260.8
1,001 Home Ideas C.	66.7	61.3	518.6	513.3
Organic Gardening (9X) C.	53.8	33.6	319.6	336.2
Phoenix Home/Garden	66.7	117.7	636.0	658.8
Practical Homeowner (9X) C.	60.6	54.5	314.8	228.7
San Diego Home/Garden	65.8	80.5	638.3	650.6
Southern Accents (6X) C.	85.5	154.1	524.1	553.1
Southern Living C.	110.6	127.4	931.6	1,003.9
Sunset Magazine A. C.	99.5	113.7	1,084.3	1,125.4
Workbench (6X)	45.8	44.9	188.6	211.1
Total Group	**1,625.9**	**1,928.4**	**13,964.5**	**14,617.7**
% change	**-15.7%**		**-4.5%**	
■ In-flight & other passenger				
Aboard Group (6X)	43.3	41.8	211.6	193.8
Alaska Airlines	81.8	83.2	656.5	574.4
America West Airlines	94.7	84.2	718.7	604.0
American Way (24X) C.	171.6	182.7	1,273.4	1,320.3
Continental Profiles	43.1	53.5	446.5	519.1
Delta Sky C.	77.6	95.5	630.8	674.4
Eastern Review	30.8	31.7	286.9	441.9
Pan Am Clipper	39.5	66.9	398.1	478.5
Southwest Spirit	53.3	61.6	478.1	572.3
Spirit of Aloha	32.0	25.1	308.7	214.7
TWA Ambassador B.	39.2	—	336.0	—
United Vis `A Vis	80.0	97.4	625.0	767.4
US Air Magazine	74.1	83.3	565.5	523.0
Total Group	**821.8**	**906.9**	**6,599.7**	**6,883.9**
% change	**-9.4%**		**-4.1%**	
■ Men's				
Esquire A. C.	131.9	168.8	879.7	893.4
Firehouse Magazine	34.4	34.0	346.8	353.2
Gentlemen's Quarterly A. C.	295.0	343.6	1,403.8	1,581.4
Men's Health (6X)	28.7	—	105.1	—
Muscle & Fitness C.	98.8	116.1	933.8	1,164.1
Penthouse A. C.	60.7	82.8	468.0	466.8
Playboy A. C.	63.5	50.9	505.5	541.2
Salute (10X)	67.3	43.5	356.6	257.0
Total Group	**780.4**	**839.7**	**4,999.3**	**5,257.0**
% change	**-7.1%**		**-4.9%**	
■ Metropolitan				
Aloha (6X)	51.2	62.6	233.7	223.0
Annapolitan	59.3	59.4	578.3	523.8
Atlanta	78.8	78.5	730.0	615.9
Baltimore	48.0	63.6	507.2	588.4
Boston	116.6	170.2	914.8	1,226.1
California C.	75.9	57.5	559.0	513.2
Chicago	95.6	125.3	765.2	944.6
Chicago's North Shore	95.4	107.6	804.9	866.6
Cincinnati	60.2	43.5	361.2	408.2
Cleveland	42.9	61.5	392.4	477.1
Columbus Monthly	77.6	99.7	543.2	633.1
Connecticut	91.0	84.4	750.4	875.7
D/Magazine	47.9	60.0	486.5	605.8
Detroit Monthly	68.9	84.3	489.8	507.2
Grand Rapids	45.0	49.3	308.1	354.8
Gulf Coast (13X)	31.9	18.4	374.6	301.8
Honolulu	56.1	51.4	500.7	475.7
Houston Metropolitan Magazine	66.5	63.5	565.4	532.4
Inside Chicago (8X)	30.0	31.8	140.8	177.8
Los Angeles	121.9	134.5	1,218.7	1,318.8
Louisiana Life (6X)	29.2	28.8	151.7	132.2
Madison	44.0	48.0	366.0	356.0
Memphis	41.7	54.0	514.7	598.0
Mid Atlantic Country	72.6	58.8	439.7	383.5
Milwaukee	57.7	82.3	493.3	482.0
Minneapolis/St. Paul	116.0	118.9	902.0	969.8
Minnesota Monthly Magazine	64.4	75.0	567.8	455.6
New Jersey Monthly	71.2	107.2	603.4	824.7
New Mexico	44.0	38.0	394.3	396.9
Ohio	68.1	73.6	479.5	469.4
Orlando	71.0	106.5	811.3	865.4
Pacific Northwest	47.8	65.4	423.5	432.6
Palm Beach Life	46.8	42.2	516.0	589.1
Palm Springs Life	271.0	255.7	1,131.1	1,121.5
Philadelphia	109.8	131.9	1,118.7	1,195.8
Phoenix	29.6	23.7	319.2	385.0
Pittsburgh	56.8	70.7	573.6	588.0
Rhode Island Monthly	49.3	60.3	520.3	503.7
Sacramento Magazine	55.8	51.5	512.2	488.0
St. Louis	49.0	46.7	449.5	421.7
San Diego	136.1	127.4	1,176.0	1,185.1
San Francisco Focus C.	107.8	107.6	841.8	905.2
Sarasota (10X)	—	—	592.0	600.0
South Florida Magazine	64.7	78.7	539.7	519.2
Texas Monthly C.	123.4	131.1	981.3	948.5
Ultra	139.8	38.5	613.5	348.1
Washington-Dossier	39.9	45.8	335.6	326.0
The Washingtonian	137.0	167.0	1,135.3	1,402.1
Total Group	**3,504.9**	**3,742.0**	**28,727.7**	**30,062.8**
% change	**-6.3%**		**-4.4%**	
■ Music/entertainment				
Audio	85.8	90.4	738.5	801.6
Dance Magazine	50.1	52.2	481.1	479.0
Playbill	55.7	50.9	403.4	426.8
Premiere C.	59.6	57.3	548.3	523.5
Video Magazine	81.2	77.0	595.3	524.4
Total Group	**332.4**	**327.8**	**2,766.5**	**2,755.3**
% change	**1.4%**		**0.4%**	
■ Outdoor & sport				
Alaska	49.4	33.9	365.2	346.6
The American Handgunner (6X)	58.0	67.0	286.0	274.0
American Hunter	45.0	42.3	190.1	190.1
American Rifleman	36.3	37.0	223.2	210.5
Backpacker (7x) C.	—	—	173.6	154.4
Bass Master (10X) A. C.	48.7	62.6	539.2	651.1
Bicycling (9X) C.	—	67.9	796.3	947.3
Cross Country Skier (5X)	—	—	73.6	70.5
Ducks Unlimited (6X)	44.6	37.7	147.7	143.7
Field & Stream C.	87.0	114.8	605.2	711.8
Fishing World (6X)	16.6	18.1	195.7	179.7
Florida Sportsman	81.5	100.1	1,106.0	1,145.8
Golf Digest C.	80.0	98.5	1,006.9	1,046.7
Golf Illustrated C.	42.1	36.5	456.0	411.0
Golf Magazine C.	74.8	74.7	900.9	954.5
Gun Dog (6X)	—	—	133.5	162.0
Guns	52.0	48.0	366.0	343.0
Guns & Ammo	50.5	51.7	406.6	378.3
In-Fisherman (7X)	28.0	25.0	431.5	508.5
Outdoor Life C.	91.6	86.5	605.7	724.3
Outside Magazine	63.6	51.2	556.6	550.2
Petersen's Hunting	74.9	82.5	400.0	402.3
Runner's World (12X) C.	57.8	33.9	348.9	346.0
Salt Water Sportsman C.	62.1	76.1	889.7	1,096.5
Shooting Times	47.2	41.6	288.8	293.6
Sierra (6X)	46.7	53.2	178.6	230.3
Ski (8^) A. C.	161.5	174.1	454.3	510.5
Skiing (7X) A. C.	187.5	170.6	417.5	387.0
Skin Diver C.	126.7	103.5	1,118.6	1,053.2
Southern Outdoors (9X)	51.5	54.1	318.6	386.4
Sport Magazine C.	38.6	32.0	270.1	314.7
Sports Afield C.	81.4	69.4	597.6	574.1
Surfing	84.7	89.3	666.3	848.6
Tennis C.	94.3	107.2	577.6	633.3
Waterski (9X)	47.2	51.6	561.1	607.6
Western Outdoors (9X)	30.1	28.8	252.3	300.0
Wildfowl (6X)	—	—	52.6	56.2
WindRider (8X)	38.6	28.5	467.5	338.1
Wing & Shot (6X)	—	—	54.9	63.5
World Tennis C.	43.4	66.2	331.3	440.8
Total Group	**2,223.8**	**2,315.9**	**17,811.5**	**18,986.6**
% change	**-4.0%**		**-6.2%**	
■ Photography				
American Photo (6X) C.	47.7	33.1	241.5	278.5
Petersen's Photographic	24.5	27.4	218.0	235.1
Popular Photography C.	103.0	102.8	905.9	761.7
Total Group	**175.2**	**163.3**	**1,365.4**	**1,275.2**
% change	**7.3%**		**7.1%**	
■ Science/electronic/mech				
Discover C.	36.4	38.7	301.7	348.9
Home Office Computing C.	41.4	38.6	398.4	386.1
Omni C.	39.1	57.3	428.4	502.4
Popular Mechanics C.	74.1	63.9	592.3	692.1
Popular Science C.	66.7	74.8	558.2	749.3
Scientific American C.	64.8	71.7	367.4	376.0
Spectrum C.	45.5	58.8	454.0	485.9
Total Group	**368.0**	**403.7**	**3,100.5**	**3,540.7**
% change	**-8.9%**		**-12.4%**	
■ Woman/fashion/service				
Bride's Magazine (6X) A. C.	—	—	2,354.9	2,373.9
Cosmopolitan A. C.	233.2	241.6	1,578.0	1,726.5
Elle C.	334.3	343.2	1,590.6	1,596.9
Essence C.	75.0	87.8	650.1	664.7
Family Circle (17X) A. C.	185.5	215.8	1,218.1	1,449.9
Glamour C.	228.6	207.9	1,375.3	1,471.4
Good Housekeeping A. C.	173.5	176.0	1,225.0	1,152.0
Harper's Bazaar C.	225.5	301.9	996.7	1,067.4
Health C.	37.3	37.2	290.5	293.8
Imagen	104.0	80.2	868.9	758.7
Ladies' Home Journal C.	137.2	141.5	1,073.9	1,123.7
Lear's C.	60.6	83.8	459.4	443.3
Mademoiselle C.	205.4	184.3	1,153.9	1,239.2
McCall's C.	89.1	90.2	705.0	815.7
Military Lifestyle (10X)	86.7	66.8	700.9	417.9
Mirabella C.	154.6	149.0	751.7	397.7
Modern Bride (6X) C.	—	—	1,892.4	1,835.8
New Woman C.	87.7	67.5	673.1	752.7
Parents Magazine A. C.	113.4	126.0	1,016.4	1,063.1
Redbook C.	143.1	144.4	853.4	867.8
Savvy C.	42.7	46.6	272.0	394.9
Self C.	158.1	145.9	947.8	974.6
Seventeen C.	115.6	111.3	994.5	1,079.0
Shape C.	52.9	73.7	476.7	581.9
Soap Opera Digest (26X) C.	43.4	41.6	292.2	342.3
Teen Magazine	94.3	65.3	482.7	443.9
True Story A. C.	52.0	67.7	473.4	495.7
Victoria C.	54.9	56.5	387.4	261.3
Vogue C.	476.9	599.0	2,159.1	2,431.6
W Magazine (26X) C.	156.5	204.4	982.6	1,102.1
Weight Watchers C.	43.6	43.4	316.4	306.4
Woman (10X) C.	29.7	31.8	212.0	255.9
Woman's Day (15X) A. C.	85.8	116.3	984.9	1,203.5
Workbasket	26.3	28.5	180.4	190.8
Working Mother C.	75.9	80.8	541.0	618.0
Working Woman C.	144.8	155.2	735.5	816.1
Total Group	**4,327.9**	**4,633.0**	**31,866.7**	**33,010.1**
% change	**-6.6%**		**-3.5%**	
■ Youth				
Boys' Life C.	23.8	19.1	149.5	157.0
Campus Life (10X)	44.2	50.8	276.5	290.6
Total Group	**68.0**	**69.9**	**426.0**	**447.5**
% change	**-2.8%**		**-4.8%**	
■ Business/national				
Barron's	142.3	170.0	1,253.8	1,306.3
Black Enterprise C.	52.1	63.9	699.7	686.3
Business Month C.	47.6	35.8	315.4	279.0
Business Week (52X) A. C.	346.0	370.9	2,845.2	3,098.9
Entrepreneur C.	191.8	152.2	1,505.0	1,3
Financial World (26X) C.	80.4	56.9	751.3	5
Forbes (26X) C.	274.5	301.9	2,485.1	2,3
Fortune (26X) C.	304.5	370.6	2,320.4	2,5
Frequent Flyer	63.0	52.2	363.8	3
Futures	35.9	42.3	361.8	3
Inc. Magazine C.	106.5	96.5	784.2	8
Income Opportunities	87.4	90.3	544.0	5
Industry Week (23X) A.	100.9	114.6	799.7	8
Nation's Bus. (12X) A. C.	26.2	32.5	219.5	3
Success C.	38.9	39.2	249.3	2
Total Group	**1,897.8**	**1,989.8**	**15,498.1**	**15,8**
% change	**-4.6%**		**-2.0%**	
■ Business/regional				
Arizona Business Gazette B.	38.3	—	400.3	
Bus. Jrnl.-Milwaukee	146.7	128.9	1,271.5	1,2
Bus. Jrnl.-Sacramento	72.4	80.2	797.2	7
Bus. North Carolina	41.8	41.3	371.8	3
Capital Dist. Bus. Review (52X)	88.5	80.8	635.7	6
Caribbean Business	109.2	97.5	1,083.3	1,1
Corporate Rpt. Minnesota	58.7	74.9	426.8	4
Crain's Chicago Bus. (52X)	152.2	127.3	1,246.4	1,2
Crain's Cleveland Bus. (52X)	74.4	84.6	664.4	6
Crain's Detroit Bus. (52X)	79.8	84.6	769.9	6
Crain's New York Bus. (52X)	64.0	58.0	577.0	4
Florida Trend (13X)	33.0	39.2	395.0	4
Georgia Trend	51.7	58.7	379.1	4
Grand Rapids Bus. Jrnl.	58.6	40.4	486.5	3
Hawaii Business	55.7	41.0	521.5	4
Houston Bus. Jrnl. (52X)	124.7	92.0	661.4	6
Indianapolis Business Journal (52X)	155.9	171.8	1,370.1	1,4
M Inc. C.	151.7	135.7	620.3	6
Nashville Business & Lifestyle B.	39.1	—	39.1	
New England Bus. (12X) A.	39.0	38.5	283.3	3
New Orleans City Bus.	52.2	42.3	487.5	3
Pacific Bus. News (52X)	109.3	90.8	959.9	9
Philadelphia Business Journal	124.7	141.8	1,038.4	1,2
Pittsburgh Bus. Times (52X)	102.3	96.7	872.7	9
Providence Business News	54.0	75.9	525.1	8
Regardie's/Washington	125.0	160.0	1,166.0	1,4
St. Louis Bus. Jrnl. (52X)	92.3	95.5	921.1	9
Warfield's Monthly Baltimore	74.8	74.8	536.8	5
Total Group	**2,292.5**	**2,253.1**	**19,168.7**	**19,8**
% change	**1.8%**		**-3.5%**	
■ National Sunday mags				
Parade (52X) C.	73.4	55.7	518.3	5
USA Weekend (52X) C.	75.7	54.9	500.1	4
Vista Magazine (52X)	35.5	19.2	186.2	1
Total Group	**184.6**	**129.8**	**1,204.6**	**1,1**
% change	**42.2%**		**6.3%**	
■ Newspaper Sunday magazine				
Boston Globe	191.9	266.2	1,436.9	1,7
Chicago Tribune	171.5	150.8	938.9	9
Cleveland Plain Dealer	87.6	84.4	543.2	5
The Dallas Morning News	74.0	60.0	473.3	5
Detroit Free Press	63.0	34.0	466.0	3
L.A. Times C.	83.7	99.0	671.2	8
Louisville Courier-Jrnl.	46.0	40.0	236.0	2
New York Times Mag. C.	439.9	416.1	2,678.8	2,7
Philadelphia Inquirer	141.9	88.0	832.0	7
Seattle Times	105.0	76.0	720.0	5
St. Louis Post Dispatch	121.8	78.2	706.8	6
Toledo Blade Magazine	33.2	36.5	313.7	2
Washington Post	159.9	145.3	962.8	1,1
Total Group	**1,719.4**	**1,574.5**	**10,979.6**	**11,6**
% change	**9.2%**		**-5.9%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	188.3	123.6	1,365.5	1,3
Army Times Military Group:				
Air Force Times (52X)	238.7	168.7	1,396.8	1,4
Army Times (52X)	230.0	156.3	1,384.9	1,3
Navy Times (52X)	250.1	178.1	1,474.0	1,5
Capper's (26X)	29.4	35.4	258.3	2
Commonweal (22X)	13.5	7.2	79.5	
Golf World (40X)	60.8	105.3	1,163.4	1,0
Grit (52X) A.	46.4	41.0	335.8	3
National Journal (50X) C.	67.0	74.0	491.8	5
National Review (25X)	26.6	34.2	236.7	2
New Republic (48X)	45.1	39.4	331.0	3
New York Mag. (50X) C.	228.0	281.8	1,774.6	2,0
New Yorker C.	203.9	243.2	1,472.8	1,4
Newsweek (52X) A. C.	216.2	185.1	1,542.7	1,6
People (51X) C.	343.2	346.9	2,494.6	2,6
Rolling Stone (25X) C.	190.4	172.6	1,351.6	1,3
Sporting News (52X) C.	33.4	47.7	368.5	4
Sports Illustrated (52X) A. C.	245.8	243.8	1,806.7	2,0
Time (52X) A. C.	225.1	216.6	1,794.0	1,8
TV Guide (52X) A. C.	446.6	459.0	2,186.8	2,4
US Magazine (26X) C.	56.2	54.8	506.9	5
U.S. News & World Report (50X) A. C.	162.4	137.0	1,324.7	1,3
Total Group	**3,547.1**	**3,351.6**	**25,141.7**	**26,3**
% change	**5.8%**		**-4.4%**	

NOTES: Linage is given in paid ad pages. (X) represents number of times published each year; publications are mo unless otherwise specified. A. Sectional linage included prorated to circulation of regional editions. B. Incomplete repor included in group total and % change. C. Figures supplie Publishers Information Bureau. All other figures are supplied b magazines. *Ad Age* makes no attempt to verify figures and is responsible for inconsistencies or errors. Magazines failing to close linage 3 times are removed from listing. Compiled by K Welyki.

Boycott of Nike ignored

By Scott Hume

GALLUP SURVEY

Most consumers say they won't heed Operation PUSH's call to boycott Nike athletic products, a national survey conducted for *Advertising Age* showed.

Of the 1,050 adults surveyed last month by the Gallup Organization, 31% said they were aware of the boycott call. One-fifth said they plan to buy fewer Nike products than they did before; 64% said they will buy about the same amount.

But 39% agreed with the principle that a company that sells its products to minorities has an obligation to return some of its profits to minority communities.

PUSH, the Chicago-based activist group founded by the Rev. Jesse Jackson, in August criticized Nike for its failure to deposit money in black-owned banks, the absence of blacks on its board and the decision not to use a black-owned ad agency despite Nike's claim that up to one-third of its sales come from black consumers.

Wieden & Kennedy, Portland, Ore., is Nike's agency. Its ads have featured black athletes and filmmaker Spike Lee.

Nike responded that three-quarters of the $10 million it spent last year on philanthropic causes was directed to inner city neighborhoods. Further, it charged that PUSH had targeted Nike after rival Reebok International bought a page ad in *PUSH* magazine.

The organization said it gets no revenues from the magazine and, angered by Nike's request to audit PUSH's finances and membership lists, called for a Nike boycott.

Awareness of the dispute was notably higher among men (40% of whom said they had heard of the controversy) than among women (24%). Awareness also was higher among non-whites (37%) than among whites (30%).

Overall, 39% said they agreed with PUSH's claim that companies that sell to minorities have an obligation to invest profits in minority communities.

Women were more likely to agree (42%) with that statement than were men (35%), and two-thirds (65%) of non-white respondents agreed, compared with one-third (35%) of whites.

Nearly half (49%) the respondents ages 18 to 34 agreed, while 34% of those 35 to 54 and 30% of those 55 and older agreed.

The random telephone survey has a margin of error of plus or minus 3.1%. □

Social responsibility

Last month, 1,050 adults were asked "Does a company that sells its products to minorities have an obligation to return some of its profits to minority communities, or not?"

Source: Gallup Organization

JOHN HEILAND

Pepsi-Coke ad recall battle goes flat

By Kate Fitzgerald

Pepsi-Cola fizzled from first to 10th last month in advertising recall.

The soft-drink brand had been No. 1 in *Advertising Age's* monthly adWatch survey of advertising awareness for July and August.

The tumble came at the end of the aggressive summer cola marketing season and capped nine months of Pepsi and Coca-Cola dueling for the top spot in the survey.

Coca-Cola's awareness remained high (the No. 2 spot last month) while Pepsi's dipped, possibly because a new fall campaign for Diet Coke broke early last month and drove up overall brand awareness. That campaign, which broke Sept. 9, features National Football League players.

Pepsi-Cola execs had no comment on its decline in ad awareness.

McDonald's Corp. finished on top in the survey for the first time since February 1989. The fast-food chain's current "Food, folks and fun" campaign includes TV spots announcing McDonald's switch to vegetable oil frying for its french fries and commercials promoting a children's meal tie-in with Nintendo.

McDonald's "McMillions" promotion with NBC didn't start until after the September survey was completed.

Automobile advertising awareness remained high, climbing to third from eighth.

Nike fell two notches to fourth, due to its continuing offbeat TV campaign and back-to-school ad efforts.

Ford dropped a spot to fifth, and there was a three-way tie for sixth among Anheuser-Busch's Budweiser, Chevrolet and Toyota.

Miller Brewing Co.'s Miller and Miller Lite placed ninth, the brands' first appearance in the top 10 since June.

Purina Puppy Chow was back among the top five **pet food** advertisers in aided awareness, getting 2.7% of first mentions. Alpo led the category with a 12% share, followed by Ralston Purina Co.'s Purina with 10.7%; Carnation Co.'s Friskies with 4.7%; and Quaker Oats Co.'s Kibbles 'n Bits with 3.2%.

The Wine Group's Mogen David made a rare appearance in the **wine** category, finishing fifth with 1.1% of first mentions. Gallo led with 17%, followed by E&J Gallo Winery's Bartles & Jaymes with 10%; Banfi Vintners' Riunite with 3.6%; and Seagram's wine coolers with 2.6%.

Big O Tires finished fifth in the **tire** category with a 1.2% share, the company's first appearance in the category's top five in aided recall since October 1988. Goodyear led with 26.7%, followed by Michelin, 24.7%; Firestone, 5.9%; and BF Goodrich, 3.7%.

Adwatch is a joint project of *Ad Age* and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,000 adults were polled by phone. The survey's margin of error is plus or minus 3.1%. □

For more information, contact the Gallup Organization, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness
Top 10 for September

In September, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind?

Rank 9/90	Rank 8/90	Advertiser	Agency
1	9*	McDonald's	Leo Burnett USA
2	3	Coke/Coca-Cola	McCann-Erickson Worldwide/-Lintas:New York
3	8	Automobiles	Various
4	2	Nike	Wieden & Kennedy
5	4	Ford	J. Walter Thompson USA
6*	5*	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/-DDB Needham Worldwide
6*	5*	Chevrolet	Lintas:Campbell-Ewald
6*	9*	Toyota	Saatchi & Saatchi DFS/Pacific
9	—	Miller/Miller Lite	Backer Spielvogel Bates/-Leo Burnett USA
10	1	Pepsi	BBDO Worldwide

*Indicates tie. Source: Gallup Organization, Lincoln, Neb.

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